INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

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INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

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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

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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.

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- 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

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

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ECONOMIC IMPACT OF TOURISM, WELFARE MATERIAL, PERSONAL BENEFITS, AND LIFE SATISFACTION OF LOCAL RESIDENTS

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ABSTRACT

Tourism development in many countries, especially in third world countries, biside to generating foreign exchange, also always produce negative impact on the economics of the local population. This study aims to determine the effect of the economic impact of tourism on the life satisfaction of local residents in the district of Ubud Gianyar regency of Bali Province.This research is a quantitative approach based on the principle of causality positivism. Variables in this study are the economic impact of tourism, life satisfaction, material well-being and personal benefits. The sample size of 120, the targets of the research are both locals working in the tourism sector and outside the tourism sector. The analysis is done with PLS program. The finding in this study is that the economic impact of tourism on the life satisfaction of local communities is positive and singnificant. The results provide information that indirectly influence of the economic impact of tourism on local people's life satisfaction is significant. This means that the material well-being and personal benefits mediate the association of the economic impact of tourism on local people's life satisfaction. Based on the description of respondents' perceptions of research variables, and analysis of the research models, it can be recommended that human resource empowerment of local people in tourism development is needed to improve the quality of life. SME entrepreneurship development programs and job training, especially for young workers is very recommended.

KEYWORDS
infact of tourism economics, material well-being, personal benefits and life satisfaction.

INTRODUCTION

Tourism is believed in addition to generate foreign exchange in economic impact, it can also lead to social, cultural and environmental impacts. Social and cultural impacts of tourism activities currently getting attention because it is associated with elements of the local population, although social and cultural issues are not easily diselusuri compared with economic problems. Tourism development can lead to a lot of the consequence of social, such as encroachment and land speculation (Williams, 2002), the price escalation and social differentiation or social inequalities (Stonich, 1995). This situation could affect the economies of local residents either directly or indirectly, and can further affect the quality of life of the population.

One of the pillars of sustainable tourism development is the economic development of the local population in line with the development of the tourism economy. Tourism development in many countries, especially in third world countries, always produce negative impact on the economics of the local population, as an economic leakage. Economic locals in the area of tourism destinations to be very affected by the power demand of tourists, so the prices of goods and services are determined by purchasing power rating and can not be accessed by the local community.

Bali Regional tourism development is based on the cultural and religious values mean endangerment Hindu. The weakening of Bali cultural means endangers tourism sustainability, because the aim of most tourists visiting Bali is most of them want to see up close the customs and culture of Bali's unique. Tourism can be sustainable if tourism can improve the welfare of material, the personal benefit and satisfaction local residents. Life satisfaction is the dependent variable, is a subjective assessment tehadap impact of tourism activities. Satisfaction life is a manifestation of the quality of life of local residents. Ko and Stewart (2002) found that satisfaction with local communities directly affected by the perception of tourism and can be used as a basis for planning the development of tourism.

Tourism is interdesiplin science and consists of a variety of industries, play a role in sustainable economic growth, so that the planning function is very important for the development of sustainable tourism. Errors in planning will lead to more negative impacts than positive impacts, such as environmental damage, erosion of local culture due to the culture brought by tourists, local community economy and declining social impacts such as the rise of crime so security is interrupted (Kim, 2002). Thus the development of tourism must go through the planning with a careful assessment of the sources of existing and attractive potential (Formica, 2000; Gunn, 1994; Inskeep, 1994). Sources who was instrumental in the development of tourism is the local culture, including local residents as actors in the culture.

Several studies on the impact of tourism, shows that tourism has raised costs and benefits. Tourism plans are generally more focused on the aspects of marketing, where planning was only considering the needs of travelers, but on the other hand is less to think about the needs and welfare resources, including local residents. Tourism planning must apply a holistic approach including the problem of the quality of life of local residents, due to the impact of tourism (Kim, 2002). Thus the quality of life of residents in tourism destinations should be a serious concern for the leadership of the public or stakeholders in tourism development. Local residents are the main stakeholders in the development of tourism destinations (Hanafi et. al., 2013), and their perception is very important in evaluating the current situation of the destination (Cottrell and Vaske, 2006).

Research on local attitudes towards tourism development becomes a topic of interest to researchers, because there is a belief that local people will support the development of tourism in the area if they have a positive impact on tourism (Pavlic, et. al., 2015). Study the influence of the impact of various aspects of the tourism visits to the satisfaction of the local community has ever done. Pizam (1978) and Rotham (1978) has conducted research to look at the negative impacts of tourism, as tourism pemgembangan base to provide the satisfaction of both the local population and to traveler.

This study will look at not only the economic impact on life satisfaction of local residents, but also investigate how the impact of tourism on the personal benefit of the local population are qualitatively from the development of tourism. The higher the personal benefits qualitatively received by the local population, the higher the suportnya the development of tourism, where the quality of life of local communities as antecedents of tourism development (Pavlic, et. al., 2015).

Quality of life is a manifestation of life satisfaction of local residents, and the antecedents of the quality of life in the economic aspects are material well being (Kim, 2002). Crotts and Holland (1993) concluded that the positive effect of tourism is on the quality of life of the rural population, like income, health, recreation, personal services and sales per capita, and negatively affect the level of poverty. Ko and Stewart (2002), in his research found the satisfaction of the local communities directly affected by the result of the perception of tourism. Pavlic, et al., 2015 in his research in the field of tourism found that personal mafaat significant effect on the quality of life of local residents. Perdue, Long and Allen, et. al. (1988), examined the relationship between the perception of the population and results of tourism and support of the development of tourism, the findings are residents enjoy personal benefits from tourism development, so that they support the policy of tourism development.

Understanding of the perceptions of local residents thanks to tourism activities is very isensial in tourism development in the future. Perceptions of personal benefit, material well being and quality of life is a major component in planning sustainable tourism development.

The above description of the background can be explained that the sustainability of tourism, one of which can be caused due to the economic sustainability of the local population. Local residents are interested parties of a major tourism destination. life satisfaction as a manifestation of the quality of life should be a component of tourism planning, (Kim, 2002; Pavlic, et. al., 2015). Local resident life satisfaction will be achieved if there is material prosperity derived from tourism activities (Kim, 2002). Pavlic, et. al. (2015), in his research found life satisfaction of local residents affected by the personal benefit derived from tourism.

The research problem to be studied is about the influence of the economic impact of tourism on material wealth, personal benefits, and life satisfaction of local residents. Studies conducted on the District Tourism Destinations Ubud Gianyar regency of Bali Province. District of Ubud chosen as the study area as Ubud is one of Bali's tourism indicators, which carries the pattern of rural tourism and popular culture.

REVIEW OF LITERATURE
TOURISM AND QUALITY OF LIFE
Sustainable tourism development is to achieve a balance maanfaat received between tourists and the community or a tourist destination in itself. The purpose is in line with the limits of sustainable tourism development of the WTO (Roberto and Perez, 2001) as follows; Sustainable tourism development meets the needs of present tourist and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems.

Based on the definition above, the development of sustainable tourism set three conditions, namely: environmental resources must be protected; Local communities should benefit, both economically and benefits in improving quality of life; and tourists should get a quality experience.

According to McKercher (2003), the development of sustainable tourism can be identified as having four pillars: (1) sustainable economic ie economic effort to generate profits now and in the future, (2) the ecology of sustainable development in harmony with the essence of ecological processes, (3) a culture of sustainable development to improve the quality of life, in harmony with its impact on the culture and values as well as maintaining self-identity society and (4) sustainable community that development is designed to provide economic benefits to local communities and increasing their income. The four pillars of sustainable development of tourism industry indicates an attempt to hold the balance between the economic value obtained the tourism industry and the benefits obtained by the local population, the preservation of the environment and the maintenance of social and cultural values of local communities.

There is still much to understand about the effect of the impact of tourism on the local population in a society (Kim, 2002). Tourism planning should focus on quality of life Local residents (O'Brien and Ayidiya, 1991). Likewise, the personal benefit is an element of tourism planning. Personal benefit as an element of tourism planning for the fact that the more benefits received by residents of the greater support for the development of tourism (Pavlic, et al., 2015). Associated with research on the quality of life of local residents, there is a premise that says that the quality of life of local communities will be improved if the capacity of tourism destinations still available.

The capacity of the capacity of the economy is a part of the capacity of the overall capacity. The capacity of the capacity of the economy as described by Mathieson and Wall (1982), is the ability to absorb tourists without pressing activities of local residents. The capacity of the capacity of the economy consists of two dimensions, namely physical and psychological. Physical dimension is the limit of the area that can accommodate travelers, or limit physical damage to the environment caused by tourism. Dimensions psychology is the psychological capacity would be superfluous if the rating is no longer interested in a destination, due to negative perceptions of a destination because of the environmental damage or overcrowded a area.

Once capacity is reached maximum capacity then it started to happen inconvenience for local residents due to the impact of tourism. Discomfort will build a negative perception of the local population on the impact of tourism. Negative perceptions are slowly will affect the feeling of the material welfare and emotional well being. Material and emotional welfare kesjahteraan further affects life satisfaction generally.

ECONOMIC IMPACT TOURISM
Tourism is an industry that is loaded with the resulting impact both the impact of environmental, social, cultural and ekonmi. Tourism phenomenon phenomenon deserves serious attention and included in the planning component, for decision-making. Various research on the impact of tourism, has been done by (Belisle and Hoy, 1980; Liu, Sheldon, and Var, 1987; Liu and Var, 1986; Perdue, Long, and Allen, 1987; Ross, 1992; Sheldon and Var, 1984). These studies generally acknowledged that tourism has a positive impact. But on the other hand, tourism also generates a negative impact on the social, environmental, such as congestion, crime, security issues and pollution.

According to the Inter-organization committers (1994) is generally based on consensus, that the impact of tourism there are five (5), namely the social, cultural, demographic, economic, social and psychological, as well as political impact. In this study, will be focused on the impact of economics, the quality of life of local residents in the district of Ubud Gianyar regency. Ubud destinations chosen as a research target for District of Ubud, is as one indicator of tourism in Bali, in addition to Nusa Dua, Kuta, Sanur and Lovina.

Tourism is a sector that creates jobs, generate foreign exchange, generate income on investment for economic growth, the development of technology, and improve living standards. The main benefits of tourism development, is the resulting economic benefits from tourism activities. The results of research on the impact of tourism has always produced findings that residents want the economic benefits from tourism activities (Ritchie, 1988).

Research on the economic impact of tourism, seen from the creation of employment opportunities has been done by Sheldon and Var (1984), which found that job creation is one of the four questions with the highest frequency is because of tourism benefits. Tosun (2002), in a comparative study also found that residents of Urgup, Turkey; Nadi, Fiji; and the Florida Center perceives that the job opportunities are the positive impacts of tourism. Associated with revenues from tourism in general only partially accepted by the local residents. Peppelenbosch and Templeman (1989) showed that the net income of tourism are in the range between 25% to 90%, of total revenue, depending on the level of interest rates in the tourism business.

In general, the results showed that the positive perception of the population towards tourism tourism chewed improve the economic conditions (Allen et al., 1988; Bradley et al., 1989; Ritchie, 1988), improving the standard of living (Belisle and Holy, 1980); increase investment (Liu et al., 1987) and increase business activity (Prentice, 1993).

The negative impact of the tourism economy could certainly happen. The negative impact of the tourism economy is caused by rising prices of goods and services have been experienced by local residents in the research carried out by, Tosun (2002); Weaver and Lawton (2001). Tourism is also an impact on land prices very quickly. All the results of these studies can ultimately increase the cost of living.

WELFARE MATERIAL
Material well-being has been interpreted in various ways such as something that represents optimism in life including getting satisfaction, positive emotions, friendship and achieve goals. Another understanding of well-being is when an individual can contribute to the community.

In the concept of marketing the tourism sector, aimed at creating a balance between the sustainability of resources, needs and desires of stakeholders. Related to this marketing concept in tourism also emphasized in addition to satisfying the needs and desires of consumers also provide welfare to the community. Aref (2011) satisfaction with the material well-being can be measured by the cost of living, income and employment. In a model study, Aref (2011), illustrates that the welfare materially affect the quality of life.

QUALITY OF LIFE

Tourism should impact on quality of life where the population is growing tourism (Puczko and Smith, 2001). Tourism is the source of changes to the socio-economic conditions of society. The results of research indicates that tourism has an impact on quality of life (Cohen, 1978). Aref (2011) found in a study on the community in the area of tourism, most people strongly agree that tourism affects their quality of life. The concept of quality of life implicit in some of the academic literature on the impact of tourism.

Research in the field of tourism also managed to explore about the contribution of tourism-related aspects of the quality of life of residents of the destination (Moscardo, 2009). Further it was found that tourism can improve the quality of life through various forms such as: rest, relaxation, recreation, add insight, feel the beauty, aesthetic sense. Indicators of quality of life has been modified from an objective approach to the subjective approach. Pendeatan subjectively derived from the human rights, welfare, education. In this study, the measurement of the quality of life that direflesikan by satisfaction with elements of welfare. This approach is also used by Kim (2002) in measuring the quality of life of local communities in tourism research.

BENEFITS OF PERSONAL

Research on the benefits of the personal impact of tourism has been carried out in China by Guo, et. al. (2013). In analyzing the impact of tourism on the individual benefits the local population, based on the theory of exchange developed by George Homans in 1960. Social Exchange Theory is basically rational behavior of individuals, whether for a reward or avoid punishment.

Guo, et. al. (2013) found that there is a significant relationship between the perception of personal benefit to the impact of tourism in China. Personal benefits associated with resource benefits, environmental protection, participation in decision-making in tourism.

HYPOTHESES

Based on the literature review with reference to the existing concepts and theories and empirical studies of the results of previous studies, it can be formulated as follows:

H_1: The economic impact of tourism significantly influence the life satisfaction of local residents in Ubud District, Gianyar Regency, Bali Province.

H_2: The economic impact of tourism significantly influence the material welfare of the local population in Ubud District, Gianyar Regency, Bali Province.

H_3: The economic impact of tourism significantly influence the personal benefit of the local population in Ubud District, Gianyar Regency, Bali Province.

H_4: Welfare material significant effect on life satisfaction of local residents in Ubud District, Gianyar Regency, Bali Province.

H_5: The Benefits of personal locals significant effect on life satisfaction of local residents in Ubud District, Gianyar Regency, Bali Province.

H_6: Variable material prosperity and personal benefit variables mediate the association the economic impact of tourism on local people's life satisfaction in Ubud District, Gianyar Regency, Bali Province.

FIGURE 1: RESEARCH MODEL
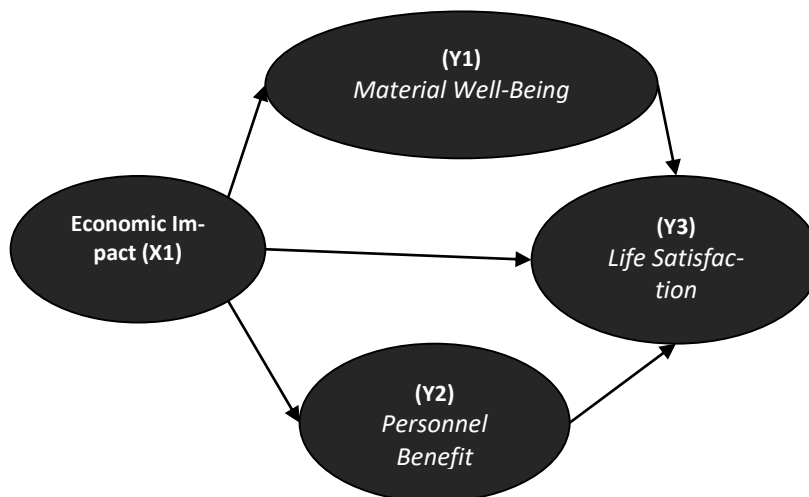
RESEARCH METHODOLOGY

This research is a quantitative approach based on the principle of causality that positivism, the test data and theory through hypothesis testing. This study examines the Influence of Tourism Economic Impact of Material Welfare, Benefits Personal and Life Satisfaction of Local Residents, Study on Tourism Destination District of Ubud Gianyar District Province Bali.

The population in this study were either locals District of Ubud, who works as a direct tourism workers, local residents who work indirectly related to tourism, as well as local residents who work not related to tourism. The sample size in this study was 120 respondents. The sampling technique in this study based on purposive sampling.

This research is perceptual, netting perception data using questionnaires, the data obtained in the form of primary data with ordinal scale. So that data can be processed by parametric statistical methods, the approach pursued through degradation Likert scale with a score of 7 strongly agree on the assessment of the highest to strongly disagree with the lowest ratings. The analysis tool used is SEM PLS approach, using an application Smart-PLS version 3.

RESULTS AND DISCUSSION

OUTER EVALUATION MODEL

TEST CONVERGENT VALIDITY

The first step in testing the feasibility of this model is to examine the relationship with the indicator variables. In this study, the latent variables associated with the indicator in the reflective dimension. To test the reliability of the model, preceded by the outer test models to determine the strength indicator reflects konstruknya, convergent validity through tests. The results of the analysis output shows convergent validity (see Figure 2), there is one item that has a value 1.5 times factor loading < 0.70. This item is subsequently eliminated because they do not meet the criteria covergent validity, then performed a second treatment (see Figure 3).

FIGURE 2: TEST CONVERGENT VALIDITY FIRST

FIGURE 3: CONVERGENT VALIDITY SECOND TEST
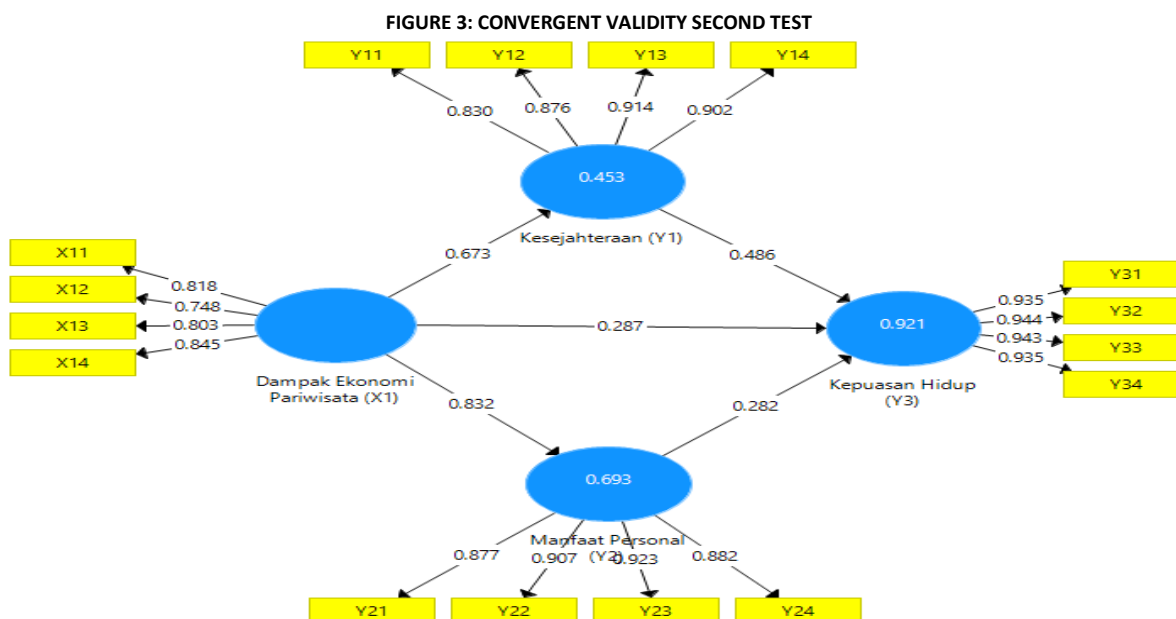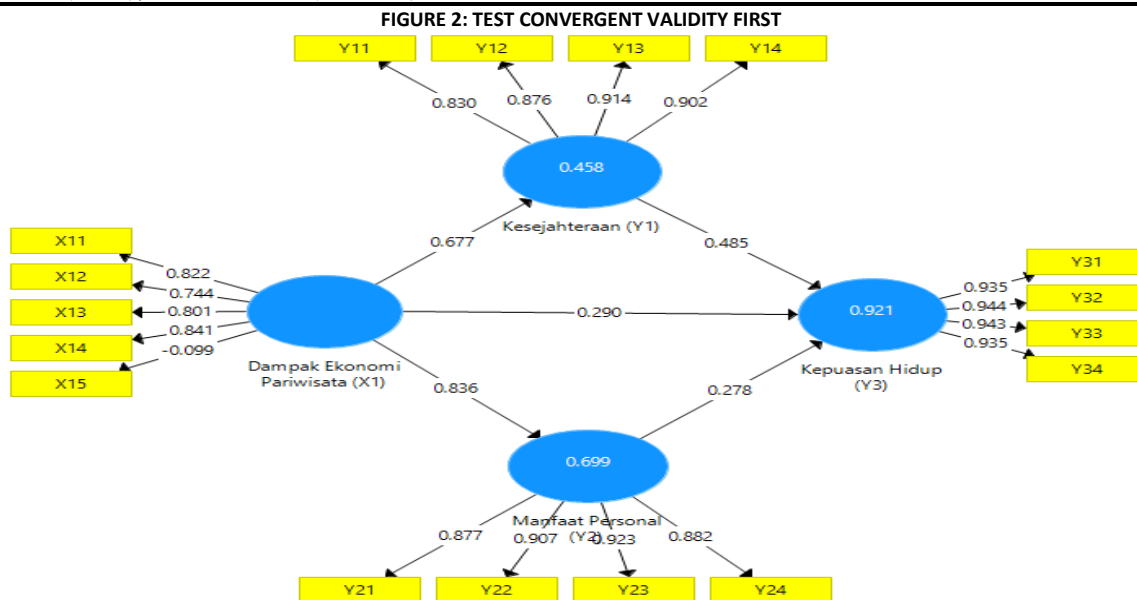
The results of the analysis of the second treatment (see Figure 3) shows the entire value of the loading factor > 0.70, means that all indicators that make up the construct in this study can be considered valid covergent that meet the criteria of validity (Hair et. al., 2006).

UNIDIMENSIONALITY TEST MODELS

To assure reliability of the model then tested unidimensionalitas models. The results of the analysis of reliability and construct validity through Composite test and Cronbach alpha reliability are shown in Table 1. Table 1 shows that the Composite reliability coefficient and Cronbach alpha, each construct above the baseline criteria by Chin (1998) is > 0.60 and > 0.70. Therefore it is not found to the problems of reliability and validity construct/unidimensionality on the model established.

TABLE 1: COMPOSITE RELIABILITY COEFFICIENT AND *CRONBACH'S ALPHA*

Variable	Composite Reliability	Cronbach's Alpha
Welfare Material (Y1)	0.904	0.933
Personal benefits (Y2)	0.919	0.943
Life Satisfaction (Y3)	0.956	0.968
Chin Criteria (1998)	> 0.60	> 0.70

INNER EVALUATION MODEL

R-SQUARE (R^2)

R-Square (R^2) shows the strength of the effect caused by variations in exogenous variables on endogenous variables. Rated R-Square (R^2) greater than 0.50 categorized powerful model, except coefficients R-Square (R^2) variable Y1 be moderate approach 0.50. Rated R-Square (R^2) each of the endogenous variables are presented in Table 2.

TABLE 2: R-SQUARE (R^2)

Variable	The coefficient (R^2)	Chin Criteria
Welfare Material (Y1)	0.453	Moderate
Personal benefits (Y2)	0.693	Strong
Life Satisfaction (Y3)	0.921	Strong

Q-SQUARE (PREDICTIVE RELEVANCE)

To strengthen the inner evaluation model based on R-Square (R^2) then continued with the evaluation of Q-Square (Predictive Relevance) measures how well the observed values generated models and parameter estimation. Q-Square value > 0 indicates the model has predictive relevance good. Conversely, when the Q-Square < 0 indicates the model has predictive relevance unfavorable. Q-Square (Predictive Relevance) can be calculated as follows:

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$Q^2 = 1- (1-R 2 1) (1-R 2 2) (1-R 2 3)$

$Q^2 = 1- (1- 0.453) (1- 0.693) (1- 0.921)$

$Q^2 = 1- (1- 0,205) (1- 0.480) (1- 0.848)$.

$Q^2 = 1 - (0,795) (0.52) (0,152) = 1- 0,063 = 0.94$ or 94%

The result of the calculation of Q-Square (Predictive Relevance) yields a value of 94%, which means that the model has a very good observation value.

STATISTICAL TEST VARIABLES RELATIONS (PATH)

Table 3 shows that the whole relationship between the variables analyzed in this study are significant at α = 0.05, with a value of t-statistic greater than t-test (1.96).

TABLE 3: PATH COEFFICIENTS (MEAN, STDEV, T-VALUES, P-VALUES)

Information	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (O/STDEV)	P-Values
Economic Impact (X1) → Welfare Material (Y1)	0.673	0.675	0.047	14.244	0.000
Economic Impact (X1) → Personal Benefits (Y2)	0.832	0.833	0.035	23.851	0.000
Economic Impact (X1) → Life Satisfaction (Y3)	0.287	0.286	0.058	4.937	0.000
Welfare Material (Y1) → Life Satisfaction (Y3)	0.486	0.484	0.047	10.438	0.000
Personal benefits (Y2) → Life Satisfaction (Y3)	0.282	0.283	0.067	4.175	0.004

INDIRECT EFFECT

This analysis aims to determine the significance of indirect relationships between variables Economic Impact of Tourism on Life Satisfaction through Material Welfare and Benefits Personal.

TABLE 4: INDIRECT EFFECTS (MEAN, STDEV, T-VALUE, P-VALUE)

Variable	Original Sample	sample Mean	STDV	T-Value	P-Value
Y1 X1-					
X1-Y2					
X1-Y3	0.562	0.563	0.050	11.347	0.000
Y1-Y3					
Y2-Y3					

Table 4 shows that the indirect relationship between Welfare Material on Life Satisfaction is very significant with P Value 0.000.

HYPOTHESIS TESTING

Based on the analysis of the relationship between the variables in Table 3, the following ditampilakan statistical analysis of hypothesis testing as beriku:

1. The economic impact of tourism significantly influence the life satisfaction of local residents in Ubud District, Gianyar Regency, Bali Province (H₁). The analysis showed support for H1 (p = 0.000 > 0.05; β = 0.287), confirming that the economic impact of tourism in a positive and significant effect to life satisfaction of local residents.
2. The economic impact of tourism significantly influence the material welfare of the local population in Ubud District, Gianyar Regency, Bali Province (H₂). Tests on H2 (p = 0.000 > 0.05; β = 0.673) prove the positive influence and significant correlation between the economic impact of tourism to material welfare of local population.
3. The economic impact of tourism significantly influence the personal benefit of the local population in Ubud District, Gianyar Regency, Bali Province (H₃). Testing of H3 (p = 0.000 > 0.05; β = 0.832) showed that the economic impact of tourism in a positive and significant impact to personal benefits of local residents.
4. Material welfare significant effect on life satisfaction of local residents in Ubud District, Gianyar Regency, Bali Province (H₄). Testing of H₄ (p = 0.000 > 0.05; β = 0.486) showed a positive and significant impact material welfare to life satisfaction of local residents.
5. The personal benefit of local residents significantly influence the life satisfaction of local residents in Ubud District, Gianyar Regency, Bali Province (H₅). Tests against H₅ (p = 0.004 > 0.05; β = 0,282) showed that the benefits of personal support has positive relationships and significant impact to life satisfaction of local residents.
6. Variable material prosperity and personal benefit variable mediate the association the economic impact of tourism on local people's life satisfaction in Ubud District, Gianyar Regency, Bali Province (H₆). Table 4 indicates that the indirect relationship between Tourism Economic Impact to Life Satisfaction is very significant with P-Value > 0.05.

FINDINGS AND CONCLUSIONS

Based on the test results, hypothesis turns all accepted hypothesis, which suggests that the theory developed in the model has been confirmed by research data. The results of the study provide information that the economic impact of tourism has an effect on life satisfaction is reflection of the quality of life of local residents. The higher the income from the tourism sector will have an impact on the higher quality life of local residents. The economic impact of tourism is also a good effect on the welfare of the material and personal benefits.

Welfare material and personal benefits have influence on life satisfaction of local residents. The results also provide information that does not directly influence the economic impact of tourism on life satisfaction was significant. This means that material prosperity and personal benefits mediate the association variable economic impact of tourism on local people's life satisfaction.

Overall this study provides information that in the development of sustainable tourism attention to elements related to the quality of life of local communities need need to be considered in tourism planning. The higher the positive economic impact of tourism is felt, the higher the satisfaction or quality of life of local residents. The higher the quality of life of local communities, the higher they are partly responsible participation in tourism development.

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START-UP INDIA STAND-UP INDIA CAMPAIGN: SCOPE FOR WOMEN ENTREPRENEURSHIP DEVELOPMENT IN THE INDIAN MSME LANDSCAPE

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ABSTRACT

Entrepreneurship development has been taken up as the key factor for achievement of inclusive growth and all round development in India. Due emphasis has been given on introduction and adoption of various policy initiatives by the Indian government in the Micro Small and Medium Enterprises (MSMEs) sector. The sector's contribution to the entire Indian economy is very valuable due to its contribution towards GDP and employment generation. One aspect of the sector is also taking a front role over the period, and that is women enterprises. Off late various schemes and campaigns have been launched to increase the share of women entrepreneurs in the total contribution of the MSME sector. This part of the sector becomes even more important keeping in mind that women are the integral part of holistic development of a society and the economy. The paper seeks to analyze the scope for the development of women entrepreneurship as seen through the introduction of a much applauded campaign of Start-Up India Stand-Up India, against the backdrop of the current scenario of women entrepreneurship in the country.

KEYWORDS

empowerment, entrepreneurs, growth, MSME, women entrepreneurship.

INTRODUCTION

Year 2015 has been a year of a number of revolutionary initiatives and developmental campaigns announced by the Government of India. One of such promising campaign is the "Start-Up India- Stand-Up India" campaign launched by the Prime Minister of India, Mr. Narendra Modi.

Entrepreneurship development has been at the forefront of governmental agenda since long, against the backdrop of the World Bank's "Ease of Doing Business Report", wherein India ranked at 130th position, much behind its BRICS counterparts, namely Russia (51st rank), South Africa (73rd rank), China (84th rank), and Brazil (116th rank). On the other hand, the country's performance on the Global Entrepreneurship and Development Index has also not been satisfactory; with India ranking at 98th position, against South Africa at 52nd rank, China at 60th rank, Russia at 68th rank, and Brazil at 92nd position.

When talking about entrepreneurship activities in India, Micro Small and Medium Enterprises (MSMEs) are the front runners in the arena. They contribute about 7 per cent of India's GDP, approximately 38 percent of the manufacturing output and 40 per cent of the exports. They are the largest employment generators in the economy, after agriculture sector. They are widely dispersed throughout the country, offering a wide range of products and services to various segments of the market. These enterprises are regarded as growth engines of the economy due to their wide geographic spread, diverse product range and potential for innovation and employment generation. However, these enterprises suffer from various bottlenecks. Among the various challenges that the MSME sector faces, access to finance and the lack of robust linkages remain the most critical. The institutional finance gap for the sector is high, with most enterprises struggling to access funds when they need it. The government has been encouraging Small Industries Development Bank of India (SIDBI) and other financial institutions to make easy credit available to the MSME sector. However, more needs to be done to help businesses get funds for increasing capacity and expanding across geographies. (Grant Thornton, 2013). Apart from financial constraints, these units are also affected by marketing bottlenecks, obsolete technology, scarcity of skilled professionals and inadequate infrastructure.

OBJECTIVES/AIMS OF THE STUDY

The aims of the study are as per following:
1.   Highlight the role played by Micro Small and Medium Enterprises (MSMEs) in the overall development of the nation like India
2.   Study the present status of women entrepreneurship in the country and highlight the major problems faced by such entrepreneurs
3.   Highlight the various initiatives taken by the government to promote women entrepreneurship in the country
4.   Evaluate the scope for women entrepreneurship development through the newly launched 'Start-up India' campaign

RESEARCH METHODOLOGY

The study entailed an analysis of published data from the Ministry of Micro, Small and Medium Enterprises (MSMEs) through its various annual reports and census reports, specifically to gather information on the current status of MSMEs in the country as well as the status of women entrepreneurship in the country. The research also involved the study of various published data sources in order to study the socio-economic standing and position of female entrepreneurs in the country. It also involves an analysis of various policies adopted by Indian government with respect to female entrepreneurship development. The special impetus has been made on the various aspects of 'Stand Up India-Start Up India' Campaign launched by the Government of India to find out the scope and applicability of the campaign for development of women entrepreneurship in India.

RESULTS AND DISCUSSIONS

ROLE OF MSMEs IN INDIA'S GROWTH PATH

The micro, small and medium enterprises have been defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, in terms of their investment in Plant and Machinery, as under:

FOR THE MANUFACTURING SECTOR

TABLE 1

Enterprises	Investment in Plant & Machinery
Micro Enterprises	Does not exceed Rs. 25 lakh
Small Enterprises	More than Rs. 25 lakh but does not exceed Rs. 5 crore
Medium Enterprises	More than Rs. 5 crore but does not exceed Rs. 10 crore
For the Service Sector	
Enterprises	Investment in Equipment's
Micro Enterprises	Does not exceed Rs. 10 lakh
Small Enterprises	More than Rs. 10 lakh but does not exceed Rs. 2 crore
Medium Enterprises	More than Rs. 2 crore but does not exceed Rs. 5 crore

The role played by the MSME sector in the overall development and growth of the country is clearly depicted through its enormous employment potential coupled with its growth prospects.

As depicted in Fig. 1., in 2014-15, the total number of MSMEs in India increased by 5.11 percent to reach 117.13 million, against 111.43 million in 2013-14. During the same period, the sector provided employment to 51.06 million people in the country, against 48.85 million in 2013-14, registering a growth of 5.63 percent. The decadal growth path of the MSME sector has been tremendous, registering a compound annual growth of 15.72 percent during the period 2004-05 to 2014-15. The sector's employment potential has also grown remarkably at a CAGR of 15.28 percent during the decade.

FIG. 1: NUMBER OF MSMEs AND EMPLOYMENT GENERATION (values in million)
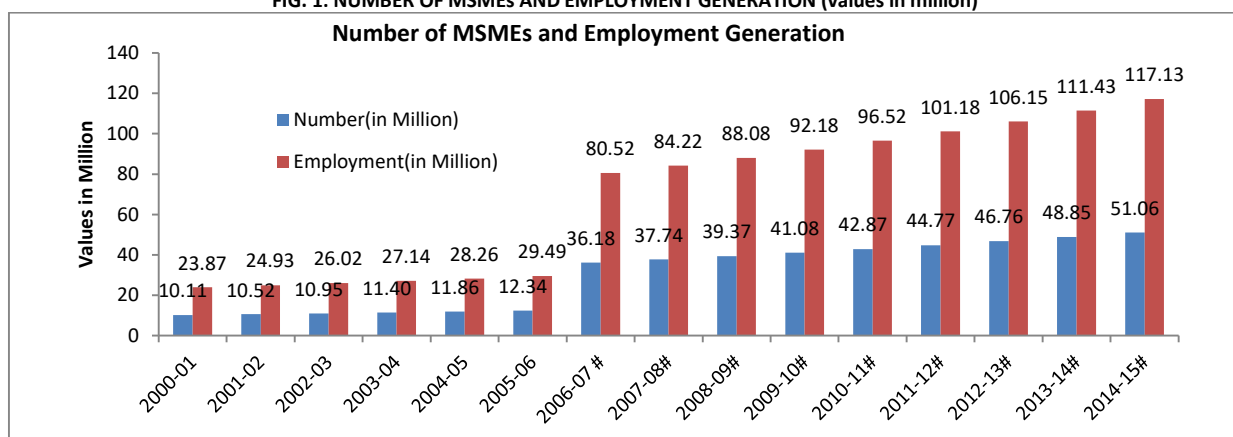
Source: MSME Annual Report 2015-16

Note: # projected data

The sector has grown not only in terms of number of units, but has also registered a staggering increase of 69.47 percent in the market value of fixed investments, which increased from INR 868,543.8 crore in 2006-07 to INR 1,471,912.9 crore in 2014-15.

FIG. 2: MSMEs MARKET VALUE OF FIXED INVESTMENTS, 2006-2015
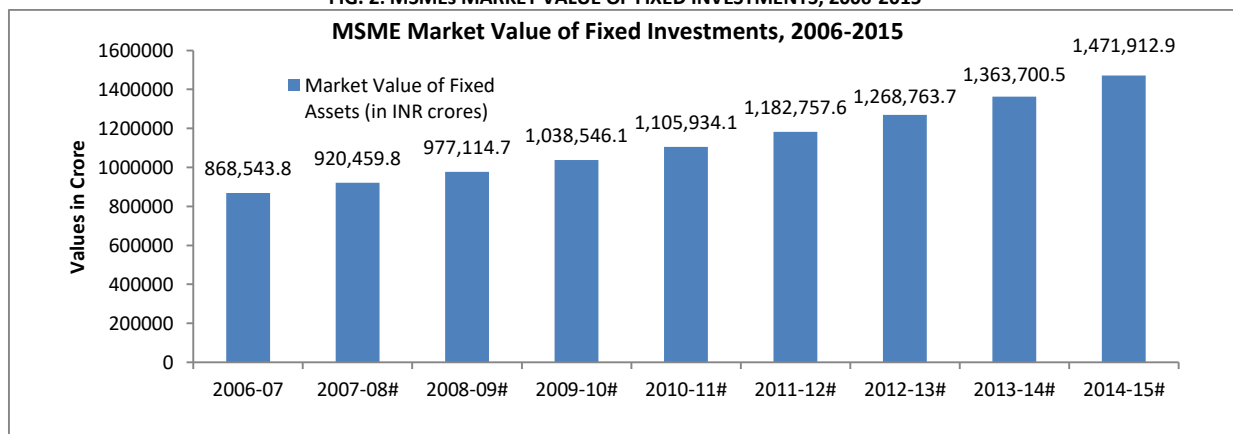
Source: MSME Annual Report 2015-16

Note: # projected data

As per the data compiled by the 4th All India Census of MSME in India and presented in Table 2 given below, the overall sector's contribution to the country's GDP increased from 35.13 percent in 2006-07 to 37.33 percent in 2012-13. The sector's major contribution towards the country's GDP flows majorly from the service sector, which contributed 37.54 percent towards India's GDP in 2012-13. Contribution of the manufacturing sector stood at 7.04percent during the same period. However, the manufacturing sector MSME contribution to the country's overall manufacturing output has registered a decreasing trend since 2006-07 to 2012-13. During the period, its contribution decreased by around 460 basis points from 42.02 percent to 37.33 percent.

Year	Gross value of output of MSME manufacturing sector	Share of MSME sector in total GDP (%)			Share of MSME manufacturing output in total manufacturing output (%)
		Manufacturing sector MSME	Service sector MSME	Total	
2006-07	1198818	7.73	27.40	35.13	42.02
2007-08	1322777	7.81	27.60	35.41	41.98
2008-09	1375589	7.52	28.60	36.12	40.79
2009-10	1488352	7.45	28.60	36.05	39.63
2010-11	1653622	7.39	29.30	36.69	38.50
2011-12	1788584	7.27	30.70	37.97	37.47
2012-13	1809976	7.04	30.50	37.54	37.33

TABLE 2: CONTRIBUTION OF MSME SECTOR IN GDP AND OUTPUT (AT 2004-05 PRICES)

Source: Fourth All India Census of MSME 2006-07; National Accounts Statistics (2014), CSO MoSPI; Annual Survey of Industries, CSO, MoSPI

FIG. 3: GEOGRAPHICAL SPREAD OF MSMEs
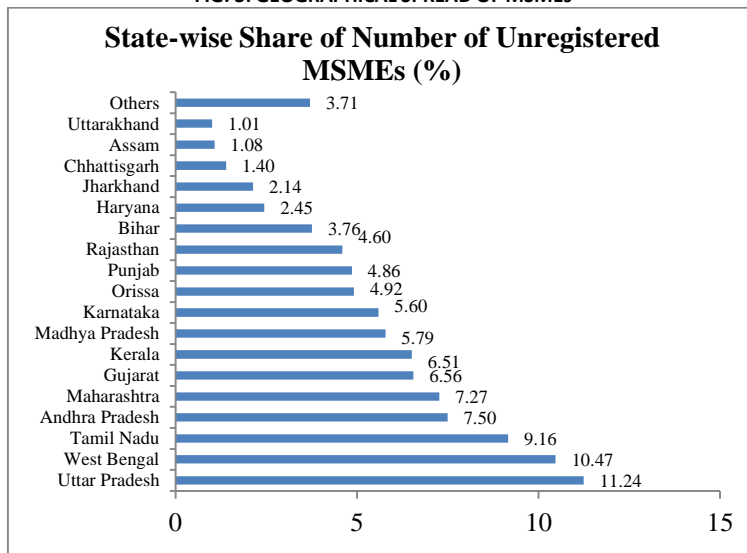
Source: Fourth All India Census of MSME 2006-07

As per the census, Uttar Pradesh houses the largest number of MSME units in the country (approximately 11.24 percent of total units), followed by West Bengal (10.47 percent), Tamil Nadu (9.16 percent) and Andhra Pradesh (7.50 percent). Four Union Territories, namely, Andaman and Nicobar Islands, Dadar and Nagar Haveli, Daman and Diu, and Lakshadweep lagged far behind in terms of housing of MSME units in the country.

Most of the MSMEs in India are congregated together to form a cluster, characterized by the units which are geographically concentrated to face common opportunities and challenges to growth. As per the 4th Census of MSME Sector, there are a total of 2,443 clusters covering 321 products in India. The state of Gujarat houses the largest number of such clusters, totaling 369 clusters. It is followed by Uttar Pradesh with 359 clusters, Tamil Nadu with 350 clusters, Madhya Pradesh with 228 clusters, and Kerala with 255 clusters (Grant Thornton, 2013)

ROLE OF MSMEs IN THE INDIAN WOMEN ENTREPRENEURSHIP ARENA

The MSME landscape is supposed to be the frontrunner of women entrepreneurship in India. Despite the fact that women economic empowerment is inevitable for the development of a healthy society, still the condition of women entrepreneurial activity in India is far from good. Women-owned enterprises represent about 7.36% of all MSMEs in India, which comes to around 26.6 lakh units. These units' employ over 8 million people and contribute collectively around 3.09 percent of industrial output. Service sector is the major operating area for women enterprises in India. Approximately 78 percent of women enterprises belong to the sector. Approximately, 98 percent of women enterprises are micro enterprises and majority of them operating in the informal sector.

FIG. 4: WOMEN SHARE IN TOTAL MSMEs IN INDIA
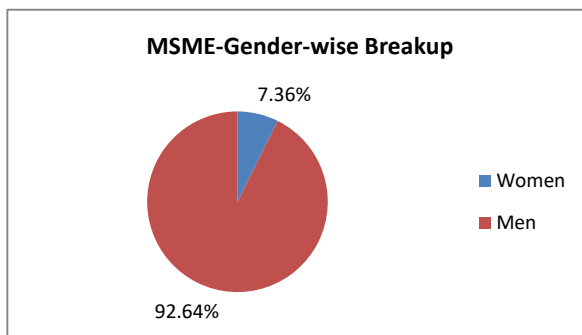
Source: 4th All India MSME Census

FIG. 5: WOMEN SHARE IN REGISTERED MSMEs IN INDIA

Registered MSME-Gender-wise Breakup

13.72%

- Women
- Men

86.28%
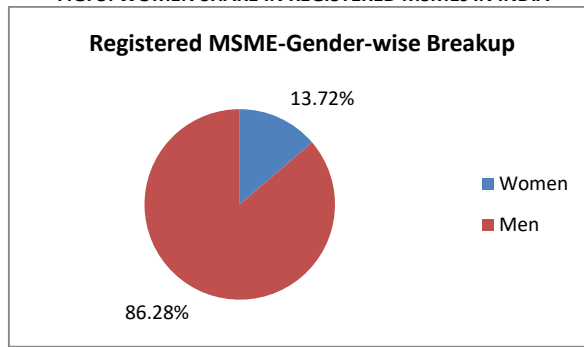
Source: 4th All India MSME Census

FIG. 6: WOMEN SHARE IN UNREGISTERED MSMEs IN INDIA

Unregistered MSME-Gender-wise Breakup

9.09%

- Women
- Men

90.91%
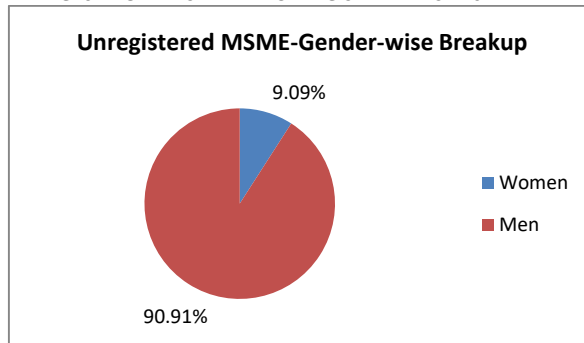
Source: 4th All India MSME Census

FIG. 7: CLASSIFICATION OF WOMEN-OWNED MSMEs

Classification of Women-owned MSMEs

2.37%   0.01%

- Micro
- Small
- Medium

97.62%
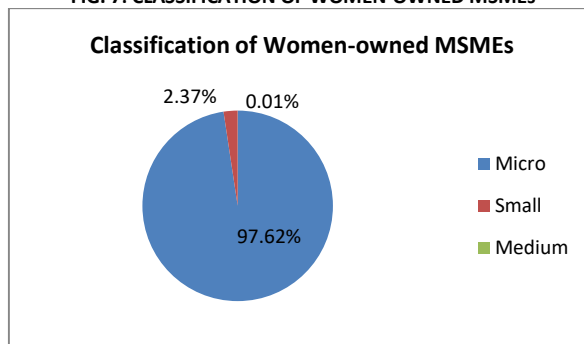
Source: 4th All India MSME Census

An analysis of gender-wise break-up of MSME units in the country brings out the fact that the states which boast of housing largest percentage of such enterprises in the country fail severely on the grounds of gender equality in ownership. Four out of the top five states housing a majority of such units, namely, Uttar Pradesh, West Bengal, Andhra Pradesh and Maharashtra account for less than 10% share each of such units to women entrepreneurs. However, the situation of female entrepreneurship is comparatively better in the north eastern states of Meghalaya, Nagaland, Sikkim, and Mizoram, each giving more than 10 percent ownership to women entrepreneurs in the respective states.

TABLE 3: GENDER-WISE BREAK-UP OF MSME UNITS ACROSS INDIAN STATES, UNREGISTERED SECTOR

State/UT	Female (Numbers in Lakh)	Percentage	Male (Numbers in Lakh)	Percentage	Total (Numbers in Lakh)
Meghalaya	0.16	34.04	0.31	65.96	0.47
Nagaland	0.04	25.00	0.12	75.00	0.16
Arunachal Pradesh	0.06	24.00	0.19	76.00	0.25
Chandigarh	0.06	21.43	0.22	78.57	0.28
Goa	0.1	17.86	0.46	82.14	0.56
Kerala	2.31	17.85	10.63	82.15	12.94
Karnataka	1.86	16.73	9.26	83.27	11.12
Sikkim	0.01	16.67	0.05	83.33	0.06
Tamil Nadu	3.03	16.64	15.15	83.20	18.21
Puducherry	0.02	15.38	0.1	76.92	0.13
Delhi	0.19	10.86	1.49	85.14	1.75
Jammu and Kashmir	0.12	10.17	1.06	89.83	1.18
Mizoram	0.01	10.00	0.08	80.00	0.1
West Bengal	2.05	9.86	18.27	87.84	20.8
Assam	0.2	9.35	1.93	90.19	2.14
Madhya Pradesh	1.06	9.22	10.42	90.61	11.5
Orissa	0.9	9.21	8.86	90.69	9.77
Punjab	0.78	8.07	8.84	91.51	9.66
Tripura	0.02	7.69	0.24	92.31	0.26
Uttarakhand	0.15	7.50	1.84	92.00	2
Andhra Pradesh	1.11	7.45	13.69	91.88	14.9
Himachal Pradesh	0.11	6.88	1.48	92.50	1.6
Bihar	0.47	6.28	6.98	93.32	7.48
Rajasthan	0.55	6.02	8.57	93.76	9.14
Maharashtra	0.85	5.88	13.57	93.91	14.45
Jharkhand	0.24	5.65	4.01	94.35	4.25
Gujarat	0.57	4.37	12.46	95.63	13.03
Chhattisgarh	0.12	4.32	2.66	95.68	2.78
Uttar Pradesh	0.75	3.36	21.56	96.51	22.34
Haryana	0.16	3.29	4.67	95.89	4.87
Manipur	0.01	2.27	0.42	95.45	0.44
Daman & Diu	0	0.00	0.01	100.00	0.01
Dadar and Nagar Haveli	0	0.00	0.04	100.00	0.04
Lakshadweep	0	0.00	0.01	100.00	0.01
Andaman and Nicobar Islands	0	0.00	0.06	85.71	0.07
All India	18.06	9.08725	179.74	90.43977	198.74

Source: 4th Census of MSME Sector

TABLE 4: GEOGRAPHICAL DISTRIBUTION OF WOMEN-OWNED MSMEs

Prevalence of women-owned business	State-wise share (percent)	Number of States/UTs	States/UTs	Combined Contribution %
High	> 10.00	13	Meghalaya, Nagaland, Arunachal Pradesh, Chandigarh, Goa, Kerala, Karnataka, Sikkim, Tamil Nadu, Puducherry, J&K, Delhi and Mizoram	44 percent
Medium	5.00 – 10.00	13	West Bengal, Assam, Madhya Pradesh, Orissa, Punjab, Tripura, Uttarakhand, Andhra Pradesh, Himachal Pradesh, Bihar, Rajasthan, Maharashtra, and Jharkhand	47 percent
Low	2.00 – 4.99	5	Gujarat, Chattisgarh, Uttar Pradesh, Haryana, and Manipur	8.9 percent
Very Low	< 1.99	4	Daman &Diu, Dadar & Nagar Haveli, Lakshadweep, and Andaman and Nicobar Islands	0.1 percent

Women entrepreneurs face a number of hurdles in their way to establish new undertaking as well as growing the existing one. The majority of these hurdles are the result of typically male dominated and socially orthodox society. People do not show confidence in the women's capacity to take up entrepreneurial assignments, leading to biased attitudes of banking and financial sector towards the gender. The situation is further aggravated due to absence of property ownership amongst women in the country, leading to their limited recourse to external finance sources. Over the years, the women have been taking up all the societal and family related responsibilities on themselves and till now they have not been able to break through the shackles, leading to ever increasing demand to create a balance between their professional and personal lives. The typicality of the Indian social norms makes it the absolute responsibility of the mother to raise her child and create a super citizen. But, the society fails to realize the fact that if the mother herself is not independent; financially, emotionally, as well as socially; then how can she be expected to raise a strong generation. Another heart breaking fact in today's transforming society is that women face dual challenge of creating a niche at her workplace, which is already flooded with stiff competition, and also proving her worth as a good homemaker and a mother. This results in her half-hearted participation in both the areas thereby, reducing her efficiency as she is always filled with guilt of not giving her hundred percent in either of the fields. The very fact makes the role of family and society still strong as family support is the thing which once provided wholeheartedly, could solve the emotional and social hurdles in the progression of women entrepreneurship in the country.

The very fact is clearly depicted by India's poor performance in Female Entrepreneurial Index (FEI) prepared by Global Entrepreneurship Development Institute (GEDI). As per the FEI Index 2015, India ranked at 70th position with 23.2 points, which is far behind its other BRICS counterparts, namely South Africa at 36th position, China at 48th, Russia at 56th and Brazil at 60th position. The index highlighted the lack of labour force parity and lack of ready availability of tier 1 financing options to be the major bottlenecks in the country's poor performance in terms of women entrepreneurship (FEI, 2015).

Lack of investor confidence in the business ventures promoted by women entrepreneurs creates a difficult situation for women entrepreneurs in India. Getting proper financing opportunities has always been the basic problem faced by the MSMEs in the country, but the problem gets worsened due to gender-related factors like lack of availability of collaterals with women, discriminatory regulations, laws, and customs, and weak property rights for women in the country. The situation is further worsened by the concentration of women entrepreneurship in high competitive and low profitable businesses predominantly in the informal sector. The very fact forces them to rely on financial support from family and friends and other informal sources. Operating on small scale makes it difficult for women to have gainful access to sufficient market information about prices, competitors, inputs, and availability of various support services.

Lack of sufficient educational, vocational and technical skills also represent additional bottlenecks in development of female entrepreneurship in India.

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GOVERNMENT INITIATIVES FOR PROMOTION OF WOMEN ENTREPRENEURSHIP IN INDIA

Over the years, several initiatives have been taken by the Government of India to improve the participation of women entrepreneurs in the main stream entrepreneurship activities in the country. Some of those worth noticing schemes have been highlighted below.

1. **Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women:** The scheme provides for trade related training, information and counseling extension activities related to trade, products, services, etc., in order to empower women entrepreneurs. It also provides a grant of a maximum of Rs.1 lakh per program to the various training organizations, like Entrepreneurship Development Institutes (EDIs), NISIET and the NGOs for conducting training programs for empowerment of women entrepreneurs. The scheme provides for easy credit access to women entrepreneurs in the non-farm sector through NGOs.

2. **Mahila Coir Yojana:** It is the first women oriented self- employment scheme in the coir industry which provides self-employment opportunities to the rural women artisans in regions producing coir fibre. The scheme provides for distribution of motorised ratts to women artisans after giving training for spinning coir yarn. One artisan per household is eligible to receive assistance under the scheme. The women spinners are trained for two months in spinning coir yarn on motorized ratt at the Board's Training Centres. During the training period, the women artisans are given stipend amounting to Rs.1000 per month. The trained women are given motorised ratt/motorised traditional ratt and other coir processing equipments which can be operated by women at 75 % subsidy subject to a maximum of Rs. 7500.

3. **Credit Guarantee Fund Scheme for Micro and Small Enterprises:** The Scheme covers collateral free credit facility (term loan and/ or working capital) extended by eligible lending institutions to new and existing micro and small enterprises up to Rs. 100 lakh per borrowing unit. The guarantee cover provided is up to 75% of the credit facility up to Rs. 50 lakh (85% for loans up to Rs.5 lakh provided to micro enterprises, 80% for MSEs owned/ operated by women and all loans to NER) with a uniform guarantee at 50% of the credit exposure above Rs.50 lakh and up to Rs.100 lakh.

4. **Micro and Small Enterprises Cluster Development Programme (MSE-CDP):** The Ministry of Micro, Small and Medium Enterprises (MSME), Government of India (GoI) has adopted the cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs) and their collectives in the country.

5. **Prime Minister's Employment Generation Programme**: Relaxation is provided to women beneficiaries under Prime Minister's Employment Generation Programme (PMEGP) launched in 2008-09, such as:

a. For urban women beneficiaries, margin money subsidy is provided at the rate of 25 per cent of the project cost while it is 35 per cent for women in rural areas.

b. In case of women entrepreneurs, beneficiary's contribution is 5 per cent of the project cost while in the case of others; it is 10 per cent of the project cost.

c. Bank finance in the form of loan is 95 per cent of the project cost in case of women and other weaker section borrowers and 90 per cent of the project cost in case of others.

Since inception i.e 2008-09 to January 31, 2016, 84,296 projects have been assisted to women entrepreneurs under PMEGP.

Though, these steps have been vital and are helping immensely in improving the number of women entrepreneurs in the country, yet the women are not able to make the use of these schemes, due to lack of awareness about the applicability and availability of such schemes

Undoubtedly, an entrepreneur friendly policy ecosystem is very much needed in India; there is also an urgent need to make it more gender-inclusive. The right blend of suitable policies, empowering ecosystem, provision of infrastructure, access to finance and incubation are required to energize women-owned business and reduce the gap between men and women. One major break-through campaign introduced by the India government is the Start-Up India Stand-Up India campaign, launched in August 2016. This campaign has all the ingredients for a holistic development of women entrepreneurs in the country. The key features of the campaign are enumerated below.

START-UP-STAND-UP INDIA CAMPAIGN

The Prime Minister also aims to build systems for enabling startups and wants to make the country as a number one destination for startups. In August 2015, he announced a new campaign "Standup India" to help startups with bank funding and encourage entrepreneurship among the young Indians. He also requested all 1.25 lakh bank branches to fund at least one startup founded by tribals, dalits and women. The Standup India campaign was formally launched on January 6th, 2016, with the aim of promoting entrepreneurship among women and scheduled castes and tribes. Its key features include:

- Loans under the scheme would be given for greenfield projects in the non-farm sector
- Intention of the scheme is to facilitate at least two such projects per bank branch
- The scheme is expected to benefit at least 250,000 borrowers in 36 months from the launch of the Scheme
- It also plans to ease out the existing regulatory regime for startups and is considering extending tax incentives to them.

The scheme primarily aims to promote entrepreneurship among women, SCs and STs by providing finance to them to the tune of Rs.10 lakh to Rs.100 lakh for establishment of new business. The scheme is in line with the broad objective of the government to establish India as a developed nation by 2022. The scheme applies to businesses of less than 5 years of age, and whose turnover does not exceed Rs.25 crores. Under the schemes the beneficiary entrepreneurs would receive a RuPay debit card to withdraw their working capital finance. The entrepreneurs are also eligible to receive, besides financial support, other support services like training and marketing. Additionally, the business earnings of such entrepreneurs would also enjoy tax holiday for the initial period of 3 years.

CONCLUSION AND RECOMMENDATIONS

There is no scope for any argument against the role played by the MSME sector in the social and economic empowerment and upliftment of women in the country. The sector provides not only employment opportunities but also ownership opportunities to the women in the conservative society like India. Women-owned MSMEs are perhaps the majorly ignored segments in terms of financing opportunities. These enterprises present a huge potential for growth as they majorly operate in the service sector, wherein the women entrepreneurs have traditionally an upper hand in providing services, whether as home makers or professional service providers. The financial institutions have more or less ignored this segment due to lack of segment specific strategy. As per the survey conducted by International Finance Corporation (IFC), majority of financial institutions dealing with women borrowers admitted the fact that they possess a stronger repayment track record as compared to their male counterparts. To quote the IFC study conducted in 2013, "Gender disaggregated data from banks indicates that non-performing loans are 30 to 50 percent lower in women-owned businesses. Also, women-owned MSMEs present greater potential for cross sales.

The Indian Government has been taking substantial steps to uplift the levels of women entrepreneurship in the country through its various women-specific or focuses schemes. These schemes have so far played a very positive role in achieving the goal of inclusive growth as envisioned by the Indian policy makers. In line with the previous initiatives, the recent initiative of Stand-Up India Start-Up India, would undoubtedly uplift the position of women entrepreneurs in the Indian MSME landscape. However, it worth mentioning here that the impetus needed by the women entrepreneurs from the government side is not enough till it is equally matched with the social back-up. The women entrepreneurship in a country like India can reach to really high levels if we actually start giving our timely and wholehearted support to every woman of our society. We need to start taking women to be at equal footings with men and regard them as equally capable in handling critical matters like finance and business planning.

There is no denying the fact that if women get enough social and financial back-up they will come up to take up new ventures with more confidence and would definitely flare as good entrepreneurs. Citing the data from a report titled as 'Startups India: An Overview' (2016), published by Grant Thornton, presently India is the third largest start up hub of the world, with the early years start-up founders dominating the show. During 1993-2013, approximately 60% of the jobs have been created by SMEs in the country. Women entrepreneurs constitute 9% share in the total start-up ventures initiated in India. The country has witnessed a growth of 50% in share of women entrepreneurs in the last 12 months. The report applauds the government's initiatives like Make-in-India, Start-Up India, Stand-Up India, and Digital India for such a great achievement.

To quote DS Rawat, Secretary General, ASSOCHAM, "*The numbers on startups speak volumes about the emergence of startups — it is projected that by 2020 there will be 11,500 firms from 3,100 startups in 2014. The trend is revolutionary! And it's going to change the way the markets are working today in India.*"

LIMITATION OF THE STUDY

The study majorly covers the theoretical aspects of the issue, concentrating mainly on the secondary data available on the issue due to time and financial crunch.

SCOPE FOR FURTHER RESEARCH

There is an enormous scope for further research in this area. A more detailed primary research can be conducted to gauge the effectiveness of the above mentioned campaigns in addressing the issue of women entrepreneurship in India.

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SOCIO ECONOMIC WELFARE SCHEME IMPLEMENTED BY GOVERNMENTS ON SC/ST IN RURAL AREA OF SIVAGANGAI DISTRICT OF TAMIL NADU

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ABSTRACT
The present study is undertaken to highlight the various Government Schemes implemented to uplift the Scheduled Caste and Scheduled Tribes by assuring Socio Economics development in rural area of Sivagangai District on the state of Tamilnadu. This study measures social and economic status of the SC/ST people. The findings of this study like State Government and Central Government to design suitable policy and measures to improve economic and social welfare schemes implemented on SC/ST people in the Sivagangai District in the State of Tamilnadu. Employees of the private organisations have no reservation and promotion according to the experience. But they are facing atrocities through the superior putting who are burden on them.

KEYWORDS
Sivagangai district, socio economic welfare scheme.

INTRODUCTION
India is a land of castes and religions. Even during the vedic period, the Indian society remained stratified on the bans of caste, community and religion. After the advent of the British rule in India and the entry of Christian Missionaries the scheduled castes and scheduled tribes were identified. These Missionaries tried to evolve a number of measures to improve them socially and economically.

REVIEW OF LITERATURE
Chetty (1991) in his study on Scheduled Castes and Development Programmes in India, stated that the failure of the big industries strategy compelled the Indian planners to switch over to growth with social justice strategy and this strategy required programmes of reducing absolute poverty. Chetty in his study on Integrated Rural Development Project (IRDP) in Andhra Pradesh has found that the majority of the scheduled castes in rural areas are still engaged in traditional low status occupation and very few of them own land. He has found that the amount of loan sanctioned to this group was inadequate and some of these beneficiaries found it very difficult to produce surplus income. He also highlighted the inadequacy of follow-ups of programmes and recovery of loan sanctioned.

Lakshmaiahet. al (1995) in their study on programmes for scheduled caste labourers have examined whether the benefits of development are reaching the targeted group and evaluated the efficacy of existing programmes.

Michael (1999) in his edited volume on Dalits in Modern India stated that one of the profound changes in contemporary Indian Society has been the emergence of a new sense of identity among the Dalits. The Dalit Movement not only rejects the vary ideas of pollution, impurity and untouchability but in the process is forging a new vision for Indian society which is different from that espoused by the higher castes. The volume explores the social, economic, political and cultural content of the Dalit articulation and its relevance for the nation.

Stephen (2002) states discrimination in the name of caste is the human rights violation and a systematic violence. The dalits are treated as sub-humans by dominant groups. The dalits are not allowed to enjoy their privileges in all spheres of life. Even among dalits, dalit women are the most victimized. The dalits and adivasis are tortured, their women are sexually exploited and their privileges are exploited.

STATEMENT OF PROBLEM
Any development depends, to a greater extent on the provision of gainful employment of the people of the locality. Employment Opportunities are provided to Scheduled Castes and Scheduled Tribes by the Government of India and Government of Tamilnadu. Eighteen percent of the Government posts and jobs in public sector undertaking and one percent of such employment are reserved for Scheduled Castes and scheduled Tribes respectively in Tamilnadu.

OBJECTIVE OF THE STUDY
To trace the various types welfare schemes implemented by Governments in rural area of southern district of Tamilnadu.

SCOPE OF THE STUDY
This study attempts to analyze the Government Schemes implemented for the Socio-Economic Status of SC and ST people and the impact of such schemes on these people in sivagangai District of Tamilnadu.

METHODOLOGY
The study is a descriptive research based on the survey method. The primary data for the study are to be collected with the help of an Interview Scheduled, which are to be personally administered and the data related to provision, implementation and impact of Government Schemes and the number of beneficiaries who availed of the Scheme were collected.

ANALYSIS AND INTERPRETATION
AGE WISE CLASSIFICATION OF THE STUDENTS
The respondents have classified as per the age for the implementation of Welfare Scheme.

TABLE NO. 1: AGE WISE CLASSIFICATION OF THE STUDENTS

Age of the Students	Total
Between 12 & 17	**18**
Between 18 & 25	**75**
Between 26 & 35	**7**
Total	**100**

Source: Primary Data

The above table 1 reveals that the maximum of 75 students belongs to the age group between 18 & 25 the students are pursuing Under graduate course and post graduate course and next to that 18 students belong to the age group of between 12 & 17 the students are pursuing standard IX to XII and remaining 7 students belong the age group of between 26 & 35 pursuing Master of Philosophy and Doctor of Philosophy in various institution.

AGE WISE CLASSIFICATION OF WORKERS AND FARMERS

The age wise classification of workers and farmers are the main factor of the implementation of the Schemes.

TABLE NO. 2: AGE WISE CLASSIFICATION OF WORKERS AND FARMERS

Age of the Respondents	Workers	Farmers	Total
Between 15 & 25	10	6	**16**
Between 26 & 35	41	33	**74**
Between 36 & 45	15	28	**43**
Between 46 & 55	29	21	**50**
Above 56	5	12	**17**
TOTAL	**100**	**100**	**200**

Source: Primary Data

The above table 2 illustrates the age group of workers and farmers of Sivaganga district. **Workers:** Maximum of 41 workers belong to the age group of between 26 & 35 next to that 29 workers belongs the age group of 46 & 55. 15 workers belongs to the age group of between 36 & 45 and 10 workers belongs to the age group of between 15 & 25 and the remaining 5 workers belongs to the age group of above 56. **Farmers:** Maximum of 33 farmers belong to the age group of between 26 & 35 next to that 28 farmers belongs the age group of 36 & 45. 21 farmers belongs to the age group of between 46 & 55 and 6 farmers belongs to the age group of between 15 & 25 and the remaining 12 farmers belongs to the age group of above 56.

GENDER OF THE SAMPLE RESPONDENTS

Gender is one of the factors of implementation of the Schemes in the selected Districts.

TABLE NO. 3: GENDER OF THE SAMPLE RESPONDENTS

Gender of the Respondents	Students	Workers	Farmers	Total
Male	75	68	59	**202**
Female	25	32	41	**98**
TOTAL	**100**	**100**	**100**	**300**

The above table 3 illustrates the Gender of the respondents of Sivaganga district. **Students:** 75 students of the respondents were male and remaining 25 students were female. **Workers:** 68 workers of the respondents were male and remaining 32 workers were female. **Farmers:** 59 farmers of the respondents were male and remaining 41 farmers were female

RELIGION OF THE SAMPLE RESPONDENTS

Religion is another one factor of the Successful Schemes implementation in the selected District.

TABLE NO. 4: RELIGION OF THE SAMPLE RESPONDENTS

Religion of the Respondents	Students	Workers	Farmers	Total
Hindu	**79**	**88**	**75**	**242**
Christian	**21**	**12**	**25**	**58**
TOTAL	**100**	**100**	**100**	**300**

Source: Primary Data

From the table 4 illustrates the religion of the respondents of Sivaganga district **Students:** 79 students of the respondents belong to Hindu and remaining 21 students belongs to Christian. **Workers:** 88 workers of the respondents belong to Hindu and remaining 12 workers belongs to Christian. **Farmer:** 75 farmers of the respondents belong to Hindu and remaining 25 farmers belong to Christian.

MARITAL STATUS OF THE SAMPLE RESPONDENTS

Marital Status is the factor of Implementation of the Welfare Schemes.

TABLE NO. 5: MARITAL STATUS OF THE SAMPLE RESPONDENTS

Marital status of the Respondents	Workers	Farmers	Total
Married	85	78	**163**
Unmarried	15	22	**37**
TOTAL	**100**	**100**	**200**

Source: Primary Data

The above Table 5 illustrates the marital status of the respondents of workers and farmers of Sivaganga district. **Workers:** 85 workers of the respondents were married and remaining 15 workers of the respondents were unmarried. **Farmers:** 78 farmers of the respondents were married and remaining 22 farmers of the respondents were unmarried.

FAMILY SIZE OF THE SAMPLE RESPONDENTS

The Family size is the factor of the Schemes implementation.

TABLE NO. 6: FAMILY SIZE OF THE SAMPLE RESPONDENTS

Family Size	Students	Workers	Farmers	Total
Below 3	9	22	13	**44**
4 – 6	89	65	71	**225**
7 & above	2	13	16	**31**
TOTAL	**100**	**100**	**100**	**300**

Source: Primary Data

The above Table 6 illustrates the family size of the respondents of Sivaganga district **Students:** 89 student's family size of the respondents were belong to the group 4-6, 9 student's family size of the respondents belongs to the group of below 3 and remaining 2 student's family size belongs to the group of 7 & above.

Workers: 65 worker's family size of the respondents were belong to the group 4-6, 22 worker's family size of the respondents belongs to the group of below 3 and remaining 13 worker's family size belongs to the group of 7 & above. **Farmers:** 71 farmer's family size of the respondents were belong to the group 4-6, 16 farmer's family size of the respondents belongs to the group of 7 & above and remaining 13 farmer's family size belongs to the group of below 3.

RESIDENT STATUS OF THE STUDENT RESPONDENTS

The status of the resident of the respondent is another one factor for the Scheme Implementation

TABLE NO. 7: RESIDENT STATUS OF THE STUDENT RESPONDENTS

Resident status of the Students	TOTAL
Hosteller	48
Days Scholar	52
TOTAL	**100**

Source: Primary Data

The above Table 7 reveals the residential status of the student's respondents of Sivaganga district. 48 students are studying through staying in hostel and remaining 52 getting their education as day scholar.

LIVING NATURE OF THE HOME

The respondent's living home nature is another one factor for the Scheme Implementation.

TABLE NO. 8: NATURE OF THE HOME OF THE RESPONDENTS LIVING IN

Respondents living in	Students	Workers	Farmers	TOTAL
Tiled House	74	81	78	**233**
Concrete House	26	19	22	**67**
TOTAL	**100**	**100**	**100**	**300**

Source: Primary Data

The above Table 8 illustrates the respondents living in house of Tiled and Concrete. **Students:** 74 students of the respondents are living in tiled house and remaining 26 students of the respondents are living concrete house. **Workers:** 81 workers of the respondents are living in tiled house and remaining 19 workers of the respondents are living concrete house. **Farmers:** 78 farmers of the respondents are living in tiled house and remaining 22 farmers of the respondents are living concrete house.

OCCUPATION OF THE SAMPLE RESPONDENTS PARENTS

The Occupational status is another one factor of Schemes Implementation.

TABLE NO 9: OCCUPATION OF THE SAMPLE RESPONDENTS PARENTS

Occupation of the Respondent's Parents	Students		Workers		Farmers		TOTAL
	Father	Mother	Father	Mother	Father	Mother	
Private employee	4	-	12	-	-	-	
Government employee	10	-	9	-	-	-	
Lecturer	-	-	-	-	-	-	
Teacher	-	-	-	-	-	-	
Labor	8	11	-	-	-	-	
Daily wage	23	23	-	-	-	-	
Tailoring	6	9	7	-	-	-	
Cook	4	8	-	-	-	-	
Server	2	-	-	-	-	-	
Driver	6	-	-	-	-	-	
Electrician	4	-	-	-	-	-	
Mason	5	-	8	-	-	-	
Farmer	28	28	64	-	100	100	
Home maker	-	21	-	100	-	-	
TOTAL	**100**	**100**	**100**	**100**	**100**	**100**	

Source: Primary Data

Student Respondents Father: 23 father's of the respondents were working as daily wage workers, 28 father's of the respondents were working as farmers, 10 father's were working as government employee, 4 father's were working as private employee, 6 father's were working as drivers, 8 father's were working as labour, 5 father's were working as mason, 6 father's were doing tailoring,4 father's were working as cook, 2 father's were working as servers, and 4 father's were working as electrician. **Student Respondents Mother:** 28 mother's were working as daily wage farmer, 21 mother's were home maker, 23 mother's were working as daily wage, 11 mother's were working as labour, 9 mother's were doing tailoring and 8 mother's were working as cook. **Worker Respondents Father:** 64 worker's father were farmers, 9 fathers were working as private employee, remaining 12 fathers were working as government employee, 8 father's were working as mason and 7 father's were working as tailoring. **Worker Respondents Mother:** All the worker respondents' mothers are home maker. **Farmer Respondents parent:** Both father and mother of the farmer respondents were occupation were farmers.

ANNUAL INCOME OF THE SAMPLE RESPONDENTS FAMILY

The annual income level is another one factor of Scheme Implementation

TABLE NO. 10: ANNUAL INCOME OF THE SAMPLE RESPONDENTS FAMILY

Annual Income of the Family	Students	Workers	Farmers	TOTAL
Below Rs 50,000	70	-	67	**137**
Rs.50,001 to Rs. 1,00,00	19	61	33	**113**
Rs. 1,00,001 to Rs.1,50,001	11	27	-	**38**
Rs.1,50,001	-	12	-	**12**
TOTAL	**100**	**100**	**100**	**300**

Source: Primary Data

The above Table 4.20 illustrates the annual income of the family of the respondents of Sivaganga. Maximum of 70 students family annual income are below Rs. 50,000, 19 students family annual income belong Rs.50,001 to Rs.1,00,000 and remaining 11 students family annual income are Above Rs. 1,00,001. Maximum of 61 workers family annual income are below Rs.50,001 to Rs.1,00,000, 27 workers family annual income belong Rs.1.00,001 to Rs.1,50,000 and remaining 12 workers family annual income are Above Rs. 1,50,001. Maximum of 67 farmers family annual income are below Rs.50,000 and 33 farmers family annual income belong Rs.50,001 to Rs.1,00,000.

CONCLUSION

Working employees of the Scheduled Caste and Scheduled Tribles community in the government organisations facing many problems like reservation quota, they don't get the promotion in time. Employees of the private organisations have no reservation and promotion according to the experience. But they are facing atrocities through the superior putting who are a burden on them.

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ECONOMIC DEVELOPMENT IN TRIBAL AREA OF HIMACHAL PRADESH: A REGIONAL LEVEL ANALYSIS

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ABSTRACT

Economic development in tribal area of Himachal Pradesh brings out an assessment of the program made during 1980-81 to 2010-11. In this paper, main component of development, viz. the economic development has been analysed at regional level in state of Himachal Pradesh. It is a factorial analysis based on 15 indicators and helps to identify the lagging regions based on this evaluation, plan formulation could be made for the different physiographic region of development, based on their resource potentials, levels of development, and the objectives of socio economic equity and regional balance. Strategies have been suggested under decentralized multilevel planning process with stress on spital organization and corporate management. Economic development strategies focus attention on regional potentialities and maximization of production. These strategies would pave the way for a more balanced regional development of Himachal Pradesh, if and when properly implemented.

KEYWORDS
economic development, factorial analysis, regional development.

INTRODUCTION

India has the largest tribal population in the world, numbering about 68.34 millions a(1991 census, in 2001 it was 84.3 million and in 2011 census it was 104.3 millions. There are about 427 tribes, sub-divided into different groups[1]. India is a very vast country with the largest tribal population in the world. India is a vast country with a rich variety of culture and in this scene of delivery our tribal brothers occupy a very important place[2]. In any economic development programme due to combination of factors which may be historical, territorial and sometime even natural, some areas have been found to be lagging behind unless a conscious effort on the part of the planners have not been taken to meet out their needs on priority basis. The successive five year plans have drawn attention to this problem of intra-regional and inter-regional imbalances and emphasized that the realization of the growth potentials in the tribal areas should be taken up on priority basis in order to give practical shape to the ideas of egalitarianism and social justice. It has been stressed that the strategy of socio-economic development should be structured in such a way that the relatively disadvantaged areas and sections of populations are gradually brought in the mainstream of the development process. The constitution of India in its very preamble pledges to secure to all citizens justice: Social, economic and political. Article 46 of the constitution prescribes that 'the state promotes with special care of the educational and economic interests of weaker-sections and in particular or the scheduled castes and scheduled tribes and shall protect them from social injustice and all forms of exploitation. The Kinnaur, Lahul-Spiti districts in their entirely and Pangi and Bharmour (now tehsil Bhrmour and sub-tehsil holi). Sub-division of Chamba district constitute the tribal areas in the state, fulfilling the minimum criterion of 50 percent scheduled tribe population concentration in a community development block. These are situated in the north east of the Pradesh forming a contiguous belt in the far hinter land behind high mountain passes and are amongst the remotest and the most inaccessible areas in the state with average altitude being 3281 meter above the mean sea level. The most distinguishing feature of the tribal areas in the state is that they are very vast in area but extremely small in population with the result that per unit cost of infrastructure activity is very exorbitant. These areas have been declared as scheduled area under the fifth schedule of constitution. The five integrated Tribal Development Project (ITDP) are Kinnaur, Lahul and Spiti, Pangi and Bharmour except Kinnaur which is spread over 3 community development blocks, rest of the integrated tribal development projects (ITDPs) comprise only one community development block each. According to 2001 census, the tribal areas constitute 42.49 percent of the state 's geographical area and represent 2.74 percent of the total population of the state of the total population in the tribal areas 68 percent are scheduled tribes, 9.61 percent are scheduled castes and the rest are others[3].

Agriculture and industries are the main sectors of economic development. Agriculture, being the main occupation of the people of tribal area of Himachal Pradesh, has an important role in the economy of the state. It provides direct employment to about 65 per cent of the main working population. Industrialization is supposed to be the engine as well as a versatile indicator of economic development. It involves major transformation of an economy from one which is dominated by primary activities to one containing a large industrial sector. Industry and agriculture are inter-correlated with each other. Because industrialization provides market for agricultural products, produces appropriate farm inputs and jobs to unemployed and is capable of triggering off a chain of development in rural areas. But the development of industries, more specifically location of industries is determined by several factors. Among them, raw materials, power and energy, market and labour are the key factors.

OBJECTIVES

The main objectives of the study are to analysis tje regiona wise pattern of economic development in tribal area of Himachal Pradesh at four point of time, i.e. 1980-81 to 2010-11 and thus focusing on inter-regional disparities in level of development. The specific objectives are:
1. To rank the region according to their level of economic development on the basis of a composite index of development
2. To identify the various dimensions of economic development in tribal area
3. To identify the backward regions, this could be helpful in formulating regional policies for achieving the objectives of balanced growth.

METHODOLOGY

The study seeks to determine region-wise level of economic development. For this purpose, a set of indicators have been identifies comprising 15 indicators to examine economic development. The data is compiled mainly from published and unpublished secondary sources. To analysis the pattern of development in various sectors, a composite index was prepared with the help of Principal Component Analysis (PCA)/Factor analysis (FA)[4]

Thus, principal component P1 is determined as:

$P_1 + aji\ Z_1 + a_2i.\ Z_2 + ... = a_{ni}\ Zn$

$P_1 = \sum_{aji} \times Z_i$

i=1

Where

P_1	= the first principal component;
A_{ij}	= factor loading of the first principal component vector relating to jth indicator of the ith district;
Z_{ij},	= standardized value of the observed variable.

Thus, the first principal component, which gives maximum correlation with variables and explains maximum of the total variance is considered as composite index of development for a vector.

In the present study, the data of four benchmark years, i.e. the correlation matrices for the years 1980-81, 1990-91 and 2000-01 and 2010-11 are analyzed separately for the derivation of factor matrix.

The sum of the squares of the factor loadings of the first principal component is the largest Eigen value, which measures the proportion of variance explained by the first principal component. In the present study Eigen value greater than one criterion was used and accordingly number of Principal Components with greater than one Eigen value have been considered. On the other hand, the sum of squares of the factor-loadings of all the principal components retained corresponding to the variables is communality h^2, which expresses the percentage of variance explained by the factor model. In order to evaluate the dimension of economic development at regional level, method of Kaiser,s Varimax Rotation was used. Further in order to examine the inter- regional disparities in the economic development standard deviation and Coefficient of variation was used[5].

REGION-WISE COMPOSITE INDEX OF ECONOMIC DEVELOPMENT

The composite indices of development have been calculated with the help of first principal component analysis will help in analysing inter regional disparities in the levels of agricultural and industries.

Region-wise level of economic development has been analysed with the help of composite indices of economic development. These indices have been calculated by taking first principal component from the principal component matrix derived from the inter-correlation matrix of 15 variables. The list of these variables is given under:

TABLE 1

ED-1	Gross value of fruit crops per hectare of net area sown
ED-2	Gross value of fruits crops per agriculture workers
ED-3	Gross value of fruits crops per capita of rural population
ED-4	Percentage of area under fruit crops to gross cropped area
ED-5	Cropping intensity
ED-6	Percentage of gross irrigated area to cropped area
ED-7	Percentage of workers in agriculture sector to total worker
ED-8	Consumption of fertilizers per hectare to gross cropped area(kg)
ED-9	Percentage of area under HYV seeds to gross cropped area
ED-10	Loan disbursed by agricultural societies per cultivators
ED-11	Average size of operational holding
ED-12	Agricultural Implements(No)
ED-13	Consumption of pesticides area to be covered under plant protection
ED-14	Net sown area as percentage of total geographical area
ED-15	Percentage of output as per agriculture workers

The composite index of Economic Development for the year 1980-81,1990-91,2000-01 and 2010-11 is computed by using the following equation:-

$ED_1 = (.835)Z_1 + (.793)Z_2 + (.011)Z_3 + (.824)Z_4 + (.679)Z_5 + (-.688)Z_6 + (.503)Z_7 + (-.945)Z_8 + (-.835)Z_9 + (.652)Z_{10} + (-.058)Z_{11} + (.773)Z_{12} + (.231)Z_{13} + (.792)Z_{14} + (-.059)Z_{15}$.....................(1)

On the basis of Principal component matrix for the year 1980-81, three Principal components have been retained which taken together explain 93.53 percent of the total variance. It may be seen that out of 15 indicators, 10 indicators are significantly correlated with first principal component P_1(a i 's> or 0.576 is significant for 10 degrees of freedom at 5 percent level of significance). It explains 43.29 percentage of the total variance. It is evident from the table, all the communalities (h^2) are very high ranging in +.525 and +.999. This indicated that each variable taken for analysis was significantly correlated with all other variables.

$ED_2 = (.815)Z_1 + (.796)Z_2 + (.988)Z_3 + (.750)Z_4 + (.762)Z_5 + (-.702)Z_6 + (.576)Z_7 + (-.851)Z_8 + (.673)Z_{10} + (.903)Z_{12} + (.866)Z_{13} + (.921)Z_{14}$.................(3)

On the basis of Principal component matrix for the year 1990-81, the Principal components have been retained which taken together explain 97.25 percent of the total variance. It may be seen that out of 15 indicators, 11 indicators are significantly correlated with first principal component P_1(a i 's> or 0.576 is significant for 10 degrees of freedom at 5 percent level of significance). It explains 54.10 percentage of the total variance. It is evident that all the communalities (h^2) are very high ranging in +.794 and + 1.000. This indicated that each variable taken for analysis was significantly correlated with all other variables.

$ED_3 = (.981)Z_1 + (.251)Z_2 + (.969)Z_3 + (.975)Z_4 + (.966)Z_5 + (.226)Z_6 + (.046)Z_7 + (.943)Z_8 + (.968)Z_9 + (.980)Z_{10} + (-.496)Z_{11} + (.831)Z_{12} + (.852)Z_{13} + (.264)Z_{14} + (-.511)Z_{15}$.....................(2)

On the basis of Principal component matrix for the year 2000-01, three Principal components have been retained which taken together explain 94.59 percent of the total variance. It may be seen that out of 15 indicators, 9 indicators are significantly correlated with first principal component P_1(a i 's> or 0.576 is significant for 10 degrees of freedom at 5 percent level of significance). It explains 57.86 percentage of the total variance. It is evident that all the communalities (h^2) are very high ranging in +.722 and +.998. This indicated that each variable taken for analysis was significantly correlated with all other variables.

$ED_4 = (.982)Z_1 + (.984)Z_2 + (.984)Z_3 + (.988)Z_4 + (.700)Z_5 + (.201)Z_6 + (-.033)Z_7 + (.997)Z_8 + (-.480)Z_9 + (.972)Z_{10} + (-.287)Z_{11} + (.301)Z_{12} + (.981)Z_{13} + (.330)Z_{14} + (-.093)Z_{15}$.....................(4)

Where ED is composite index of Economic development and $Z_1, Z_2, Z_3......Z_{15}$ are the standardized values of variables and figures in parentheses are factor loading or weights.

On the basis of Principal component matrix for the year 2010-11, three Principal components have been retained which taken together explain 93.19 percent of the total variance. It may be seen that out of 15 indicators, 8 indicators are significantly correlated with first principal component P_1(a i 's> or 0.576 is significant for 10 degrees of freedom at 5 percent level of significance). It explains 52.20 percentage of the total variance. It is evident that all the communalities (h^2) are very high ranging in +1.000. This indicated that each variable taken for analysis was significantly correlated with all other variables.

TABLE 1.1: REGION-WISE INDICES OF ECONOMIC DEVELOPMENT IN TRIBAL AREA

S.N.	Region	1980-81		1990-91		2000-01		2010-11	
		Index	Rank	Index	Rank	Index	Rank	Index	Rank
1	Kinnaur	8.46 (16.62)	1	10.46 (19.91)	1	14.73 (20.48)	1	13.84 (18.84)	1
2	Lahul	-3.65 (4.51)	4	-6.66 (2.79)	4	-2.72 (3.03)	3	-1.39 (2.84)	2
3	Spiti	-8.16 (0.00)	5	-9.45 (0.00)	5	-5.75 (0.00)	5	-4.19 (0.04)	4
4	Pangi	-0.72 (7.44)	3	1.40 (10.45)	3	-4.52 (1.23)	4	-4.23 (0.00)	5
5	Bharmour	4.08 (12.24)	2	4.24 (13.69)	2	-1.73 (4.02)	2	-4.01 (0.22)	3
Mean		8.20		9.36		5.75		4.38	
S.D.		6.52		8.09		8.37		8.16	
C.V		79.55		86.39		145.6		186.1	

The region-wise indices are shown in table 7.24. All the districts have been ranked according to their level of economic development during the four selected time periods i.e. 1980-81,1990-91,2000-01 and 2010-11. It is observed from the table that the level of economic development in tribal regions of Himachal Pradesh during 1980-81, Kinnaur was at the top followed by Bharmour, Pangi, Lahul and Spiti. In 1990-91 the comparative levels of economic development slightly changed. Now Kinnaur again in the first rank followed by, Bharmour, Pangi, Lahul and Spiti. In 2000-01 no significant change can be observed in the levels of Economic development, whereas during 2010-11 the ranking patterns has also changed. During this period Kinnaur again in the first position followed by Lahul, Bharmour, Spiti and Pangi. The value of Coefficient of variation increased from 79.55 in 1980-81 to 86.39 in 1990-91 which further increased to 145.6 in 2000-01 to 186.1 in 2010-11. This indicated that the disparities in the level of social development have increased during the period 1980-81 to 2010-11.

Dimension of economic development: Rotating the PCM with Varimax rotation so as to obtain the rotated factor matrix (RFM) has helped in identifying various dimensions of economic development for four point of time, i.e. 1980-81.1990-91,2000-01 and 2010-11. The factor scores are calculated by applying the following equations ED_1,ED_2,ED_3 and ED_4.

DIMENSION OF ECONOMIC DEVELOPMENT IN 1980-81

$ED_1=(.922)Z_1+(.930)Z_4+(-.599)Z_8+(-.687)Z_9+(.980)Z_{10}+(.959)Z_{12}+(.808)Z_{13}$

$ED_2=(.961)Z_1+(.885)Z_5+(-.990)Z_6+(-.734)Z_8+(-.559)Z_{11}+(.964)Z_{14}$

From the above analysis of 1980-81, it was found the Kinnaur was at the top position followed by Bharmour, Lahul, Pangi and Spiti whereas in respect of the second dimension Bharmour was at the top position followed by Kinnaur, Pangi,Lahul and Spiti.

DIMENSION OF ECONOMIC DEVELOPMENT IN 1990-91

$ED_1=(.999)Z_1+(.997)Z_2+(.823)Z_3+(.996)Z_4+(.969)Z_{10}+(.759)Z_{12}+(.953)Z_{13}$

$ED_2=(.674)Z_5+(-.806)Z_6 (.988)Z_7+(.840)Z_9+(.645)Z_{12}$

During 1990-91, it was found that again Kinnaur was at top position followed by Bharmour, pangi, Lahul and Spiti whereas in second dimension Bharmour was at the top position followd by Pangi, Kinnaur, Lahul and Spiti.

DIMENSION OF ECONOMIC DEVELOPMENT IN 2000-01

$ED_1=(.974)Z_1+(.963)Z_3+(.976)Z_4+(.976)Z_5+(.937)Z_8+(.988)Z_9+(.958)Z_{10}+(.779)Z_{12}+ (.870) Z_{13}$

$ED_2=(.895)Z_2+(-.899)Z_6+(.800)Z_7+(.954)Z_{14}$

In 2000-01, it was found that Kinnaur was at the top position followed by Bharmour, Lahul, Pangi and Spiti, Whereas in respect of the second dimension Bharmour was at the top position followed by Pangi, Kinnaur, Spiti and Lahul.

DIMENSION OF ECONOMIC DEVELOPMENT IN 2010-11

$ED_1=(1.000)Z_1+(.998)Z_2+(.999)Z_3+(.998)Z_4+(.595)Z_5+(.980)Z_8+(.997)Z_{10}+(.936)Z_{13}$

$ED2=(-.867)Z_6+(.767)Z_9+(.935)Z_{11}+(.903)Z_{12}+(.960)Z_{15}$

In 2010-11, it was found that Kinnaur was as at the top position followed by Lahul, Bharmour, Pangi and Spiti. Whereas in respect of the second dimension Bharmour was at the top position followed by Kinnaur, Spiti, Pangi and Lahul.

TABLE 1.2: FACTOR SCORES BASED ON FIRST FACTOR

S.N.	Regions	1980-81		1990-91		2000-01		2010-11	
		Index	Rank	Index	Rank	Index	Rank	Index	Rank
1.	Kinnaur	8.96 (13.32)	1	11.90 (18.04)	1	14.21 (18.91)	1	12.82 (16.96)	1
2.	Lahul	-1.13 (3.23)	3	-4.02 (2.12)	4	-3.13 ((1.57)	3	-1.78 (2.36)	2
3.	Spiti	-4.36 (0.00)	5	-6.14 (0.00)	5	-4.70 (0.00)	5	-4.14 (0.00)	5
4.	Pangi	-1.83 (2.53)	4	-1.68 (4.46)	3	-4.39 (0.31)	4	-4.06 (0.08)	4
5.	Bharmour	-1.63 (2.73)	2	-0.04 (6.1)	2	-1.98 (2.72)	2	-2.83 (1.31)	3
Mean		4.38		6.14		4.70		4.14	
S.D.		4.61		6.29		7.16		6.46	
C.V.		105.3		102.49		152.4		156.14	

TABLE 1.3 FACTOR SCORES BASED ON SECOND FACTOR

S.N.	Regions	1980-81		1990-91		2000-01		2010-11	
		Index	Rank	Index	Rank	Index	Rank	Index	Rank
1.	Kinnaur	1.73 (6.73)	2	2.25 (8.99)	3	-0.23 (2.83)	3	-0.65 (2.63)	2
2.	Lahul	-3.15 (1.85)	4	-3.45 (3.29)	4	-3.06 (0.00)	5	-3.28 (0.00)	5
3.	Spiti	-5.00 (0.00)	5	-6.74 (0.00)	5	-2.88 (0.18)	4	-1.14 (2.14)	3
4.	Pangi	0.48 (5.48)	3	2.31 (9.05)	2	1.76 (4.82)	2	-1.94 (1.34)	4
5.	Bharmour	5.94 (10.94)	1	5.62 (12.36)	1	4.42 (7.48)	1	7.02 (10.3)	1
Mean		5		6.73		3.06		3.28	
S.D.		4.28		4.98		3.17		4.04	
C.V.		85.69		73.95		103.7		123.31	

From the above analysis of 1980-81, it was found the Kinnaur was at the top position followed by Bharmour, Lahul, Pangi and Spiti whereas in respect of the second dimension Bharmour was at the top position followed by Kinnaur, Pangi, Lahul and Spiti. During 1990-91, it was found that again Kinnaur was at top position followed by Bharmour, pangi, Lahul and Spiti whereas in second dimension Bharmour was at the top position followd by Pangi, Kinnaur, Lahul and Spiti. In 2000-01, it was found that Kinnaur was at the top position followed by Bharmour, Lahul, Pangi and Spiti, whereas in respect of the second dimension Bharmour was at the top position followed by Pangi, Kinnaur, Spiti and Lahul.

In 2010-11, it was found that Kinnaur was as at the top position followed by Lahul, Bharmour, Pangi and Spiti. Whereas in respect of the second dimension Bharmour was at the top position followed by Kinnaur, Spiti, Pangi and Lahul.

CONCLUSION

All the districts have been ranked according to their level of Economic development during the four selected time periods i.e. 1980-81,1990-91,2000-01 and 2010-11. All the regions have been ranked according to their level of economic development during the four selected time periods i.e. 1980-81,1990-91,2000-01 and 2010-11. It is observed from the table that the level of economic development in tribal regions of Himachal Pradesh during 1980-81, Kinnaur was at the top followed by Bharmour, Pangi, Lahul and Spiti. In 1990-91 the comparative levels of economic development slightly changed. Now Kinnaur again in the first rank followed by, Bharmour, Pangi, Lahul and Spiti. In 2000-01 no significant change can be observed in the levels of Economic development, whereas during 2010-11 the ranking patterns has also changed. During this period Kinnaur again in the first position followed by Lahul, Bharmour, Spiti and Pangi. The value of Coefficient of variation increased from 79.55 in 1980-81 to 86.39 in 1990-91 which further increased to 145.6 in 2000-01 to 186.1 in 2010-11. This indicated that the disparities in the level of social development have increased during the period 1980-81 to 2010-11. From the first and second dimension of economic development 1980-81, it was found Kinnaur was at the top position followed by Bharmour, Lahul, Pangi and Spiti whereas in respect of the second dimension Bharmour was at the top position followed by Kinnaur, Pangi, Lahul and Spiti. During 1990-91, it was found that again Kinnaur was at top position followed by Bharmour, pangi, Lahul and Spiti whereas in second dimension Bharmour was at the top position followd by Pangi, Kinnaur, Lahul and Spiti. In 2000-01, it was found that Kinnaur was at the top position followed by Bharmour, Lahul, Pangi and Spiti, whereas in respect of the second dimension Bharmour was at the top position followed by Pangi, Kinnaur, Spiti and Lahul. In 2010-11, it was found that Kinnaur was as at the top position followed by Lahul, Bharmour, Pangi and Spiti. Whereas in respect of the second dimension Bharmour was at the top position followed by Kinnaur, Spiti, Pangi and Lahul.

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PERFORMANCE EVALUATION OF COMMODITY DERIVATIVES EXCHANGES IN INDIA: AN ANALYSIS

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ABSTRACT

The agriculture is the backbone of India with a sizeable population live on it for employment and livelihood, the functioning of markets of agricultural produce is important for policy makers and other stockholders. The markets are expected to realize a fair price for farmers, traders, which are often a serious issue due to seasonality, lack of storage facilities, yield differences across different geographical regions in our country. With recommendations of different Committees and after a prolonged debate, Government of India has permitted commodity derivatives trading from the year 2003. The prices of agriculture commodities in "Spot" and "Futures" markets with a revolution in information technology moved toward fairness and resulted in remunerative to farmers. This paper focused its attention on providing overall picture relating to functioning of select commodity exchanges in India. Further, the profiles of select commodities especially in terms of price trends are also analyzed. The functioning of futures markets in terms of number of exchanges volume of trading carried out by them is very promising. However, the developments in one market influence the other, where in the level playing field is not the same. This calls for a stringent regulatory environment, market surveillance and legal framework. The authors suggested that efforts need to be directed towards increasing the role of the government in order to regulate the activities of these markets.

KEYWORDS

agricultural commodities, trading, futures markets, derivative exchanges.

INTRODUCTION

Agriculture is the backbone of India with a sizeable population live on it for employment and livelihood, the functioning of markets of agricultural produce is important for policy makers and other stockholders. The markets are expected to realize a fair price for farmers, traders, which are often a serious issue due to seasonality, lack of storage facilities, yield differences across different geographical regions in our country. The abundance during harvest season, with damped price and differences in yield and quality, frequent government interference with administered prices on select commodities is resulting in a complex marketing environment for agricultural produce. This environment throws the farmers and traders to price uncertainty at every harvest season.

With recommendations of different Committees and after a prolonged debate, Government of India has permitted commodity derivatives trading from the year 2003. Different agro commodities are traded and handled in different market centers located closer to production are often referred to as "Spot" markets. Commodity Derivatives Exchanges, like Multi Commodity Exchange of India Ltd. (MCX), National Commodities and Derivatives Exchange Ltd. (NCDEX), etc. are established to facilitate on-line trading platforms for forward trading replacing the informal arrangements of farmers with traders, commission agents, contractors, industrial buyers. With Forward Market Commission (FMC) at apex, the organized exchanges have provided structured framework for forward trading called "Futures". The prices of agriculture commodities in "Spot" and "Futures" markets with a revolution in information technology moved toward fairness and resulted in remunerative to farmers.

In this paper, an attempt is made to discuss the growth and development of Agriculture Commodity Derivative Markets in India. This description on Indian Commodities Markets is focused to provide the background to evaluate the performance in terms of commodities traded, volume, year to year growth, etc.

GROWTH AND DEVELOPMENT OF DERIVATIVES MARKETS IN INDIA

The commodity trading in India is believed to have existed for thousands of years. Its existence is found in "Kautilya's Arthasastra" and the words, like Teji, Mandi, Gali, Phatak have been commonly heard in Indian markets. The organized Futures markets were found commenced in 1875 with the setting-up of the "Bombay Cotton Trade Association Ltd". The Futures trading in oilseeds started in 1900 with the establishment of Gujurati Vyapari Mandi, which carried on Futures trading in Groundnut, Castor seed and Cotton. Futures trading in Wheat was existing at different places in Punjab and Uttar Pradesh. Calcutta Hessian Exchange Ltd. was established in 1919 for future trading in raw jute and jute goods, but organized future trading in raw jute was commenced by Indian Jute Association Ltd. in 1927. After independence, the Forward Contracts (Regulation Act) was enacted in 1952 to regulate the trading in forwards and Futures.

The FMC was instituted as a regulatory body for commodities in 1953. Nevertheless, Indian commodity market did not blossom over four decades. During the period of 1950 to 1993 many Committees were constituted, viz, Dantawalla Committee, Khusro Committee, Sharoff Committee by the Government of India to study the various aspects of futures trading. The Futures trade in spices was first organized by the India Pepper and Spices Trade Association (IPSTA) in Cochin in 1957. The mid 1960s witnessed an unprecedented rise in the prices of major oils and oil seeds due to sharp fall in output. Futures trading were banned in most commodities to contain speculation, as the Government attributed the futures trading as responsible for rising inflation. Latter Futures trading was all together banned in 1966 so that the govt. could have control on the movement of prices of many agricultural and essential commodities.

In the year 1991 after the introduction of economic reforms, the Government of India appointed an Expert Committee on forward markets under the Chairmanship of K. N. Kabra. In order to boost the Agricultural sector, the National Agricultural Policy 2000 has envisaged for external and domestic market reforms and dismantling all controls and regulations on agricultural commodity markets.

The Government of India has issued notification in April 2003 permitting the Futures trading in commodities, paving the way to establish national level commodity exchanges, MCX, NCDEX, which were working since 26th Nov 2002, 10th Nov 2003 and 15th Dec 2003 respectively.

The NCDEX Spot Exchange Ltd. (NSPOT) was established to provide an electronic platform was set-up by NCDEX on October 18, 2006. MCX has also setup a National Spot Exchange Ltd. (NSEL) in October 2008. The mission of NSEL is to develop a common market to provide a national level electronic quotation along with delivery and settlement facility for commodities. Indian Commodity Exchange India Ltd. (ICEX), another nationwide multi commodity exchange was established in 2009. The ACE Commodity and Derivative Exchange got recognition on 10th Aug 2010. ACE has become a national exchange by upgrading itself from a regional exchange. On 30th Aug 2012, the Ministry of Consumer Affairs granted recognition to the Universal Commodity Exchange Ltd. (UCX). Commodities market has grown at an

exponential pace until the introduction of Commodity Transaction Tax (CTT) in July 2013. Towards the end of 3rd quarter of the year 2015, Forward Market Commission (FMC) was merged with Securities and Exchange Board of India (SEBI), to focus on enormous expectations for the future of Commodity Futures Market in India.

STRUCTURE OF INDIAN COMMODITY EXCHANGES

The commodity futures traded in commodity exchanges are regulated by the Government under Forward Contracts Regulations Act, 1952 and the rules framed there under. The regulator for the commodities trading was the FMC up to 2015, which was merged with the capital market regulator SEBI. At present the SEBI is controlling and managing all futures market trading activities along with the investors' protection measures. The SEBI, in order to effect the merger of FMC, has amended Securities Contract (Stock Exchanges and Clearing Corporation) Regulations, 2012 (SECC) and SEBI (Stock Broker and Sub Broker Regulations) 1992 and SEBI (Regulatory Fee on Stock Exchanges) in September, 2015. These regulations enabled functioning of the Commodity and Derivative Exchanges and their brokers under SEBI norms.

Later, the SEBI has also created a separate Commodity Derivatives Market Regulation Department for the regulation of commodity derivatives including exchange administration, market policies, risk management and handling of inspections and complaints. Additional division of intermediary registration surveillance, investigations, enforcement, regulatory assistance and research on Commodity Markets have been created within existing departments of the SEBI, which are expected to aid the convergence of both markets and build capacity.

COMMODITY EXCHANGES IN INDIA

India has experienced phenomenal growth in the commodity and derivatives segment since 2003, after the government has approved the operation of multiple exchanges. At present there are 22 commodity exchanges are operating, of which the 6 national level multi-commodity exchanges and others regional commodity exchanges. They are as follows:

TABLE-1: PERFORMANCE OF COMMODITY EXCHANGES IN INDIA (Amount in Rs. crores)

Sl. No.	Name of the Exchanges
A	**National Exchanges**
1	Multi Commodity Exchange of India Ltd. (MCX)
2	National Commodity & Derivative Exchange of India Ltd. (NCDEX)
3	National Multi Commodity Exchange of India Ltd. (NMCE)
4	Indian Commodity Exchange Ltd. (ICEX)
5	ACE Derivative and Commodity Exchange Ltd. (ACE)
6	Universal Commodity Exchange Ltd. (UCX)
B	**Commodity Specific Regional Exchanges**
7	Bikaner Commodity Exchange Ltd., Bikaner
8	Bombay Commodity Exchange Ltd., Vashi, Mumbai
9	Chamber of Commerce, Hapur
10	Central India Commerce Exchange Ltd, Gwalior
11	Cotton Association of India, Mumbai
12	East India Jute and Hussian Exchange Ltd, Kolkata
13	First Commodities Exchange of India Ltd., Kochi
14	Haryana Commodities Ltd. Sirsa
15	India Pepper and Spices Trade Association (Ipsta), Kochin
16	Meerut Agro Commodity Exchange Ltd., Meerut
17	National Board of Trade (NBOT), Indore
18	Rajkot Commodity Exchange Ltd. Rajkot
19	Rajdhani Oil and oil seed Exchange Ltd. Delhi
20	Surendranagar Cotton oils and oil seed Association Ltd., Surendranagar
21	Spices and Oil seed Exchange Ltd., Sangli
22	Vijoy Beopar Chamber Ltd., Muzaffarnagar

Exchanges	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
MCX	6393302.17 (82.34)	9841502.90 (82.36)	15597095.47 (86.05)	14881057.12 (87.00)	8611449.07 (84.89)	5183707.00 (84.49)
NCDEX	917584.71 (11.82)	1410602.21 (11.81)	1810210.1 (9.99)	1598425.87 (10.00)	1146328.09 (11.30)	904063.00 (14.73)
NMCE	227901.48 (2.94)	218410.90 (1.83)	268350.95 (1.48)	176570.86 (1.00)	152819.01 (1.51)	36040.00 (0.59)
ICEX	136425.36 (1.76)	377729.88 (3.16)	258105.67 (1.42)	169897.14 (1.00)	85664.19 (0.84)	-
ACE	--	30059.63 (0.25)	138654.61 (0.76)	172010.18 (1.00)	46756.74 (0.84)	-
UCX	--	--	--	--	73.13.19 (0.72)	-
Others	89540.33 (1.14)	70636.83 (0.59)	53686.98 (0.30)	48878.92 (0.01)	28764.69 (0.28)	11684.00 (0.19)
Grand Total	7764754.050 (100.00)	11948942.35 (100.00)	18126103.78 (100.00)	17046840.09 (100.00)	10144794.98 (100.00)	6135494.00 (100)

Source: www.fmc.gov.in (Forward Markets Commission) & Handbook of Statistics 2015 (SEBI)

Figures in parentheses indicates percentages

Table-1 highlights the performance of Commodity Exchanges in India during 2009-2015. Total value of trading carried out in National Commodity Exchanges gradually increased from Rs. 77 lakh crore in 2009-10 to Rs. 119.5 lakh crore in 2010-11, Rs. 181.3 lakh crore in 2011-12 and Rs. 170.5 lakh crore in 2012-13. The total volume and value of trading declined in 2013-14 and in 2014-15. Only Rs. 61.4 lakh crore businesses is done by Indian Commodities Markets in 2014-15 for various reasons.

NATIONAL COMMODITY EXCHANGES

Now, an attempt has been made to analyze the **p**erformance of select National Exchanges is described below:

1. **NATIONAL MULTI COMMODITY EXCHANGE OF INDIA LTD. (NMCE)**

NMCE is India's first state of art demutualized, electronic, multi commodity exchange. The NMCE was conceived and promoted in 1999 by an Indian group of public agencies, and listed its first contracts on 24 commodities in Nov 2002. As of Oct 2009, the NMCE lists futures contracts on a total of 44 different commodities and had over 300 trading members. The contracts traded on NMCE are cash crops, food grains, plantations, spices, oilseeds, metal and bullion, among others. The commodity-wise trading details in NMCE were given in Table-2.

TABLE 2: PERFORMANCE OF NMCE DURING 2010-2015 (Amount in crores)

	Name of the Commodity	2010-11 Value	2011-12 Value	2012-13 Value	2013-14 Value	2014-15 Value
A	**Bullion**					
i	Gold	4,625	13,508	3,952	4,052	0
ii	Goldguinea futures	2,778	9,640	2,191	2,393	0
iii	Kilogold futures	5,600	102	39	0	0
iv	Silver	3,604	146	0	0	0
	Total for A	**16,608**	**23,396**	**6,182**	**6,445**	**0**
B	**Metals other than Bullion**					
i	Aluminum	14,711	23,094	14,913	2,645	0
ii	Copper	15,256	21,828	11,216	2,961	0
iii	Lead	14,787	20,691	12,946	2,148	0
iv	Nickel	14,024	23,344	13,861	3,302	0
v	Zinc	13,594	22,361	11,005	2,871	0
	Total for B	**72,372**	**1,11,318**	**63,940**	**13,927**	**0**
C	**Agricultural Commodities**					
i	Cardamom	0	0	0	8	0
ii	Castor seed	2,385	3,865	6,193	18,917	6,764
iii	Chana	9,203	16,064	5,300	15,264	5,301
iv	Coffee Robusta	1,370	11,343	19,516	13,808	36
v	Copra	3,916	184	5,023	8,971	5,223
vi	Guar gum	5,178	58	0	511	0
vii	Guar seed	7,575	7,707	0	1,434	0
viii	Isabgulseed	14,249	11,936	13,623	13,284	733
ix	Menthol crystal	3,269	5	0	0	0
x	Pepper	3,821	3,038	2,014	712	2
xi	Rape/Mustard seed	11,333	14,961	7,584	17,024	7,154
xii	Raw jute	10,194	15,598	18,375	20,248	5,653
xiii	Rubber	23,846	16,684	9,937	9,221	4,068
xiv	Sacking	16,735	12,451	13,678	12,988	1,106
Xv	Soy oil	14,245	19,739	5,769	59	0
Xvi	Turmeric	2,112	0	0	0	0
	Total for C	**129431**	**133636**	**107012**	**132447**	**36040**
	Grand Total (A+B+C)	**218411**	**268351**	**177134**	**152819**	**36040**

Source: www.fmc.gov.in; SEBI Handbook of Statistics

2. **MULTI COMMODITY EXCHANGE OF INDIA LTD. (MCX)**

MCX is an independent commodity exchange established in 2003 in Mumbai. It is India's largest commodity futures exchange and the turnover of the exchange for the year 2015 was Rs. 51.8 lakh crore (865.5bn USD). MCX offers futures trading in Bullion, Non Ferrous metals, Energy, and a number of agricultural commodities (Mentha oil, Cardamom, Crude palm oil, Cotton and others). In 2015 MCX was 6th among the global commodity bourses in terms of number of Futures contracts traded. The Exchange is promoted by Financial Technologies India Ltd, SBI, and its Associates, NABARD, NSE, FIDFUND (Mauritius) Ltd, an affiliates of Fidelity International, Corporation Bank, the Union Bank of India, Canara Bank, Bank of India, Bank of Baroda, HDFC Bank and ICICI Ventures. The performance of MCX for select commodity is given in Table-3.

TABLE 3: PERFORMANCE OF MCX DURING 2010 – 2015 (Amount in crores)

Sl. No	Name of the Commodity	2010-11	2011-12	2012-13	2013-14	2014-15
A	**Bullion**					
i	Gold	2469246.00	4224786.00	3720129.00	2482438.00	1223870.00
ii	Platinum	5.00	10.00	0.00	0.00	0.00
iii	Silver	2700017.00	5738871.00	4086933.00	1780757.00	929557.00
	Total for A	**5169268.00**	**9963667.00**	**7807063.00**	**4263195.00**	**2153427.00**
B	**Metals other than Bullion**					
i	Aluminium	99352.00	122804.00	229582.00	134965.00	163210.00
ii	Copper	1145075.00	1488345.00	1443348.00	776666.00	378936.00
iii	Iron Ore	210.00	45.00	0.00		
iv	Lead	347835.00	340934.00	616192.00	398402.00	209530.00
v	Nickel	464578.00	403989.00	432047.00	187173.00	265110.00
vi	Steel	9.00	0.00	2103.00	477.00	0.00
vii	Tin	18.00	3.00	2.00	0.00	0.00
viii	Zinc	451782.00	353638.00	416834.00	228654.00	257428.00
	Total for B	**2508858.00**	**2709758.00**	**3140109.00**	**1726336.00**	**1274213.00**
C	**Agricultural Commodities**					
i	Almond	27.00	5.00	3.00	1.00	0.00
ii	Barley	568.00	0.00	0.00	0.00	0.00
iii	Cardamom	10882.00	16374.00	24139.00	11303.00	6384.00
iv	Chana	1184.00	3.00	0.00	0.00	0.00
v	Coriander	0.00	22.00	0.00	0.00	0.00
vi	Cotton	0.00	4846.00	25143.00	62439.00	34949.00
vii	CPO	22453.00	52552.00	106410.00	43552.00	41309.00
viii	Flake Mentha	11.00	0.00	0.00	0.00	0.00
ix	Guar gum	0.00	0.00	0.00	663.00	0.00
x	Guar seed	171.00	1.00	0.00	3606.00	0.00
xi	Kapas	2448.00	4955.00	4330.00	1622.00	140.00
xii	Kapaskhali	0.00	0.00	2605.00	2244.00	6.00
xiii	Maize	152.00	0.00	0.00	0.00	0.00
xiv	Mentha Oil	60253.00	101411.00	102400.00	41798.00	26054.00
xv	Potato	10535.00	11286.00	5250.00	4161.00	1426.00
xvi	Ref Soy Oil	4236.00	187.00	5.00	2.00	0.00
xvii	Rubber	0.00	0.00	0.00	0.00	0.00
xviii	Soyabean	1.00	0.00	0.00	0.00	0.00
xix	Sugar	1220.00	6138.00	11.00	0.00	0.00
xx	Turmeric	0.00	0.00	0.00	0.00	0.00
xxi	Wheat	0.00	0.00	0.00	0.00	0.00
	Total for C	114152.00	197781.00	270295.00	171391.00	110268.00
D	**Energy**					
i	ATF	0.00	8.00	0.00	0.00	0.00
ii	Carbon Credit ('000 tons of CFI Units)	0.00	0.00	0.00	0.00	0.00
iii	Crude Oil	1764265.00	2464963.00	2990695.00	1795205.00	1262646.00
iv	Gasoline	16.00	1.00	1.00	0.00	0.00
v	Heating Oil	13.00	1.00	0.00	0.00	0.00
vi	Natural Gas (trln. Btu)	284931.00	260916.00	672893.00	655322.00	383154.00
vii	Thermal Coal	0.00	1.00	1.00	0.00	0.00
	Total for D*	2049224.00	2725889.00	3663589.00	2450527.00	1645799.00
E	**Plastic**	0.00	0.00	0.00	0.00	0.00
F	**Other**	0.00	0.00	0.00	0.00	0.00
	Grand Total (A+B+C+D+E+F)	**9841502.00**	**15597095.00**	**14881057.00**	**8611449.00**	**5083707.00**
1	Natural Gas volumes are in Trillion BTU, Carbon Credit volumes are in 1000 tonnes of CFI Units and is not included for computing the Total Volume					
2	Conversion factors: Cotton (1 Bale=170 kg), Crude Oil (1 Tonne = 7.33Barrels), Heating Oil (42 Gallons = 100 barrels; 1Tonne = 7.5 Barrels),					

Source: Handbook of Statistics on Indian Securities Market SEBI.

3. NATIONAL COMMODITY AND DERIVATIVE EXCHANGE LTD. (NCDEX)

The NCDEX is an online commodity exchange incorporated on 23rd April 2003 under the Company's Act 1956. NCDEX is promoted by national institutions like LIC, NABARD, NSE, PNB, CRISIL, IFFCO, Canara Bank, Goldman Sachs, IDFC, ICE. NCDEX lists contracts on a host of agricultural commodities, besides metals, plastics, gold and energy products. It offers trading on more than 49,000 terminals across 1000 centers in India as on 31st July 2015. The performance of NCDEX for the years 2010-11 to 2011-15 is given in Table-4.

TABLE 4: PERFORMANCE OF NCDEX DURING 2010-11 AND 2014-15 (Amount in crores)

Sl. No.	Name of the Commodity		2010-11	2011-12	2012-13	2013-14	2014-15
A	**Bullion**						
1	Gold	Gldpurahm	2.00	0.00	0.00	0.00	0.00
2		Gold	65124.00	16158.00	554.00	40.00	0.00
3		Gold100ahm	117.00	8.00	0.00	0.00	0.00
4		Goldind100	0.00	0.00	1.00	0.00	0.00
5	Gold hedge	Goldh100	0.00	0.00	0.00	148.00	409.00
6		Gold hedge/gold intl.	0.00	156.00	0.00	5739.00	27899.00
7	Platinum	Platinum	0.00	0.00	0.00	0.00	0.00
8	Silver	Silver	5682.00	12990.00	528.00	16.00	0.00
9		Slvpurahm	2.00	0.00	0.00	0.00	0.00
10		Silver5ahm	0.00	0.00	2.00	0.00	0.00
11	Silver hedge	Silverhedg	0.00	0.00	0.00	0.00	1806.00
12		Silver hedge/silver intl.		126.00	0.00	291.00	2593.00
	Total for A		**70928.00**	**29438.00**	**1084.00**	**6233.00**	**32708.00**
B	**Metals other than Bullion**						
1	Aluminium	Aluminium	0.00	0.00	0.00	0.00	0.00
2	Copper	Copper	13823.00	18909.00	6127.00	51.00	2.00
3	Lead	Lead	0.00	0.00	0.00	0.00	0.00
4	Nickel	Nickel	187.00	3.00	0.00	0.00	0.00
5	Steel	Steel long/ steelcomm	22751.00	11511.00	2108.00	7.00	5.00
6	Zinc	Zinc	0.00	0.00	0.00	0.00	0.00
	Total for B		**36761.00**	**30422.00**	**8235.00**	**58.00**	**7.00**
C	**Agricultural commodities**						
1	Bajra	Bajra	0.00	0.00	0.00	0.00	5.00
2	Barley	Barleyjpr	1122.00	1057.00	5544.00	2508.00	1168.00
3	Castor seed	Castor1mt	0.00	0.00	0.00	7.00	121.00
4		Castor2mt	0.00	0.00	0.00	0.00	9.00
5		Castor seed	4347.00	7794.00	93828.00	161062.00	166952.00
6	Chana	Chana1mt	0.00	0.00	0.00	52.00	467.00
7		Chana2mt	0.00	0.00	0.00	0.00	128.00
8		Charjddel	112736.00	274605.00	159493.00	132914.00	102306.00
9	Chilli	Chilli	8494.00	11611.00	11753.00	7537.00	517.00
10	Cotton seed oil cake	Cocudakl	24589.00	30328.00	65460.00	51044.00	24721.00
11	Cotton	Cotton	0.00	0.00	0.00	1.00	94.00
12	Cotton seed	Cottonseed	0.00	0.00	0.00	136.00	2.00
13	Crude palm oil	Cpo	19.00	0.00		274.00	32.00
14	Coriander	Dhaniya	5598.00	17513.00	52829.00	95259.00	79879.00
15	Guar seed	Guar2mt	0.00	0.00	0.00	0.00	3.00
16		Guar seed	246283.00	323120.00	0.00	19567.00	12299.00
17		Guarseed10	0.00	0.00	0.00	42.00	46739.00
18	Guar gum	Guar gum	44764.00	98357.00	0.00	11058.00	31331.00
19	Gur	Gurchmuzr	8312.00	5488.00	6855.00	5824.00	2461.00
20	Jeera	Jeeraunjha	60864.00	55983.00	65956.00	28918.00	31229.00
21	Kachighani mustard oil	Kachighani	1.00	0.00	0.00	0.00	0.00
22	Kapas	Kapassrnr	13155.00	19319.00	36776.00	35461.00	19445.00
23	Maize	Maize	967.00	2294.00	10768.00	63.00	0.00
24		Maize khrf	0.00	0.00	0.00	1613.00	810.00
25		Maize rabi	0.00	0.00	170.00	4492.00	1669.00
26		Maizy rnzm	611.00	0.00	0.00	0.00	0.00
27	Potato	Potato	3893.00	2871.00	594.00	79.00	0.00
28	Pepper	Pprmlgkoc	80460.00	75713.00	31468.00	589.00	0.00
29	Rbdpalmolein	Rbdpalmoln	0.00	0.00	90.00	0.00	0.00
30	Rubber	Rbrrs4koc	1.00	13.00	3.00	0.00	0.00
31	Rmseed	Rmseed	87162.00	165405.00	180197.00	84218.00	52860.00
32		Rmseed2mt	0.00	0.00	0.00	0.00	4.00
33	Soya bean meal	Sbmealidr	0.00	0.00	2.00	0.00	0.00
34	Shankar kapas	Shankrkpas	0.00	0.00	39.00	2.00	1.00
35	Sugar	Sugarm	0.00	0.00	0.00	0.00	1996.00
36		Sugarm200	5340.00	15941.00	21241.00	12646.00	6590.00
37		Sugars	0.00	0.00	0.00	0.00	2.00
38		Sugars150	0.00	0.00	0.00	0.00	0.00
39	Soya bean	Sybean2mt	0.00	0.00	0.00	0.00	3.00
40		Sybeanidr	101645.00	122638.00	217991.00	182336.00	98131.00
41	Soya oil	Syorefidr	260363.00	415762.00	557602.00	269915.00	161422.00
42	Turmeric	Tmcfgrnzm	35705.00	15622.00	33084.00	29606.00	26424.00
43	Wheat	Wheat	3307.00	2661.00	5406.00	1637.00	1043.00
	Total for C		**1109740.00**	**1664095.00**	**1557146.00**	**1138862.00**	**870863.00**
Grand Total (A+B+C)			**1217429.0**	**1723955.0**	**1566465.0**	**1145153.0**	**903578.0**

Source: SEBI – Hand Book of Statistics

4.   INDIAN COMMODITY EXCHANGE LTD. (ICEX)

ICEX incorporated in the year 2009. It is the online derivative exchange of India which was established to provide transparent, time tested and reliable trading platform. It is promoted by India Bulls Financial Services Ltd., Reliance Exchange Next Infrastructure Ltd., MMTC Ltd., Indian Potash Ltd., KRIBHCO and IDFC bank. It has put in place assaying and warehousing facilities in order to facilitate deliveries. The exchange is ideally positioned to leverage on huge potential of commodities market and encourage participation of actual users to benefit from the opportunities of hedging, risk management in the commodities markets.

5.   ACE DERIVATIVES AND COMMODITIES EXCHANGE LTD. (ACE)

ACE Derivatives and Commodities Exchange is India's 5th National Commodities Exchange was launched on October 26, 2010. The exchange offers contracts on soya beans, castor seeds, and mustard seed with plans to offer other contracts such as, Energy, metals and spices. It is promoted by Kotak Mahindra group, HAFED, Bank of Baroda, Corporation Bank and Union Bank of India. The exchange is operating through 230 registered members across the nation.

6.   UNIVERSAL COMMODITY EXCHANGE LTD. (UCX)

UCX was set-up in 2012 as India's 6th national level commodity exchange. UCX is promoted by the IDBI Bank, IFCO, NABARD, REC and Commex Technology Ltd. It has started its operations on April 19, 2011 with 11 contracts in 9 commodities. The exchange facilitates Futures trading in Gold, Silver, Crude oil, Channa, Rubber, Mustard seed, Soyabean and Turmeric.

FINDINGS

This paper focused its attention on providing overall picture relating to functioning of select commodity exchanges in India. Further, the profiles of select commodities especially in terms of price trends are also analyzed. The price fluctuations might have made the Futures trading to pick-up the derivatives markets.

- Futures trading on Commodities is formally permitted by the Government of India since 2003.
- There are six major National Exchanges and sixteen Regional exchanges operating in this segment.
- FMC was regulating the Commodities trading until 2015 and it was merged into SEBI for greater financialization of Commodity trading.
- Among the national commodity exchanges, MCX dominates with 80 to 85 per cent of total business done. The NCDEX concentrates on Futures trading in agricultural commodities.
- The business of all commodity exchanges declines in 2013-14 and 2014-2015 due to introduction of Commodity Transaction Tax (CTT) and failure of the National Spot Exchange.

CONCLUSION

The functioning of futures markets in terms of number of Exchanges Volume of trading carried out by them is very promising. The benefits accruing to farmers, traders, commission agents, etc., in terms of price prediction, hedging opportunities are laudable. On line trading platforms are opening the commodity trading to general investors who focus only on portfolio diversification benefits and facilitate the financialization of commodity market space.

However, such financialization is not without costs. The developments in one market influence the other, where in the level playing field is not the same. This calls for a stringent regulatory environment, market surveillance and legal framework. The FMC – SEBI merger should address on this issue.

SUGGESTIONS

A well-organized spot market is a pre requisite for the efficient functioning of futures markets. The functioning of futures exchanges depends on supporting infrastructure for possible physical delivery, warehousing facility, credit facilities against warehouse receipts. Simplification of trade procedures margin requirements, contract sizes and creation of greater awareness among agricultural farmers will alone bring volumes to the futures markets. Larger the number of players in the market, lower the distortions and arbitrage benefits. Efforts need to be directed towards increasing the participants, like small and medium farmers to corporate hedgers.

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SALES FORCE MANAGEMENT: A CONSIDERABLE ASPECT OF MARKETING MANAGEMENT

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ABSTRACT

Every organization is concerned with the efficient management of its finance, purchase, production, marketing and human resources. Sale force management is one of the essential parts of marketing management. An efficient sales force staff helps the management in achieving its market share, consumer satisfaction, healthy competition, and increased profits. Companies are spending lot of funds on advertisements and other promotional actions but still the sales personnel are doing lot for achieving the management targets. This paper considers the elements of sales force management and ways to improve the sales force management.

KEYWORDS

sales force management, recruitment, selection, and training.

INTRODUCTION

Marketing is one of the functional areas of management which needs special attention in the current era of global competitive business environment. Sales Force Management is a part of marketing management. The sales force is the main player behind the implementation of marketing strategies and plans. An active sales force in any form, may it be manager or sales representative, fulfills the marketing needs of a company. Companies now days are focusing specially on the consumers. For the purpose they are doing numerous promotional events like hi-fi advertisements. Even after those efforts companies are engaging better sales representatives, who profess the qualities of product to the prospective customers' viz. distributors, retailers or consumers. So we can say they are the backbone of the company's success.

SALES FORCE MANAGEMENT

Sales Force Management may be defined as an art of planning, coordinating, controlling and directing the sales force. It includes the ways to get effective results through proper recruitment, training, supervision, motivation, evaluation of sales personnel.

ELEMENTS OF SALES FORCE MANAGEMENT

- ❖ **Sales force structure:** This includes the planning, strategy making and placement of sales personnel. That is to draw a design which clearly explains duties, responsibilities, the objectives, targets, strategies etc. to every person in sales force. This will help the management in estimation of the type and number of persons required for sales.
- ❖ **Recruitment and selection:** Every concern wants to be the market leader. This is possible only if two things viz. the quality of product and the efficiency of sales department is at the peak. So the best recruitment and selection helps the management to achieve its sales targets with ease.
- ❖ **Training and development:** Training and developments keeps the sales personnel up to date. Technological changes open the doors for new entrants in the business which may lead to higher level of competition. So in order to beat that, the existing staff in sales must be provided with new skills.
- ❖ **Supervision, coordination and feedback:** Sales job is normally a target based job and the overall efficiency of the concern is mainly dependent on the efficiency of sales force and quality of the product. So the sales force must be supervised properly which includes clear cut directions through a good communication system for instance targets and ways to achieve those. Coordination on the other hand is also an important function of management which is too needed amongst the sales personnel. A coordinated sales team will easily achieve the targets. Feedback of the task be provided by each and every person in sales department so as to make review of marketing plan, strategies etc. if necessary.
- ❖ **Performance evaluation:** As discussed earlier sale force is the back bone of every concern and with the disturbed back bone no concern can work efficiently. Timely evaluation of the workforce be made so that inefficient person may be removed and efficient one be promoted.
- ❖ **Motivation:** Unexpected can be achieved if the concerned persons are motivated properly. Similarly, in the sales force as the persons are more in stress to achieve targets they need motivation from superiors at every level. Depending upon the circumstances the motivation may be monetary and/or nonmonetary.
- ❖ **Compensation:** Compensation is the amount paid by the management to the sales persons. Remuneration to be paid to sales force is normally based on their performance and bargaining.

SUGGESTIONS TO IMPROVE SALES FORCE MANAGEMENT

Following are certain suggestions which may help the management in managing sales force:

- **Strategic planning**: Since the sales personal have to face the threat of competitors, the taste and preference of consumers, technological advancements so it is important for management to continuously evaluate its production and marketing strategies and make them viable for the current prevailing situations. Sales personnel are not only the implementer of the strategy rather they may also be used as the data provider regarding the market demand, consumer preferences, new technological developments etc.
- **Viable Structure:** Structure is the model on which the sales assignment is fixed. This task should not be done arbitrarily rather experts may be engaged to identify the need of type of sales personnel based on the targets, competition etc. Positions in the department must be rationally defined. Viable structure does not permit over staffing. The requirements viz. qualification, experience, type of responsibilities, hierarchy of reporting and accountability, for each and every position must be clearly defined.
- **Scientific recruitment and selection:** Faulty recruitment and selection may pose problems for the concern. Management should follow scientific way of recruitment and selection. Nepotism, corruption etc. should be discouraged and qualifications and experience be encouraged in real sense.
- **Training essentials:** Training is an essential element for updating the staff. The management should verify the continuous need of training to the sales staff. Trained personnel will be able to convince the perspective customer easily by explaining the characteristics of their product and by making a comparison with their competitor's product, as they know minute details about the company and competitor's product(s). The trained and experienced sales staff may further be used to train the fresher ones as they are having the firsthand experience of market.
- **Relevant budget:** A concern can get the benefits as expected if it has relevant budget to perform the above said things. Nothing can be done if concern does not allot required budget for strategic planning, recruitment, selection, motivation etc. The management should make arrangements for sufficient funds for efficient staff.
- **Focus on customer needs:** The management should always have focus on fulfillment of customer needs so as to remain in the market. Since sales persons are the link between the concern and consumers they may make the management aware about the needs and tastes of consumers.

- **Right choice of distribution channels:** Since the sales force personnel are directly in touch with the customer they may suggest the management for adopting right type of distribution channels which in turn may lead to reduction in distribution cost and that benefit may directly be given to the consumers in order to have cost leadership.
- **Review and feedback:** The organizations do number of activities to increase or maintain their sales. These activities become useless if the implications of these are not reported. The sales force personnel must be trained to have such quality to understand the market responses and to report immediately. Timely feedback and review of any strategy or policy may lead to increase the market share of the company.
- **Periodically assessment of the motivational needs:** Every person in sales force works for the organization only if his efforts are properly recognized. If the personnel are made clear about the opportunities ahead after successful completion of the task given, then they will obviously work in full swing. It is suggested that the motivational needs of the sales force be assessed periodically so that they may have a sense of belongingness and work more efficiently to achieve the desired targets.
- **Proper remuneration to the sales force personnel:** Targets given to the sales force must be linked with the reward. Whosoever completes the target must be rewarded in proportion to his work. This will lead the others to work more for the organization to achieve targets in time or even before time. Remuneration may be fixed for all to some extent and variable after that. For instance, the sales persons may be given fixed salary for routine tasks and further commission, percentage on profit or whatsoever the name it may consider, on the sales affected over and above the targets. This allurement will enhance the efficiency of the personnel and they will work more in the interest of organisation.
- **Unbiased evaluation of the sales force:** If the management is able to do unbiased evaluation of the performance of sales force then it can easily differentiate between efficient and inefficient persons. Persons who are lethargic, inefficient, indecisive, corrupt, unfaithful and untrustworthy must be fired. Whereas the person who are selfless, hard worker, efficient, ethical decision maker, honest and loyal must be promoted. This will provide a moral check over all of the employees and they will try to work as desired.

CONCLUSION

The efficiency of marketing department is quite dependent on effective sales force management. If the company is able to manage its sales force it can easily achieve its targets. The outcome of sales force is related to its management. As discussed earlier a satisfied, motivated, qualified, experienced and trained sales force personnel is always loyal, selfless and works for the achievement of the targets assigned to him, whereas a lethargic, inefficient, unfaithful and corrupt person proves to be a hazard for company's success. In order to get maximum possible out of the sales force, they may be managed in such a way that they feel proud to be the part of the company. So we can conclude that sales force management is a considerable aspect of marketing management which must not be ignored. Rather a due attention must be provided to this.

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A STUDY OF CONSUMER SOCIALIZATION AND IMPACT OF ADVERTISINGS ON CHILDREN & YOUTH

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ABSTRACT

Children begin to make requests for desired products in first two years of their age. By around the age of five, most kids are making purchases with the help of parents and grandparents, and by eight most are making independent purchases and have grown to a matured consumer. These changes occur as children move through three stages of consumer socialization—which we have named the perceptual stage, the analytical stage, and the reflective stage. Child and youth get knowledge (or learn) about products or services through different agents, which socialize them as consumers. Youth are more socialized than children through advertisements. Family and peer play a vital role in consumer socialization of children. Youth and parent talk about products or services, and they exchange information. Analysis of various aspects related to advertisement role in decision making, concludes that advertisements are playing a vital role in socializing the child & youth and in turn they involve in family buying decision and role of advertisement cannot be neglected.

KEYWORDS

consumer, socialization, cognition, advertising.

INTRODUCTION

Consumer socialization is a developmental process that proceeds through a series of stages as children mature into adult consumers. The period from birth to adolescence contains dramatic developments in cognitive functioning and social maturation. Children develop abilities to go beyond perceptual appearances to think more abstractly about their environment, acquire information processing skills to more readily organize and use what they learn about their environment, and develop a deeper understanding of interpersonal situations, which allows them to see their world through multiple perspectives. Figure – 1 illustrates Consumer Socialization Process.

FIG. 1: CONSUMER SOCIALIZATION PROCESS
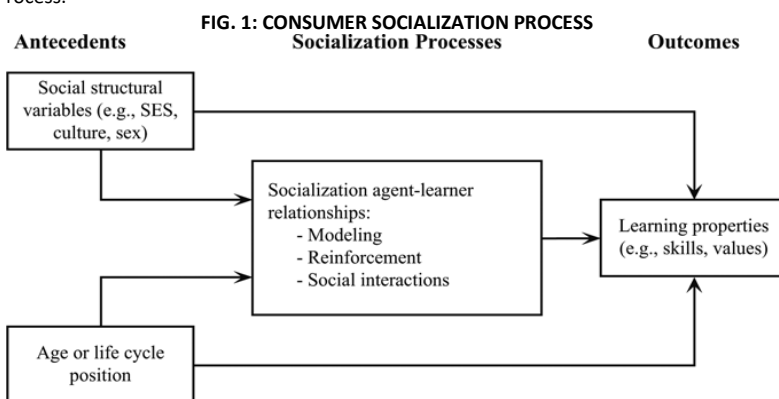
Source: Adopted from Moschis and Churchill (1978)

Cognitive and social development provides a backdrop for the growing sophistication children exhibit in understanding and performing in the consumer role. Age-related improvements in cognitive abilities contribute to the development of consumer knowledge and decision-making skills. For example, well-developed cognitive abilities facilitate the process of evaluating products, comparing them against other alternatives, and purchasing the chosen item from a store. Age-related improvements in social development are similarly helpful. Many consumer situations involve interpersonal understanding, from impressions children form about people who use certain products or brands to negotiation sessions with parents in an attempt to influence the purchase of desired items. These changes occur as children move through three stages of consumer socialization—which we have named the perceptual stage, the analytical stage, and the reflective stage (see Table -1).

TABLE 1: CONSUMER SOCIALIZATION STAGES

Characteristics	Perceptual stage, 3–7 years	Analytical stage, 7–11 years	Reflective stage, 11–18 years
Knowledge structures: Orientation	Concrete	Abstract	Abstract
Focus	Perceptual features	Functional/underlying features	Functional/underlying features
Complexity	Uni-dimensional Simple	Two or more dimensions Contingent ("if–then")	Multidimensional Contingent ("if–then")
Perspective	Egocentric (own perspective)	Dual perspectives (own 1 others)	Dual perspectives in social context
Decision-making and influence strategies: Orientation	Expedient	Thoughtful	Strategic
Focus	Perceptual features Salient features	Functional/underlying features Relevant features	Functional/underlying features Relevant features
Complexity	Single attributes Limited repertoire of strategies	Two or more attributes Expanded repertoire of strategies	Multiple attributes Complete repertoire of strategies
Adaptively	Emerging	Moderate	Fully developed
Perspective	Egocentric	Dual perspectives	Dual perspectives in social context

Source: Journal of Consumer Research, 26 (December 1999), 183-213.

NEED & IMPORTANCE OF THE STUDY

It was observed that the main influences on children's consumer learning are parents, peers, the media and culture as a whole.

Children & Youth are viewed as:

(i). Primary market of consumers that they spend money on their own wants and needs,

(ii). Influences the spending of their parents' money for their family benefit and (iii). A future market for all goods and services

Thus when considering these three markets together, marketers have come to understand the potential of this huge segment and thus have started targeting this segment. There is an immense need in understanding children's influence in family buying process has been acknowledged as an area in immense need of research.

OBJECTIVES OF THE STUDY
1. To examine the process of consumer socialization of child and youth
2. To understand the impact of advertising on child and youth buying behavior

RESEARCH METHODOLOGY
Sources of Data
Primary data collected through a well-designed structured questionnaire. The data collected from children and parents spread over five selected cities in the country. Admittedly, the sample does not represent the country's entire population but only "the universe of parents & children". Secondary data is also used to supplement the findings drawn from the primary data.
Sample Design
Parent and Children from five cities were selected on the basis of convenient sample method. The respondents shall include both males and females and in the age group of 6 – 17years. For an in depth study 300 children and 200 parents are selected.
Data Analysis
The data shall be analyzed by using SPSS package. This study makes a demographic comparative analysis of parents & children consumers in urban areas by demographic variables. Simple statistical tools like averages, mean, standard deviation is used. The sample data have been presented in a cross-sectional form, invariably resulting into r x r contingency tables.
CONSUMER SOCIALIZING AGENTS OF CHILDREN
Preschool and kindergarten years, the egocentric stage (ages 3–6), children are unaware of any perspective other than their own. As they enter the next phase, the social informational role taking stage (ages 6–8), children become aware that others may have different opinions or motives, but believe that this is due to having different information rather than a different perspective on the situation. In the self-reflective role taking stage (ages 8–10) as children not only understand that others may have different opinions or motives, even if they have the same information, but can actually consider another person's viewpoint. However, the ability to simultaneously consider another person's viewpoint at the same time as one's own does not emerge until the fourth stage of mutual role taking (ages 10–12). The final stage, social and conventional system role taking (ages 12–15 and older), features an additional development, the ability to understand another person's perspective as it relates to the social group to which he (other person) belongs or the social system in which he (other person) operates. These changes occur as children move through three stages of consumer socialization—which we have named the perceptual stage, the analytical stage, and the reflective stage

DATA ANALYSIS
These stages are characterized along a number of dimensions that capture important shifts in knowledge development, decision-making skills, and purchase influence strategies. An attempt is made to find the socializing agents of children and the results were presented in below table 2

TABLE 2: CONSUMER SOCIALIZING AGENTS OF CHILDREN

Source of Information	Frequency	Percent
Parents	111	37.0
Friends	54	18.0
Mass Media	123	41.0
Others	12	4.0
Total	300	100.0

Source: Primary Data

The table above elicits that 41% of children get knowledge about a product or service through 'Mass media', 37% of them through 'Parents', friends are source of information for 18% of children and 4% of them get aware of product or service through other sources, which include teachers, relatives etc.

Null-Hypotheses (Ho): There is no significant difference in children media consumption and its impact on consumer socialization of children.

CHI-SQUARE TEST

Chi-Square	106.800[a]
df	3
Asymp. Sig.	.000
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 75.0.	

Since the calculated value (106.800) is greater than the table value (5.991) at 5% significance level, hence the null hypothesis is rejected. Therefore, it may be concluded that there is significant difference among children media consumption and its impact on consumer socialization of children.

Respondents were asked whether advertisements play a vital role in socializing them as consumers or not. Their responses are given the Table 3

TABLE 3: ROLE OF ADVERTISEMENTS IN SOCIALIZING CHILDREN

Advertisements socialize Child	Frequency	Percent
Yes	188	62.7
No	80	26.7
Can't say	32	10.7
Total	300	100.0

Source: Primary Data

It is evident from the above Table 3 that almost one-third (63%) of children socialized by Advertisements, almost one-fourth of them (27%) expressed that there is no role of Advertisement's in socialization of their behaviour and 11% of the children can't say whether Advertisements socialize them as consumers or not.

Table 4 below tries to understand the role of family and peers on consumer socialization of children. The mean values of respondents' opinion indicate that they neither agree nor disagree with the statements i.e., When my family member discuss about a new product, I try to gather information about that product through various media. However, these values can be interpreted that they are towards agreeing. This information indicate that a large number of respondents gather information about that product through various media.

Mean values of respondents' opinion on the remaining statements except the above indicates that a large number of respondents are agreeing concerned statements i.e., 'My parents and I talk about things we see or hear advertised', 'After viewing Advertising on a product, I suggest my parents to buy same product for the family', 'My friends and I talk about the things we see or hear advertised', and 'When my friend share information about a new product, I try to gather information from various media sources'

TABLE 4: CONSUMER SOCIALIZATION OF CHILDREN THROUGH FAMILY & PEER

Descriptive Statistics			
Child – Family – Peer information sharing	N	Mean	Std. Deviation
My parents and I talk about things we see or hear advertised	300	3.51	1.206
After viewing Advertising on a product, I suggest my parents to buy same product for the family	300	3.50	1.155
When my family member discuss about a new product, I try to gather information about that product through various media	300	3.16	1.364
My friends and I talk about the things we see or hear advertised	300	3.55	1.238
When my friend share information about a new product, I try to gather information from various media sources	300	3.51	1.206
Valid N (list wise)			

Source: Primary Data

Further, respondents opinions are analyzed taking 5 point likert scale starting from 'strongly disagree to strongly agree' on ten statements related to advertisement role in decision making

TABLE 5: IMPACT OF ADVERTISEMENTS ON CHILDREN

Statement	N	Mean	Std. Deviation
Advertisement increases the frequency of purchase	300	3.80	1.267
Exposure to Advertisements has enhanced my involvement in purchasing	300	3.67	1.321
I mostly purchase products shown in Advertisements	300	3.04	1.261
Information gained through Advertisements make the purchase of the products easier	300	3.11	1.381
Due to Advertisement exposure I have started experimenting new products	300	2.58	1.129
I feel my demand for products purchase is influenced by Advertisements	300	3.05	1.442
I feel good when I watch the Advertisements of products I am already using	300	3.61	1.407
Advertisements help me to find best products	300	3.25	1.408
Advertisements induce me to buy products for enjoyment even though I do not require them.	300	2.39	1.272
Quality of Products is as good as expected from Advertisements	300	3.13	1.170

Source: Primary Data

Their responses were analyzed using mean values. The mean values and the standard deviation of responses are given in the below Table 5. The table 5 reveals that the respondents agreed to the statements 'Advertisement increases the frequency of purchase', 'Exposure to Advertisements has enhanced my involvement in purchasing, 'I feel good when I watch the Advertisements of products I am already using' and 'Advertisements help me to find best products'.

However, they neither agreed nor disagreed to the statements that 'I mostly purchase products shown in Advertisements, 'Information gained through Advertise-ments make the purchase of the products easier', and 'I feel my demand for products purchase is influenced by Advertisements'. They move more towards disagreeing when it comes to the statement that 'Due to Advertisement exposure, I have started experimenting new products', and 'Advertisements induce me to buy products for enjoyment even though I do not require them'.

After the above analysis of various aspects related to advertising impact on decision making it can be concluded that advertisements are playing a vital role in buying decision. It is also studied the parent's opinion with regard to role of advertisement in influencing child s' buying decision. The results are presented in Table 6.

TABLE 6: PARENTS OPINION ON ROLE OF ADVERTISING ON CHILDREN BUYING DECISION

Advertisements influences my child buying decisions	Frequency	Percent
Yes	149	74.5
No	39	19.5
Can't say	12	6.0
Total	200	100.0

Source: Primary data

Table 6 above elicits that three-fourth (75%) of parents opine their children buying decisions are influenced by Advertisements. One-fifth of them (20%) do not believe that there would be any role of Advertisement in buying decisions of their children, and remaining 6% of parents are unable to decide on the role of Advertisements on child buying decisions.

Chi-Square Test	
Chi-Square	127.680[a]
df	2
Asymp. Sig.	.000
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 100.0	

Since the calculated value (127.680) is much greater than the table value (5.991) at 5% significance level, hence the null hypothesis is rejected. Therefore, it may be concluded that there is a significant difference on impact of advertisements on children buying behaviour.

CONCLUSION

Children begin to make requests for desired products in first two years of their age. By around the age of five, most kids are making purchases with the help of parents and grandparents, and by eight most are making independent purchases and have grown to a matured consumer. Child gets knowledge (or learns) about products or services through different agents, which socialize them as consumers. Majority of children are socialized by mass media (which include TV, Hoardings, Newspapers etc.), followed by parents and some children through friends. Three-fourth of parents spends quite some time with their children while watching TV. Almost two-third of children expressed that they were socialized (or knowledge on product is gained) through advertisement. Majority (80%) of parents disagree on 'advertising always misleads the consumers'. Family and peer play a vital role in consumer socialization of children. Children-parent talks about products or services, and they exchange information. When new products are purchased, children are able to educate their parents, when they have learnt from new age media like internet. Present generation Indian children are more extroverts to share the knowledge in general and about new happenings (including products and services) in particular.

Exposure to advertisements enhance the children involvement in purchasing, they start experimenting new products. Advertisements increase the frequency of purchases and as well helps in finding best products, make the purchase of the products easier, they influence demand for products purchases.

Analysis of various aspects related to advertisement role in decision making concludes that advertisements are playing a vital role in family buying decision and role of advertisement cannot be neglected.

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UNDERSTANDING CONSUMPTION EXPERIENCE AND TOURIST BEHAVIOR TOWARDS TOURISM PRODUCTS IN THE STATE OF NORTH INDIA

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ABSTRACT

Consumer preferences change with changing age, profession, lifestyle, and social groups. This change has significant effects in the selection and buying pattern of the tourists when they choose their preferable tourist spot. The preference is also dependent on the purpose of their visit and the compatibility factor that they have with their companion. The internal influential factors are often backed by the external physical attributes and facilities which include accommodation facilities, availability of quality food, climate and natural beauty, social and political conditions, infrastructural facilities, local hospitality and other services, social and culture lifestyle, shopping and entertainment facilities etc. The KMO and Bartlett's Test indicates that the number of variable as well as the sample size taken for the study is adequate and factor analysis is appropriate for the data considered for the study. It is evident from the study that most of the physical attributes like accommodation, public transport, tourist information centre, tourist spot maintenance was reported in good condition but need further improvement. Parking facilities at various places need to be increased. Natural beauty, telecommunication and entertainment services were reported as expected by the tourists. The concerned state and other beneficiaries with their expertise in providing and promoting the ultimate blend in their service offers can capitalize in creating more demand for their tourism product. The paper explores better understanding of tourist behavior with respect to tourism products in the state of north India and the crucial role they play in developing successful marketing strategies. Focusing on concepts such as consumer perceptions, consumption culture, and the influence of information technology and other local facilities, this paper is a pivotal reference source for business managers, marketing executives, and academicians interested in the relationship between consumer activities and tourism industry.

KEYWORDS
tourism product, consumer perceptions, consumer behavior, marketing strategies, consumer experience, consumer memories.

INTRODUCTION

Tourism has experienced continued growth and deepening *diversification to become one of the fastest growing economic sectors* in the world. *Modern-tourism is closely linked to development and turned itself into a key driver for socio.economic progressToday the business volume of tourism equals or even surpasses that of oil exports,* food products or automobiles. Tourism has become one of the main income *sources for many developing countries. This world over spread of tourism in industrialized and developed states has produced* economic and employment benefits in many related sectors - from construction to *agriculture or telecommunications* (UNWTO, 2016). In many countries tourism has been seen as a main instrument for regional development, as it promotes new economic activities. Tourism may have a positive economic impact on the balance of payments, on employment, on gross income and production, but it may also have negative effects, particularly on the environment. The environment, being the major source of tourist product, should therefore be protected in order to have further growth of tourism and economic development in the future. This is particularly true with regard to tourism based on the natural environment as well as on historical-cultural heritage. Sustainable tourism has three interconnected aspects: environmental, socio-cultural, and economic. India has a vast tourism potential ranging from Himalayas, beaches of Goa and Kerala, Spiritual places, Buddhist places and many more. But this vast potential has been untapped for many reasons like cleanliness, safety and security, hospitality, language problem, country image, E-services, social awareness campaigns etc. If all these issues are addressed properly manner, then the tourism industry will of great help increasing revenue and GDP of the country.

Till 19th century, Tourism in Himachal Pradesh, state of north India, was restricted only to a limited movement of pilgrims to a few spiritual destinations in around the hills. Tourism activity received a shot in the arm when British declared Shimla "The Summer Capital of India" in 1864. Post-independence, more investment in the infrastructure sector led to opening up of Tourism in the State. However, the biggest boost to tourism occurred in the mid-80s and 90s. (http://www.drisshya-holidays.com/domestic.htm). While traditionally Himachal was known as a summer destination, the State Government has taken special efforts to break the seasonality factor and has developed diversified tourism products to attract tourists in other seasons too. Now the state of Himachal is known as "A Destination for All Seasons and All Reasons". In fact, the State Government has laid a special focus on the development of activity-based tourism and opening up of new sub destinations (http://www.himachaltourism.org/history-of-himachal.html). To promote tourism in the countryside and to unexplored areas, appropriate infrastructure is being developed within available resources. By focusing on quality tourists, the State aims at promoting sustainable tourism and encouraging private sector to develop tourism related infrastructure in the State without disturbing the existing ecology and environment.

Daneil Kahneman (2010), study on "How memories experience influence behavior" points out that the decisions we make are based on our memories, not our experiences. This distinction between experience and memory is especially important as related to luxury brands. Unlike supermarket products and neighborhood restaurants, for which price, utility, and availability are important; the vital ingredient for success in luxury product and service segments is consumer experience. Kahneman cites travel as a great change-inducing experience. Because travel provides an ongoing supply of new and novel experiences, it is an almost perfect memory-making activity. It is a guaranteed path for the affluent to achieve their goal of long-term quality of life. The lesson for luxury goods marketers is that they need to satisfy the needs of the Experiencing Self so that consumers are drawn to them; while they also provide experiential change that the Remembering Self can use to create memories which will bring those consumers back again.

Bhatt Snehal j (2015), in a study on "A comparative Study of the Tourist Behavior Toward Travel and Factors Considered While Selecting Tours and Travel Destination in the selected cities of Gujarat" reports that every tourist is different and so attracted by tourist destinations, prefers to engage in different activities during vacation period, likes varied entertainment facilities and complains about different aspects of their vacation. The major factors considered by tourists for selecting a tour destination are the distinctiveness of the place, their budget for the trip, choice and preference of their family.

Rajesh R (2013), in his study on "Impact of tourist perceptions, destination image and tourist satisfaction on destination loyalty" developed a holistic model for destination loyalty with five constructs that are pre trip image, post trip image, destination image, tourist satisfaction and destination loyalty. Analyzing the antecedents of tourist perception, destination image, and tourist satisfaction on destination loyalty may provide insight in the process of creating destination loyalty at both construct and indicator level.

Choibamroong, T (2006), conducted a study on "Knowledge of tourist behavior: A key success factor for managers in Tourism business" and stressed that understanding consumer behavior is very useful for developing tourism products. It is an integral source of information for promoting tourism products particularly in this globalized era in which the pattern of tourist travelling is highly influenced by global factors.

Analysis of potential Tourist's Behavior in the process of deciding upon a tourist destination by L Djeri (2014), noted that the growth of standard of living brought extra available money, but less free time which are two basic preconditions for participation in tourism. As the answer to the fast tempo of modern urban life style, there is a growing need for intact, unpolluted areas. Personal safety has been noted as one of the critical criteria in reaching the final decision, accompanied with the concern for personal health.

Sustainable tourist behavior-a discussion of opportunities for change by A, Budeanu (2007), discussed that people have intrinsic reasons for not behaving in a responsible manner, related to habits, convenience and personal preferences. Conflicts between motivations for tourist choices and environmental ones have the potential to hinder sustainable tourist behavior.

Tourists Spot Buying behavior: An Analytical Study by Mondal S (2015), noted that the behavioral pattern of tourists, being the consumer of the tourism industry is judged on the basis of four different factors such as psychological factors, personal factors, social factors and cultural factors. The thorough knowledge about these influential factors induces a tourist in preferring a particular destination over other is essential for marketers to bridge the gap between the offer and expectation.

METHODOLOGY

PROPOSED PROBLEM

The study attempts to understand and analyze the problems faced by tourists during their visit to the state of Himachal Pradesh - a state of North India. The study explores different measures and policies effective for more tourist inflow and product satisfaction during visit to this state of North India.

FORMULATION OF HYPOTHESIS

I. Null Hypothesis (Ho): There is no significant relationship between the general background of tourist and their purpose of visit, mode of traveling and type of accommodation preferred.

II. Null Hypothesis (Ho): The views of tourists with regard to tourism products are equally distributed.

SAMPLING DESIGN

keeping in view the largest flow of tourists to the two districts namely Kullu and Shimla of the Himachal Pradesh, India, convenience sampling has been used. Tourists from all the important places of attractions have been covered in order to make sample more representative.

STATISTICAL ANALYSIS TOOLS

Factor Analysis has been applied to check the number and originality of variables used in the study. Further Chi square test has been applied to test the hypothesis formulated under the present study.

FINDINGS

TABLE NO. 1: CLASSIFICATION OF TOURIST BY AGE GROUP AND THEIR * PURPOSE OF VISIT

		Purpose of Visit							Total
		Business Purpose	Pleasure trip	Visiting Friends/Relatives	Pilgrimage	Climate change	Historical Monuments	Other (sports and expedition, official tours, studies)	
Age Group	Below 30	2	19	6	12	2	0	2	43
	Between 30-45	14	8	9	5	3	0	0	39
	Above 45	2	0	9	7	24	14	12	68
Total		18	27	24	24	29	14	14	150

The Table No 1 reveals that out of the total respondents, maximum number of tourists visits the state for the purpose of climate change followed by the tourists with the purpose of pleasure trip. Equal number of respondents i.e., 24 reported visiting the state to their relatives or friends and with the pilgrimage purpose. It further shows that

out of total tourist in the age group of above 45 years, maximum number of tourist visit the state for the purpose of climate change followed by the number of tourists visit for seeing historical monuments. The maximum numbers of tourists below the age of 30 years visit the state for the purpose of pleasure trip followed by tourists visit under this age group for the purpose of pilgrimage.

TABLE NO. 2: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	104.058[a]	12	.000
Likelihood Ratio	116.294	12	.000
Linear-by-Linear Association	40.687	1	.000
N of Valid Cases	150		

a. 5 cells (23.8%) have expected count less than 5. The minimum expected count is 3.64.

The chi-Square value is significant (Table No 2) which shows significant relationship between the age group of tourists and purpose of their visit to the state of Himachal Pradesh.

The classification of tourist on the basis of occupation and purpose of their visit in the below Table No 3 shows that a large number of tourists under the business class visit the state for business purpose followed by the number of tourists under this class visit for pilgrimage purpose and the equal number of tourists under business class visit the state with the purpose to see historical monuments, pleasure trip and visiting their relatives and friends.

TABLE NO. 3: CLASSIFICATION OF TOURIST BY OCCUPATION CLASS AND THEIR * PURPOSE OF VISIT

		Purpose of Visit							Total
		Business Purpose	Pleasure trip	Visiting Friends/Relatives	Pilgrimage	Climate change	Historical Monuments	Other (sports and expedition, official tours, studies)	
Occupation Class	Service	5	8	6	7	18	0	0	44
	Business	12	9	9	14	7	9	6	66
	unemployed	1	10	9	3	4	5	8	40
Total		18	27	24	24	29	14	14	150

Maximum tourists under the unemployed class reported to visit the state for the purpose of pleasure trip, visiting relatives and friends and for other purpose. Tourist under the service class preferred to visit the state for climate change and for the purpose of pleasure trip.

TABLE NO. 4: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	41.110[a]	12	.000
Likelihood Ratio	47.562	12	.000
Linear-by-Linear Association	2.076	1	.150
N of Valid Cases	150		

a. 5 cells (23.8%) have expected count less than 5. The minimum expected count is 3.73.

It is evident from Table No 4 that there is significant association between the occupation and purpose of visit. It concludes that the majority of tourists under the unemployed class visit the state for pleasure. Whereas majority of tourists under business and service class visit the state for business purpose and climate change respectively.

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The Table No 5 shows association between income level of tourist and purpose of their visit to the state. It shows that majority of tourists having annual income above 15400 USD visit the state for climate change whereas tourists having income between 12300 USD to 15400 USD report to visit the state for pilgrimage. It further shows that maximum number of tourists i.e. 11 falling in the income level up to 7700 USD visited the state for the purpose of pleasure trip.

TABLE NO. 5: CLASSIFICATION OF TOURISTS BY INCOME LEVEL AND THEIR * PURPOSE OF VISIT

		Purpose of Visit							Total
		Business Purpose	Pleasure trip	Visiting Friends/Relatives	Pilgrim-age	Climate change	Historical Monuments	Other (sports and expedi-tion, official tours, studies)	
Income Level	up to 7700 USD	1	11	7	8	4	5	8	44
	Above 7700 USD to 12300 USD	1	3	1	3	4	0	0	12
	Above 12300 USD to 15400 USD	7	8	7	11	5	4	0	42
	Above 15400 USD	9	5	9	2	16	5	6	52
Total		18	27	24	24	29	14	14	150

It is also evident from the Pearson Chi-Square test (Table No 6) that there is significant association between Income level of tourists and their purpose of visit to Himachal Pradesh (p value <.05). It means tourists in different income level have reported their respective purpose of visit to the state. Accordingly, promotion of tourism products could be a useful tool to increase the number of tourist inflow.

TABLE NO. 6: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36.584[a]	18	.006
Likelihood Ratio	45.416	18	.000
Linear-by-Linear Association	.459	1	.498
N of Valid Cases	150		

a. 13 cells (46.4%) have expected count less than 5. The minimum expected count is 1.12.

It is noted from the below Table No 7 that taxi and own conveyance are the popular mode of travelling among the tourists. Age wise distribution and mode of travelling shows that majority of tourists above the age 45 preferred to travel by taxi followed by Bus and own conveyance. The table also shows that among the age group of below 30 years, majority of tourists preferred to travel by their own conveyance.

TABLE NO. 7: CLASSIFICATION OF TOURISTS BY AGE GROUP AND * TRAVEL MODE

		Travel Mode					Total
		Own Conveyance	Bus	Train	Taxi	Air	
Age Group	Below 30	13	9	8	5	8	43
	Between 30-45	8	3	16	9	3	39
	Above 45	14	19	9	22	4	68
Total		35	31	33	36	15	150

While applying chi-square test, it is observed from Table No 8 that there is significant association between age group of tourists and their mode of travelling to visit the state (p-value is less than .05). It means the tourists like to visit the tourist places in the state as per their convenience and preferred mode of travelling.

TABLE NO. 8: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.443[a]	8	.002
Likelihood Ratio	24.342	8	.002
Linear-by-Linear Association	.043	1	.835
N of Valid Cases	150		

a. 2 cells (13.3%) have expected count less than 5. The minimum expected count is 3.90.

Occupation wise classification of tourists with respect to mode of travelling in Table No 9 indicates that majority of tourists under the business class preferred to travel by taxi followed by train. Among service class that majority of tourists preferred to travel by train and their own conveyance. Among the unemployed class most of the tourists visited the state by bus and their own conveyance.

TABLE NO. 9: CLASSIFICATION OF TOURISTS BY OCCUPATION CLASS AND * TRAVEL MODE

		Travel Mode					Total
		Own Conveyance	Bus	Train	Taxi	Air	
Occupation Class	Service	16	9	17	2	0	44
	Business	5	7	14	27	13	66
	unemployed	14	15	2	7	2	40
Total		35	31	33	36	15	150

The Pearson Chi-Square test in Table No 10 shows significant association between occupation of tourists and their mode of travelling to visit the state.

TABLE NO. 10: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	59.196[a]	8	.000
Likelihood Ratio	67.424	8	.000
Linear-by-Linear Association	.253	1	.615
N of Valid Cases	150		

a. 2 cells (13.3%) have expected count less than 5. The minimum expected count is 4.00.

Table No 11 states that among the age group of below 30 years and between 30-45 years majority of tourists visited the state for first time whereas majority of tourists above the age group of 45 years visited thrice or more. It is also noted from the table that out of total respondents majority of tourists visited the state for first time followed by the tourists visited twice across the age groups.

TABLE NO. 11: CLASSIFICATION OF TOURISTS BY AGE GROUP AND * NUMBER OF VISITS

		Number of Visits				Total
		First Time	Second Time	Twice	Thrice or more	
Age Group	Below 30	20	6	16	1	43
	Between 30-45	30	4	3	2	39
	Above 45	13	12	18	25	68
Total		63	22	37	28	150

It is evident from Table No 12 that there is significant association between the age group of tourists and their number of visits to the state. There is a need to flourish tourism in such a way which can cater to the needs of different age groups.

TABLE NO. 12: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.255[a]	6	.000
Likelihood Ratio	54.168	6	.000
Linear-by-Linear Association	18.307	1	.000
N of Valid Cases	150		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.72.

Table No 13 reveals that majority of tourists having annual income above 15400 USD reported their visit to the state time and again whereas majority tourists having income between 12300 USD to 15400 USD visited the state for first time. Majority of tourists having income below 7700 USD reported to visit the state twice, thrice or more.

TABLE NO. 13: CLASSIFICATION OF TOURISTS BY INCOME LEVEL AND * NUMBER OF VISITS

		Number of Visit				Total
		First Time	Second Time	Twice	Thrice or more	
Income Level	up to 7700 USD	7	4	19	14	44
	Above 7700 USD to 12300 USD	4	4	3	1	12
	Above 12300 USD to 15400 USD	33	3	0	6	42
	Above 15400 USD	19	11	15	7	52
Total		63	22	37	28	150

There is significant association between income level of tourists and their number of visit to the state (Table No 14). It is evident from the above table that tourists having income between 7700 USD to 12300 USD need a different marketing segment approach towards the state tourism promotion.

TABLE NO. 14: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.781[a]	9	.000
Likelihood Ratio	58.675	9	.000
Linear-by-Linear Association	12.139	1	.000
N of Valid Cases	150		

a. 3 cells (18.8%) have expected count less than 5. The minimum expected count is 1.76.

Age wise tourist's preference towards type of accommodation in Table No (15) shows that majority of tourists prefer to stay in Private Hotel accommodation followed by the tourist's preference towards Himachal Tourism Hotels/ Complexes. Tourists in the age group of above 45 years preferred both private hotels and Himachal Tourism Hotels for their stay.

TABLE NO. 15: CLASSIFICATION OF TOURISTS BY AGE GROUP AND * TYPE OF ACCOMMODATION PREFERRED

		Preferred Accommodation Type				Total
		Himachal Tourism Hotels	Private Hotels	Dharmshallas	With friends/relatives	
Age Group	Below 30	7	19	11	6	43
	Between 30-45	6	17	8	8	39
	Above 45	19	35	10	4	68
Total		32	71	29	18	150

While applying Pearson Chi-Square test (p-value >.05), Table No 16 shows that there is no significant association between tourists of different age group and type of accommodation used during visit to the state.

TABLE NO. 16: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.267[a]	6	.159
Likelihood Ratio	9.316	6	.157
Linear-by-Linear Association	5.615	1	.018
N of Valid Cases	150		

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.68.

Table No 17 depicts that out of total respondent tourists staying in private hotels, majority of them fall in the income level below 7700 USD followed by the tourists having annual income above 15400 USD. Majority of tourists staying in Himachal tourism hotels reported their annual income above 15400 USD. It means private hotels remained effective in attracting high and low end customers through their market segmentation approach.

TABLE NO. 17: CLASSIFICATION OF TOURISTS BY INCOME LEVEL AND TYPE OF ACCOMMODATION PREFERRED

		Preferred Accommodation Type				Total
		Himachal Tourism Hotels	Private Hotels	Dharmshallas	With friends/relatives	
Income Level	up to 7700 USD	5	29	9	1	44
	Above 7700 USD to 12300 USD	5	6	1	0	12
	Above 12300 USD to 15400 USD	8	14	9	11	42
	Above 15400 USD	14	22	10	6	52
Total		32	71	29	18	150

It is also evident from the below Table No 18 that there is significant relationship between type of accommodation and annual income of respondent tourists (p value<.05).

TABLE NO. 18: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.324ᵃ	9	.006
Likelihood Ratio	24.650	9	.003
Linear-by-Linear Association	.588	1	.443
N of Valid Cases	150		

a. 3 cells (18.8%) have expected count less than 5. The minimum expected count is 1.44.

Occupation wise preference of tourists towards type of accommodation in Table No 19 indicates that among business class majority of tourists prefer to stay in private accommodation followed by Himachal Tourism Complexes. Majority of tourists among unemployed class also prefer to stay in private hotels followed by their preference for Dharamshalla. Private hotels remained the most preferred accommodation during the visit to the state.

TABLE NO. 19: CLASSIFICATION OF TOURISTS BY OCCUPATION CLASS AND PREFERRED ACCOMMODATION TYPE

		Preferred Accommodation Type				Total
		Himachal Tourism Hotels	Private Hotels	Dharmshalla	With friends/relatives	
Occupation Class	Service	13	20	8	3	44
	Business	16	26	10	14	66
	unemployed	3	25	11	1	40
Total		32	71	29	18	150

It is evident from Pearson Chi-Square test in Table No 20 that there is significant association between occupation and type of accommodation (p-value<.05). It indicates the need of different marketing activities and making other facilities available on the part of accommodation providers in the state.

TABLE NO. 20: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.764ᵃ	6	.005
Likelihood Ratio	20.332	6	.002
Linear-by-Linear Association	1.379	1	.240
N of Valid Cases	150		

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.80.

FACTOR ANALYSIS

Factor analysis is a set of techniques which, by analyzing correlations between variables, reduces their number into fewer factors which explain much of the original data.

TABLE NO. 21: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.640
Bartlett's Test of Sphericity	Approx. Chi-Square	547.289
	df	45
	Sig.	.000

The KMO and Bartlett's Test in Table No 21 indicates that the number of variable as well as the sample size taken for the study is adequate and factor analysis is appropriate for the data considered for the study. For the KMO test a value greater than.50 indicates that the pattern of correlation between variables are relatively compact and so factor analysis should yield distinct and reliable factors. Bartlett's test significance value.000 indicates that the null hypothesis is rejected and that original correlation matrix is not an identity matrix. Therefore, there are some relationships between the variables. This value indicates that the factor analysis is appropriate, as there are some significant correlations among the variables in input data.

TABLE NO. 22: TOTAL VARIANCE EXPLAINED

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.808	28.081	28.081	2.752	27.521	27.521
2	2.144	21.443	49.523	2.200	22.002	49.523
3	1.303	13.026	62.549			
4	1.209	12.092	74.641			
5	.800	7.999	82.640			
6	.559	5.592	88.232			
7	.446	4.462	92.694			
8	.334	3.340	96.033			
9	.255	2.547	98.581			
10	.142	1.419	100.000			

Extraction Method: Principal Component Analysis.

It can be seen from Table No 22 that the first two factors represent relatively large amount of variance. SPSS considered two factors with relatively larger variance.

TABLE NO. 23: ROTATED COMPONENT MATRIX[a]

	Component	
	1	2
Views regarding tourist information service		.601
Views regarding telecommunication services	.486	
Views regarding Local sightseeing/Natural beauty		.500
Views regarding tourist spot maintenance		.263
Views regarding Entertainment		.583
Views regarding accommodation facilities	.921	
Views regarding public transport	.878	
Views regarding quality of food	.621	
Views regarding Bar services		.836
Views regarding Parking Services		.597

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Table No 23 points out that Rotation maximizes the loading of each variable on one of the extracted factors whilst minimizes the loading on all other factors. The questions that load highly on a factor relate highly with each other. The content of questions that load on to each factor shows that there exist common themes which can help to identify a construct. It can be seen in Table No 24.

TABLE NO. 24

Infrastructure Facilities in the state Component 1	Tourism Promotional Facilities Component 2
Views regarding telecommunication services	Views regarding tourist information service
Views regarding accommodation facilities	Views regarding Local sightseeing/Natural beauty
Views regarding public transport	Views regarding tourist spot maintenance
Views regarding quality of food	Views regarding Entertainment
	Views regarding Bar services
	Views regarding Parking Services

It is evident from Table No 25 that most of the physical attributes like accommodation, public transport, tourist information centre, tourist spot maintenance was reported in good condition but need further improvement. Parking facilities at various places need to be increased. Natural beauty, telecommunication and entertainment services were reported as expected by the tourists.

TABLE NO. 25: TOURISTS OPINION REGARDING PHYSICAL ATTRIBUTES OF TOURISTS DESTINATION

Item Statistics				
	Mean	Std. Deviation	N	Responses
Views regarding telecommunication services	4.54	.609	150	Excellent
Views regarding accommodation facilities	3.95	.771	150	good
Views regarding public transport	3.59	.707	150	good
Views regarding quality of food	4.41	.696	150	excellent
Views regarding Bar services	4.13	.688	150	excellent
Views regarding Parking Services	2.83	1.138	150	To be increased
Views regarding tourist information service	3.69	.811	150	good
Views regarding Local sightseeing/Natural beauty	4.74	.524	150	excellent
Views regarding tourist spot maintenance	3.57	.985	150	good
Views regarding Entertainment	4.20	.803	150	excellent

CONCLUSION

The study noted that most of the respondents belong to the age group of above 45 years, while the next 28.7 per cent reported in the age group of below 30 years. The chi-Square value shows significant relationship between the age group of tourists and purpose of their visit to the state of Himachal Pradesh. Age wise tourist's preference towards type of accommodation shows that majority of tourists prefer to stay in Private Hotel accommodation followed by the tourist's preference towards Himachal Tourism Hotels/ Complexes. Further it concludes that there is no significant association between tourists of different age group and type of accommodation used during visit to the state.

The study found that maximum number of tourists i.e., 44 per cent reported from business class followed by 29 percent from service class. The classification of tourist on the basis of occupation and purpose of their visit shown that a large number of tourists under the business class visit the state for business purpose followed by the number of tourists under this class visit for pilgrimage purpose and the equal number of tourists under business class visit the state with the purpose to see historical monuments, pleasure trip and visiting their relatives and friends. Maximum tourists under the unemployed class reported to visit the state for the purpose of pleasure trip, visiting relatives and friends and for other purpose. Tourist under the service class preferred to visit the state for climate change and for the purpose of pleasure trip. Occupation wise preference of tourists towards type of accommodation indicated that among business class majority of tourists preferred to stay in private accommodation followed by Himachal Tourism Complexes. Pearson Chi-Square test shown significant association between occupation and type of accommodation.

The study also concludes that majority of tourists having annual income above 15400 USD visited the state for climate change whereas tourists having income between 12300 USD to 15400 USD reported to visit the state for pilgrimage. It further shows that maximum number of tourists falling in the income level up to 7700 USD visited the state for the purpose of pleasure trip. It is evident from the study that tourists having income between 7700 USD to 12300 USD need a different marketing segment approach towards the state tourism promotion.

The KMO and Bartlett's Test indicates that the number of variable as well as the sample size taken for the study is adequate and factor analysis is appropriate for the data considered for the study. It indicates that the pattern of correlation between variables is relatively compact and so factor analysis should yield distinct and reliable factors. Bartlett's test significance value indicates that the null hypothesis is rejected and that original correlation matrix is not an identity matrix. Therefore, there are some relationships between the variables.

It is also evident from the study that most of the physical attributes like accommodation, public transport, tourist information centre, tourist spot maintenance was reported in good condition but need further improvement. Parking facilities at various places need to be increased. Natural beauty, telecommunication and entertainment services were reported as expected by the tourists. The concerned State Government and other beneficiaries with their respective expertise and attractive policy initiatives can bridge the gap between tourist's expectation and satisfaction. State Government by promoting ultimate blend in their service offer can make it happen creating more demand for their tourism product.

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GOODS AND SERVICE TAX: A CHANGING OUTLOOK FOR INDIRECT TAXATION

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ABSTRACT

Goods and service tax is India's most efficient indirect tax reform. The central idea behind levying up of this kind of taxation is to replacing VAT, central excise, sales tax by levying a comprehensive tax on goods and services. GST will be a game changing reform for Indian economy by developing a common Indian market and reducing the cascading effect of tax on the cost of goods and services. It will impact the Tax Structure, Tax Incidence, Tax Computation, Tax Payment, Compliance, Credit Utilization and Reporting leading to a complete overhaul of the current indirect tax system. GST will have a far reaching impact on almost all the aspects of the business operations in the country, for instance, pricing of products and services; supply chain optimization; IT, accounting and tax compliance systems. GST is expected to create a business friendly environment, as price levels and hence inflation rates would come down overtime as a uniform tax rate is applied. It will also improve government's fiscal health as the tax collection system would become more transparent, making tax evasion difficult. An attempt is made in this paper to study the concept of goods and service tax and its impact on Indian economy. The study also aims to know the advantages and challenges of GST in Indian scenario.

KEYWORDS
GST, VAT, sales tax, excise.

INTRODUCTION

The GST is likely to change the whole scenario of current indirect tax system. This is the biggest tax reform in India since 1947. Currently, there is a complicated indirect tax system prevailing by dual system, by Central and state Govt., in India. GST will unify all the indirect taxes under an umbrella and will create a smooth national market. Experts say that GST will help the economy to grow in more efficient manner by improving the tax collection as it will disrupt all the tax barriers between states and integrate country via single tax rate. GST was first introduced by France in 1954 and now it is followed by 140 countries. Most of the countries followed unified GST while some countries like Brazil, Canada follow a dual GST system where tax is imposed by central and state both. In India also dual system of GST is proposed including CGST and SGST.

OBJECTIVES OF THE STUDY
1. To study the concept of Goods and Services Tax (GST) and its impact on Indian Economy.
2. To understand how GST will work in India.
3. To know the advantages and challenges of GST in Indian context.
4. To find out how it's changing outlook of our age old INDIRECT TAXES.

RESEARCH METHODOLOGY
The study focuses on extensive study of Secondary data collected from various books, National & international Journals, government reports, publications from various websites which focused on various aspects of Goods and Service tax.

PRESENT STRUCTURE OF INDIRECT TAX
Indian taxation by far is considered to be one of the toughest and multiple layer taxation. Government currently is trying harder for implementing a single taxation method, then following such a tedious procedure of collecting revenue. But before we implement a new regime, we need to have a fair enough look at problem with current taxation.

TABLE 1

Ref.	Tax	Levy by	Nature (Levied on) -	Can be Set-off against	Covered by GST
1	Central Excise	Centre	Manufacture	1,2	Yes
2	Service Tax	Centre	Providing services	1,2	Yes
3	Customs	Centre	Import	-	No
4	CVD* under Customs	Centre	Additional Import duty (compensating Excise)	1,2	Yes
5	SAD* under Customs	Centre	Additional Import duty (compensating Sales Tax)	1,2	Yes
6	CST	Centre	Inter-State sales	-	Yes
7	VAT	State	Sales within a state	7	Yes

(*CVD – Countervailing Duty; SAD – Special Additional Duty)
- *The GST shall subsume all the above taxes*, except the Basic Customs Duty that will continue to be charged even after the introduction of GST.
- India shall adopt a Dual GST model, meaning that the GST would be administered *both by the Central and the State Governments*.

WEAKNESS OF CURRENT STRUCTURE OF TAXATION
- TAX CASCADING: The Most Crucial Contributing Factor to It Is the Partial Coverage by Central and State Taxes.
- Levy of Excise Duty On Manufacturing Points: The CENVAT Is Applicable On Goods Manufactured or Produced in India. Which Limits Its Implementation Whereas Tax Structure Must Be Applicable Uniformly.
- Complexity in Determining the Nature of Transaction.
- Inability of States to Levy Tax On Services
- Lack of Uniformity in Provisions and Rates
- Fixation of Situs
- Interpretation Issues
- Narrow Base
- Complexities in Administration

GST IN INDIA
GST is a consolidated tax system where there is a single tax in the economy for goods and services. Everyone says that if GST takes place of indirect tax then cost of goods and services will be increase but in reality GST make easy tax structure in India. Now in India taxes are collected by government through direct tax and indirect tax, GST belongs to only indirect tax. Direct tax structure will be same.

Presenting in India, indirect tax is collected through octroi, central sales tax, state sales tax, entry tax, license fees, service tax, turnover tax etc.

The GST system is based on the same concept as VAT. Here, set-off is available in respect of taxes paid in the previous level against the GST charged at the time of sale. The GST model has some aspects which are as follows:

FIG. 1
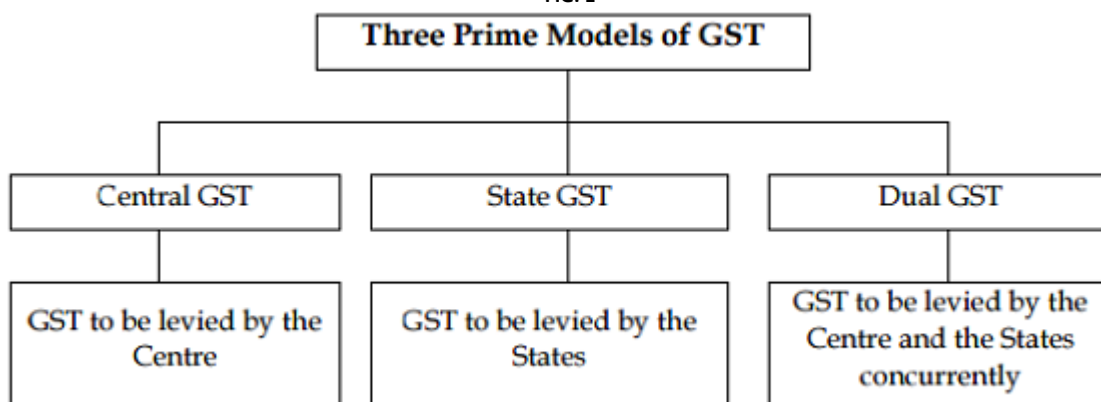
- CGST: applicable for interstate sale of goods and provision of service.
- SGST: applicable on intra state sale of goods and services.
- IGST/DUAL GST: it will be levied by central which will be clubbed by central and state both.

NEW SYSTEM

TABLE 2

Transaction	NEW system	OLD System	Comments
Sale within the state	SGST and CGST	VAT & Excise / ST*	Under the new system, a transaction of sale within the state shall have two taxes, SGST – which goes to the State; and CGST which goes to the Centre
Sale outside the state	IGST	CST & Excise / ST*	Under the new system, a transaction of sale from one state to another shall have only one type of tax, the IGST – which goes to the Centre

NEED OF GST IN INDIA

India need GST because of many flaws lying in our current taxation structure, some of them are highlighted below:
1. Cascading effect: central and state in India are not transparent towards there tax regime, nor are the state following transparency within state, leading to tax on tax and affecting the poorer section being more poorer.
2. Double taxation and litigation: as business processes have gone too complex the taxation lines between central and state have started depleting or getting blurred which is increasing litigation and affecting some classes.
3. The current tax regime is an origin based taxation system, as opposed to the destination based system prevailing in whole world, leading to significant disparities in revenue distribution to various states.
4. Although VAT system has been transformed and many efforts have been made for its smooth functioning by respective governments. Each state law now is implemented individually with lots of amendment's making tax regime cumbersome.

ADVANTAGES OF GST

1. Customer will know exactly how much tax they are paying on the product they bought or services they consumed.
2. GST will reduce numbers of indirect tax in India.
3. Tax calculation will be easy rather than present.
4. In GST, cost control will be effectively managed.
5. Increase in Government Revenues.
6. Compliance cost will be reduced.

WHAT WILL NOT BE PART OF GST?

1. Petroleum products
2. Alcoholic products
3. Taxes on lottery and betting
4. Basic customs duty and safeguard duties on import of goods into India
5. Entry taxes levied by municipalities or panchayats
6. Entertainment and Luxury taxes
7. Electricity duties/ taxes
8. Stamp duties on immovable properties
9. Taxes on vehicles

DIFFERENCE BETWEEN PRESENT TAX STRUCTURE AND GST

TABLE 3

Issues		Present Tax	GST
1.	Broad Scheme	There are separate laws applicable at separate places. Eg: Central Excise Act, 1944, respective State VAT laws.	It will just be GST as all other taxes will be merged in it ambit.
2.	Tax Rates	There are separate rates applicable under current system eg: service tax @15 %, excise 12.36% etc.	There will be one CGST rate and one common SGST rate for all states.
3.	Cascading effect	This problem arise due to CST.	CST is deleted, therefore no chances of cascading.
4.	Tax Burden	Tax burden on tax payer is generally higher.	Tax burden is expected to reduce since all taxes are integrated which make it possible the burden to be split equitably between manufacturing & services.
5.	Burden of cost on consumer	Due to cascading, burden of taxation is merged in cost of product.	As GST reduced such cost, hence burden is reduced.
6.	Concurrent power	At present on same subject matter both central and state don't have power, to mutually resolve issue.	Both central and state have power to make laws regarding GST as per sec 276A of constitution.
7.	Compliance	Due to multiplicity of taxes, tax structure is highly complicated.	Tax compliance is easiest due to single tax.
8.	Transparency	Presently a product is taxed twice • Firstly when product moves out of factory. • Secondly at retail outlet.	GST is destination based tax and hence is levied at final product only, which makes system more transparent.

HOW WILL GST BE APPLICABLE?

GST is a consumption based taxation system, which is applicable on final product. It is collected at the value added goods and service at each stage of sale and purchase in the supply chain**.**

FIG. 2
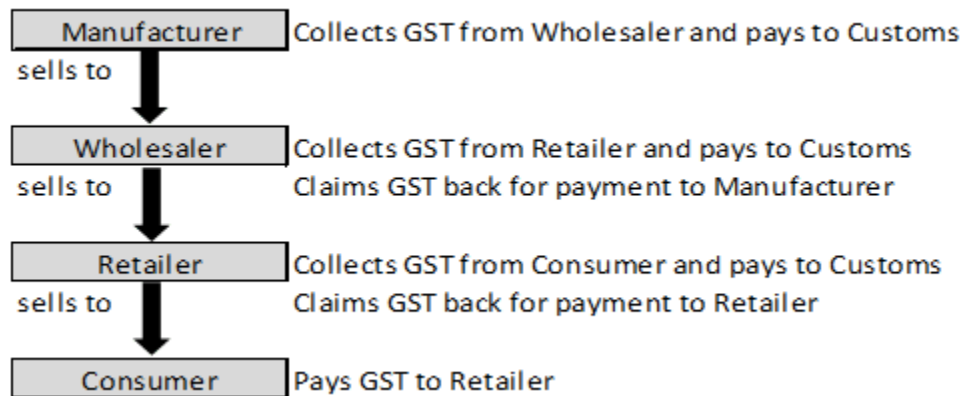
The GST is an indirect tax which means that the tax is passed on till the last stage wherein it is the customer of the goods and services who bears the tax. This is the case even today for all indirect taxes but the difference under the GST is that with streamlining of the multiple taxes the final cost to the customer will come out to be lower on the elimination of double charging in the system.

WHAT WILL GST CHANGE IN CURRENT INDIRECT TAX SCENARIO?

1. Introduction of GST as a single indirect tax will impact the tax credit mechanism positively. This would definitely benefit the ultimate consumer. This is because most of the prevailing indirect taxes pose tax on tax incidence, thus resulting in superficially increased price. By allowing the dealer or manufacturer or retailer to claim input tax credit, GST will be bringing down the unnecessary tax addition to the value addition.
2. GST is expected to bring in more tax revenue, being disincentive tax structure. Bringing in tax credit mechanism means that the dealer/ manufacturer or retailer would be able to claim input tax credit, only if he pays or assumes to pay the GST liability. This would curb tax evasion to a great extent.
3. GST is introduced to bring in all those black market transactions, because now the sellers will only deal with those who are registered under GST (to avail input tax credit).
4. Currently, we have very complex and multifaceted indirect tax structure. GST being a single tax regime, will result in much lower tax rate (considering currently we are paying higher indirect taxes due to tax on tax scenario, even if each tax has lower rate). This will benefit the seller (by way of availing tax credit at each value addition) and the ultimate consumer (by way of reduced incidence of tax).

CONCLUSION

There have been lot of speculation about GST and its working, by far its one of the most logical initiative towards the cumbersome Indirect tax structure prevailing in India. GST will be applicable on all sort of goods and services and combinations thereof. All economy sectors and industries, government departments etc., have to bear the burden of GST. This tax structure will be applicable irrespective of size of your business or service you render. GST truly is going to be one of the biggest tax reform in history of Indian Taxation which will integrate state economies and boost overall efficiency and growth of Indian economy.

Undoubtedly GST is one best thing happening to us, but it requires a proper layout in a planned way to be implemented. Some of the points must be taken care of in its implementation:

1. It is of prime importance than all states must implement GST at same time and rates.
2. More awareness about GST and its advantages is to be made, not only to business houses but to each and every individual by beginning with some talk shows and seminars.
3. The GST is a destination based tax, not the origin one. In such circumstances, it should be clearly identifiable as to where the goods are going. This shall be difficult in case of services, because it is not easy to identify where a service is provided, thus this should be properly dealt with.
4. For streamline working, it is advisable that GST clearly sets out taxable events.

Sooner or later this change will be knocking our doors, for its success and our betterment and growth we need to be well rehearsed with our knowledge for its better implementation. Looking forward for its success and many more challenges coming ahead. Hoping for India to move slowly towards the worldwide taxation and corporate management practices.

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THE CALENDAR-MONTH ANOMALY AND THE INDIAN STOCK MARKET: EVIDENCE FROM BSE

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ABSTRACT

Anomalies refer to a strange or abnormal pattern without logical explanations. In financial markets, market anomalies mean in a situation when securities perform inconsistent with the notion of efficient markets. The existence of anomalies in security returns, opposes an important theory in finance called the Efficient Market Hypothesis (EMH). Further, anomalies deviate the market prices from the fundamental value of the securities. Thus, investigation of the anomalies is significant to practitioners perceptive. In this study, we concentrate on one of the most prominent market anomalies called calendar effect. The present research aims to study empirically the existence of any monthly effects in the emerging stock market of a developing economy like India for the period from 2000 to 2014. The study is conducted usingend of the day data for the benchmark Indian equity market index BSE Sensex using dummy variables regression. The empirical results conclude that BSE Sensex does not show the presence of "Calendar Monthly Anomaly" effect and one can conclude that the BSE Index is efficient enough to reduce the anomalies effect in the long run and there is no calendar anomaly in Indian stock market.

KEYWORDS

market anomaly, bse sensex, calendar effect, efficient market hypothesis, regression.

1. INTRODUCTION

Efficient market hypothesis (EMH) is one of the prominent models of finance theories. The Efficient Market Hypothesis advocates that in the long run all securities are accurately priced. It further states that the present market price of a security fully reflects all available information about the security. The major connotation of EMH is that new data regularly enter the financial market in the form of a stock split, bonus and earnings announcement, dividend payment and political issues. The stock market is efficient and security prices adjust instantly to reflect the information on today's state of the art information technology environment. Due to their timely actions price of stocks quickly adjust to the new information, and reflect all the available information. Even if the patterns exist, it will be for a minimal time as sheer number of professionals participating in the market will eventually try to take advantage and drive the pattern away in an instant. This would signify, according to EMH, that stock returns follow a random walk, unpredictable, without a pattern. Thus EMH proponents argue that it is impossible to predict future prices of securities and no speculator could benefit from the existence of anomalies. Most of the security valuation models have been developed on the basis of information efficient market. In the context of stock markets, the calendar effect, that negates the theory EMH, has been documented over decades. There are many market anomalies documented. Some occur once and evaporate, while others are continuously noticed in financial markets (Tversky & Kahneman 1986). Nobody knows exactly why anomalies occur in financial markets. Many researchers documented financial market anomalies (Officer, 1975), (Hess 1981), DeBondt and Thaler (1985), Black (1986), De Long et al. (1990), Shleifer and Vishny (1995), Thaler (1987,1999), Agrawal&Tandon (1994), etc. Researchers have offered contradictory opinions, but there is no convincing answer for many of these market anomalies. However, most of the researchers are of the opinion that such market anomalies are primarily owed to behavioral causes (Schwert, 2003).

With the constant release and rapid diffusion of information, sometimes efficient markets are difficult to achieve and even more hard to maintain because of the existence of these market anomalies such as Stock Split Effect (Fama, Desai & Jain (1997) and Ikenberry et al. (1996)), Low P/E Effect (Goodman &Peavy (1983)), Earnings announcements, Liquidity effect, January Effect, the small-firm effect, Neglected Stocks (Arbel & Strebel (1983) and Guin (2005)), Low Book Value, Reversals (DeBondt and Thaler (1985).Guin (2005)), the holiday effect (Lakonishok & Smidt (1988), Husain (1998), McConnell and Xu (2008), Cadsby and Ratner, 1992)and Petengill(1989)), Dogs of the Dow,Day of the week effect etc. Some of the most popular calendar effects include the January effect Keim (1983), Ariel (1987) & Haugen and Jorion (1996), the turn-of-the-year effect (Oguzsoy and Guven (2006) Dyl (1977) & Givoly and Ovadia (1983)), Intra-month effect Ariel (2002), Balaban and Bulu (1996), the day of the week effect (e.g. Aggarwal and Rivoli 1989; Cross 1973; French 1980; Keim and Stambaugh, 1984; Rogalski, (1984)) etc. These calendar effects are trends seen in stock returns, where the returns tend to rise or fall on a particular day or month as compared to the mean. They cannot be explained by traditional asset pricing models and they violate the weak-form of market efficiency (i.e. asset prices fully reflect all past information).

Calendar effects are one of the most important stock market anomalies that have been observed in many stock markets all over the world. This specific phenomenon has been observed and studied by many researchers for many years and as a consequence, there are a lot of contradictory results. Most of the studies on the stock market anomalies effect have mainly concentrated on the developed stock markets like US, UK, Japan, France, Australia, Italy, Germany etc. Majority of the studies have utilized the same data and the excessive usage of the same data generate data mining problems. However, most of the empirical studies conducted across markets both developed and emerging provide contradicting evidence over the period of time, i.e. July-August effect, December effect, November-December effect. Meager attention has been given to emerging stock markets such as Brazil, China, Russia and India. This paper aims to investigate empirically the calendar anomalies in stock returns of the Indian Stock market with special reference to BSE Sensex using the most recent data keeping the above considerations in view.

2. LITERATURE REVIEW

A brief review of previous studies has been presented in this paragraph to find the research gap in the area of anomalies. Extensive literature is available with regard to several forms of market anomalies. Louis Bachelier in 1900 was the first person attempted to explain the concept of market efficiency. He studied on stock and commodity prices in order to find out if they fluctuated randomly or not. Bacheliers contribution was neglected until it was disseminated to economists by Paul Samuelson in the late 1950s and subsequently published in English by Cootner (1964). The famous (EMH) was introduced by Fama (1965) in his thesis he showed some empirical evidence in favour of random-walk theory. Later a good number of studies have been undertaken to explore the random walk behavior of the stock market DeBondt and Thaler (1985), Black (1986), De Long et al. (1990), Shleifer and Vishny (1995), Thaler (1987, 1999), etc. and documented several market anomalies which contradict the Efficient Market Hypothesis. These studies have observed several calendar anomalies in the stock returns such as the day of the week effect, January effect, Turn of the month effect, etc. The existence of anomalies is a disapproval of the weak form of EMH. Empirical studies by Hirsch (1968), French & Kenneth R (1980), Gibbons, Michael and Hess (1981), Lakonishok and Levi (1982), Gultekinand Gultekin (1983), Thoebald and Price (1984),Keim, Donald, Bhana (1985), Robert and Stambagh (1984), Theobald and Price (1984), Jaffe and Westerfield (1985),Simrlock and Starts (1986), Santesmases (1986),

Board and Sutcliffe (1988), Kohers and Kohers(1995), Rogalski (1984) Lakonishok and Smidt (1988), and Kiymaz and Berument (2006) and many other studies support the existence of the day of the week effect in developed economies stock markets. Most of these studies documented that stock prices are expected to be lower on Monday and higher, especially in USA and Western Stock markets.

Similarly, stock returns exhibit monthly patterns, i.e. certain months provide more returns as compared to others, i.e. the month of the year effect. When the return in any of the month is higher than the return in other months, this anomaly is called as month effect (Poterba et al., 2001). Rozeff and Kinney (1976) were the first to conduct a meticulous study on the existence of a January effect in the US stock market in New York Exchange stocks. They confirmed the existence of a January effect in US, Stock market that the average return for the month of January was higher than other months. Later, many researchers documented the existence of January effect Keims, 1983, Schultz (1985), Keim and Stambaugh (1984), Santesmases (1986), Fernández and Yzaguirre(1995) and Marhuenda (1998),García (2008),(Rozeff and Kinney, 1976; Banz, 1981; Reinganum, 1981; Keirn, 1983; Aggarwal and Rivoli, 1989).Banz, 1981; Reinganum, 1981; Gultekin and Gultekin, 1983.Mill and Coutts (1995) found calendar anomaly in UK stock markets. Choudhary (2001) noticed the January effect on the UK and US stock markets, but did not find in the German securities market.

Malavalli (1993) studied on anomalies in the futures market and confirms the existence of seasonality in returns. Brown et al. (1983) concluded that the theory of tax loss is the reason for the January effect. The general argument in favour of January effect is due to tax-loss selling hypothesis wherein investors sell in December and buy back in January to benefit from tax loss selling. Even Ligon (1997) in his empirical study found that January effect is due to large liquidity in this month. There are higher January volume and lower interest rates that correlates with greater returns in the month of January. However, Gultekin and Gultekin (1983) studied the stock markets of 15 different developed stock markets. In all these stock markets they found that the January returns were comparatively higher than the rest of the year. Out of these 15 stock markets the UK stock markets (which has a tax year end as April) and Japan (with no capital gains tax), found a January effect. That meant that the Tax-loss selling theory is not adequate reason to explain for the January Effect (Reinganum (1983) and Roll (1983)). Many empirical studies confirmed the existence of the January effect anomaly not only in the developed financial markets but also in the emerging markets. For example, an empirical study by Nassir and Mohammad (1987) provide evidence that in Malaysiathe average January stock returns were higher than in other months. The same view was held by Balaban (1995) in the Turkey securities market (though it does not have any capital gains tax). Ho (1990), documented the same January effect in Asian Pacific stock markets. Pandey (2002) in his study confirms that there is a "tax-loss selling" effect on the monthly returns, i.e. January effect in the Indian Stock market during the post-reform period. Many other empirical studies support the existence of the January effect anomaly in emerging economies stock markets. Fountas and Segredakis (2002), Koutianoudis and Wang (2003), Aggarwal and Rivoli (1989), Santesmases (1986), Board and Sutcliffe (1988),Kohers and Kohers (1995),Islam and Gomes (1999), Choudhry (2000), Aly, et al. (2004), Nath and Dalvi (2004), Kiymaz and Berument (2006), Hossain (2007), Agathee (2008). In most of the studies, this experience has been confirmed; however, some stock markets have shown significant returns for some other months Gultekin and Gultekin (1983).

Maghayereh (2003) finds no support for the January effect in the ASE (Jordan). Raj and Kumari (2006) did not find positive January effects in BSE and NSE. However, Harish (2014) studied the forex market efficiency and seasonality. He pointed out that Indian forex market is weak for ineffieicnet and found the Tuesday and Thursday effect. Further, Bodla and Jindal (2006) found evidence of seasonality in both Indianand US markets. Brown et al. (1985) documented July-August sea-sonal effects on the Australian stockmarket, because of June-July tax year. On the other hand, Raj and Thurston (1994) found that the January and April effects in the New Zealand stock market. Patel (2008) examined seasonality in the monthly returns in Indian stock markets; found the mean returns for November- December were significantly higher than the other months. However, their study confirmed that mean returns for the months March to May were significantly lower than the other months. A recent study by Sathya and Malavalli (2015) rejected the weekly anomaly in BSE Index. Elangoand Panday (2008) studied the January effect in NSE. The study confirmed the November and December effect in Indian stock market. However, March and April showed significant negative returns. Ariss et al. (2011) examined the January anomaly GCC indices. He noted a December effect in GCC indices, i.e. instead of January; abnormal returns were obtained in the month of December. Keong (2010) noted that most of the Asian markets exhibit positive December. Few Asian markets also exhibit April and may effect and only Indonesia exhibit the negative August effect. An empirical study by Sah (2008) on seasonality in S&P CNX Nifty found monthly anomalies for July, September, December, and January.

3. METHODOLOGY

This section explains the methodology we used to test the existence of monthly effects in Indian stock market.

OBJECTIVES OF THE STUDY

1. To analyze the presence of calendar anomaly in the Indian Stock Markets with special reference to BSE Sensex.
2. To analyze the return variations between different months.
3. To study the efficiency of Indian Stock Market.

HYPOTHESIS

H0: Mean returns for each individual month in a calendar year is equal

H0: J = F = M = A = M = J = Ju = A = S = O = N = D

H1: Mean returns for each individual month in a calendar year is not equal

H1: J ≠ F ≠ M ≠ A ≠ M ≠ J ≠Ju≠ A ≠ S ≠ O ≠ N ≠ D

PLAN OF ANALYSIS

In this study the data used for analysis is the daily closing price of BSE Sensex for the period 1st of January 2000 to 31st December 2014 (15 years). The data required for the study has been collected from the authentic data base of the Bombay Stock Exchange and other web sites. In the first phase the collected financial data for fifteen years has been tested for unit root by employing ADF test. In the second phase a descriptive statistics have been run to study the mean distribution and variance and standard deviation and later robust dummy variable regression has been run. In the last phase t-test two samples has been run to draw the conclusion, then those variables have been tested at 5% level of significance. Finally, these results have been compared to the available evidence.

DAILY RETURNS

The data used in this research consist of monthly index returns using values for the BSE Index, from 1st of January 2000 to 31st December 2014 (15 years). By employing the following equation the daily mean returns Rt have been computed from BSE 30 Index as follows.

$$Rt = Ln[\frac{C_t}{C_{t-1}}]\dots\dots\dots(1)$$

Where: R_t = Daily returns for time 't'

C_t = Adjusted Closing Price for the day 't'

C_{t-1} = Adjusted Closing price for the previous day 't-1'; and

ln = natural log.

To investigate the calendar anomalies, we estimate the following regression equation. Following the dummy variable regression model has been used to investigate the calendar anomaly.

$Rt = α + β_1J + β_2F + β_3M + β_4A + β_5M + β_6J + β_7Ju + β_8A + β_9S + β_{10}O + β_{11}N + β_{12}D + ε_t.\dots\dots (2)$

Where, Where R_t is the mean returns J, F, M, A…. D are dummy variables for January, February, March, April, May, June, July, August, September, October, November and December respectively.

$β_1, β2, β3, β_4, β_5, β_6, β_7, β_8, β_9, β_{10}, β_{11}$ and $β_{12}$ are restrictive coefficients

$ε_t$ = error term

If it is a January, then J=1 and "0" for all other months, if F is a February then F = 1 and "0" for all other days and so forth ɛ́ is a random error term. β1- β12 are co-efficient to be estimated using Ordinary Least Square (OLS).

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4. DATA ANALYSIS

4.1 INVESTIGATION OF EXISTENCE OF UNIT ROOT

The unit root test for the stationarity has been applied for log returns. For this purpose, both Augmented Dickey-Fuller (ADF) tests as well as the Phillip- Perron (PP) tests are conducted. The p-values turn out to be 0.000 that means there is no unit root in the distribution.

TABLE 1: RESULTS OF UNIT ROOT TEST (ADF)

		t-Statistic	Prob.*
Test Critical Values		-26.2115	0.0000
	1% Level	-3.4316	
	5% Level	-2.8620	
	10% Level	-2.5670	

TABLE 2: RESULTS OF UNIT ROOT TEST (PHILIPS-PERRON TEST)

		t-Statistic	Prob.*
Test Critical Values		-61.3196	0.0001
	1% Level	-3.4316	
	5% Level	-2.8620	
	10% Level	-2.5670	

4.2 ANALYSIS OF DESCRIPTIVE STATISTICS FOR BSE SENSEXINDEX RETURNS

TABLE 3: DESCRIPTIVE STATISTICS

	January	February	March	April	May	June	July	August	September	October	November	December
Mean	-0.0003	-0.0002	-0.0005	0.0006	-0.0002	0.0008	0.0005	0.0007	0.0009	0.0006	0.0015	0.0014
Median	-0.0002	0.0011	0.0010	0.0011	0.0012	0.0013	0.0004	0.0014	0.0019	-0.0002	0.0016	0.0012
Standard Deviation	0.0164	0.0137	0.0170	0.0162	0.0172	0.0151	0.0152	0.0124	0.0155	0.0169	0.0147	0.0125
Variance	0.0003	0.0002	0.0003	0.0003	0.0003	0.0002	0.0002	0.0002	0.0002	0.0003	0.0002	0.0002
Kurtosis	4.3460	1.0090	1.9193	3.2720	3.5722	1.5956	2.8457	1.3915	2.3671	3.6687	3.2503	2.0002
Skewness	-0.1244	-0.5499	-0.3477	-0.4481	-0.2076	0.0549	-0.2798	-0.3996	-0.6508	0.3043	-0.1306	0.1469
Range	0.1481	0.0833	0.1212	0.1441	0.1493	0.1151	0.1214	0.0800	0.1134	0.1395	0.1242	0.0928
Minimum	-0.0770	-0.0489	-0.0622	-0.0742	-0.0700	-0.0484	-0.0637	-0.0438	-0.0603	-0.0605	-0.0684	-0.0392
Maximum	0.0712	0.0343	0.0589	0.0699	0.0793	0.0667	0.0577	0.0362	0.0531	0.0790	0.0558	0.0537
Sum	-0.0975	-0.0602	-0.1428	0.1814	-0.0695	0.2423	0.1549	0.2223	0.2879	0.1829	0.4461	0.4321
Count	310	291	308	287	319	320	330	316	310	301	299	311

By descriptive statistics we note that the mean return of the November is higher than the rest of the month. The mean return on November is (0.0014) followed by December (0.0013) and September (0.000929), which is higher than the other months of the year. However, the mean returns for the month of the January (-0.00031), February (-0.0002), March (-0.0004) and May (-0.0002), and are negative. The mean return on May is lower than the other months of the year. The mean return on rest of year is 0.000459058. It is evident from the above table that there is a November effect (0.0014) and December effect (0.0013) in Bombay Stock exchange and returns on other months are not constant. There is no January effect in the BSE. The variance in May is 0.000294385 which is more than the variance on months of the year, followed by March 0.00029 and October 0.00028. However, the variance on rest of year is 0.000251. During the study period, the kurtosis measure of return distribution was leptokurtic for all months of the year, but the highest 4.3460 being on January followed by October recorded 3.6686. Even April's kurtosis is 3.2719, which is higher than the rest of the year.

The study also found that the highest value of standard deviation was recorded on May 0.01715 followed by March (0.0170) and least value of standard deviation on rest of the month of the year. This indicates that the Indian stock market was more volatile in October and May and least volatile on the rest of the month of the year during the study period.

4.3 ANALYSIS OF OLS REGRESSIONS MODEL TO TEST SEASONALITY

TABLE 4: REGRESSION RESULTS

Months	Mean	Coefficients	Standard Error	t-test Stat	P-value
January	-0.0003	0.0000	0.0009	0.0375	0.9700
February	-0.0002	-0.0006	0.0013	-0.4474	0.6546
March	-0.0005	-0.0975	0.0756	-1.2894	0.1990
April	0.0006	-0.0005	0.0013	-0.3863	0.6993
May	-0.0002	0.0006	0.0013	0.4550	0.6491
June	0.0008	-0.0001	0.0013	-0.0947	0.9246
July	0.0005	0.0007	0.0013	0.5654	0.5718
August	0.0007	0.0004	0.0013	0.3426	0.7319
September	0.0009	0.0007	0.0013	0.5217	0.6019
October	0.0006	0.0009	0.0013	0.6942	0.4876
November	0.0015	-0.0001	0.0013	-0.0431	0.9656
December	0.0014	0.0015	0.0013	1.1215	0.2621

Intercept is α in the set equation. Standard error measures the variability in approximation of the coefficient and lower standard error means coefficient is closer to the true value of the coefficient. It is clear from the above Table No. 4, that five variables recorded the negative Coefficient Value (February, March, April, June and November) rest of the variables recorded positive Coefficient Value (January, May, July, August, September, October and December) during the study period. But none of the coefficients (months of the year) were statistically significant at conventional levels of significance (5%) indicating that there was no Calendar anomalies in the Sensex Returns.

TABLE 5: ANOVA

	df	SS	MS	F	*Significance F*
Regression	12	0.0015	0.0001	0.5446	0.8864
Residual	3698	0.9272	0.0002		
Total	3710	0.9287			

Table 6 shows the results of ANOVA, which indicate the fitness of the model. The above results show that there is no Calendar Month anomaly in Indian stock market. ANOVA suggest that model is not statistically significant with an F-value (0.5446) does not support any significance (0.8864).

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TABLE 6: t-TEST RESULTS

Months	t Stat	t Critical two-tail	Months	t Stat	t Critical two-tail
Jan -Feb	-0.2764	1.9639	Apl-Aug	-0.0611	1.9639
Jan - Mar	0.1111	1.9638	Apl-Sep	-0.2289	1.9640
Jan - April	-0.7103	1.9640	Apl-Oct	0.4535	1.9640
Jan-May	-0.1547	1.9637	Apl-Nov	-0.6733	1.9640
Jan-June	-0.8543	1.9637	Apl-Dec	-0.6430	1.9640
Jan-July	-0.6284	1.9637	May-June	-0.5946	1.9639
Jan -Aug	-0.8779	1.9638	May-July	-0.3948	1.9636
Jan - Sept	-0.9714	1.9638	May-Aug	-0.5890	1.9637
Jan - Oct	-0.2071	1.9639	May-Sep	-0.7020	1.9637
Jan-Nov	-1.4302	1.9639	May-Octy	-0.0415	1.9638
Jan-Dec	-1.4576	1.9638	May-Nov	-1.0974	1.9638
Feb- Mar	0.3851	1.9639	May-Dec	-1.0919	1.9637
Feb-April	-0.4681	1.9641	June-July	0.2421	1.9636
Feb- May	0.0839	1.9638	June-Aug	0.0491	1.9637
Feb-June	-0.6020	1.9638	June-Sep	-0.1405	1.9637
Feb- July	-0.3637	1.9638	June-Oct	0.5736	1.9638
Feb-Aug	-0.6112	1.9639	June-Nov	-0.6115	1.9638
Feb- Sep	-0.7297	1.9639	June-Dec	-0.5710	1.9637
Feb-Oct	0.0407	1.9640	July-Aug	-0.2138	1.9637
Feb- Nov	-1.2107	1.9640	July-Sep	-0.3785	1.9637
Feb-Dec	-1.2280	1.9639	July-Oct	0.3640	1.9637
Mar-Apl	-0.8037	1.9640	July-Nov	-0.8550	1.9638
Mar-May	-0.2514	1.9638	July-Dec	-0.8337	1.9637
Mar-Jun	-0.9511	1.9638	Aug-Sep	-0.2009	1.9638
Mar-July	-0.7313	1.9637	Aug-Oct	0.5711	1.9638
Mar-Aug	-0.9802	1.9638	Aug-Nov	-0.7189	1.9638
Mar-Sep	-1.0634	1.9638	Aug-Dec	-0.6886	1.9638
Mar-Oct	-0.3064	1.9639	Sep-Oct	0.5711	1.9638
Mar-Nov	-1.5114	1.9639	Sep-Nov	-0.7189	1.9638
Mar-Dec	-1.5436	1.9638	Sep-Dec	-0.6886	1.9638
Apl-May	0.4773	1.9639	Oct-Nov	-1.1035	1.9639
Apl-June	-0.0986	1.9639	Oct-Dec	-1.1028	1.9638
Apl-July	0.1287	1.9638	Nov-Dec	0.0927	1.9639

The mean returns need to be same across the months to show the uniformity across different months. To test whether the calendar month anomaly existing or not, we use month to month comparison and used two paired t-test. The results presented in the table 7, indicate that the there is no significance difference between month to month returns. This discards the calendar month anomaly in the Indian stock market. A few months, namely November, December and September have shown higher returns compared to other months. However, these returns are not proving the statistically significant difference between subsequent month mean returns. Accordingly, may have less mean returns compared to other months. However, may month return not significantly different from other months' returns. Thus, we reject the calender month anomaly in the Indian market based on the BSE Sensex Index returns.

5. DISCUSSION AND CONCLUSION

This study aims at exploring the presence of the calendar anomaly on stock returns in Indian stock market. The study empirically analyses the calendar anomalies in BSE Sensex Index log returns for the period from 1st January 2000 to 31st December 2014. The EMH asserts that an informationally-efficient markets the mean returns are not significantly different from each other for the various months of the year. However, the EMH has drawn the attention of the investors, researchers and policy makers; it is worthy to study the movement of the stock markets. Presence of efficiency in the securities market across the globe is now suspected, so is the case of BSE Sensex. The empirical results evidences that there were maximum returns earned in November, December and September and low returns recorded in May, February during the study period. The seasonality study period in Indian stock market indicates the absence of January Anomaly during the study period. However, there is a November and December effects in Indian stock markets and these results are consistent with the literature, particularly Patel (2008) and Elangoand Panday (2008). The end-of-the-year effect i.e. November and December months mean returns were significantly higher than the other ten months mean returns. This could be a festival effect. In Indian traditions "Festival of Lights" and "Laxmi Pooja" are considered very auspicious and investing in gold and stock trading, especially buying is rampant for every businessman and family during the month of November. This is also evidenced in the gold prices and high volumes of stock trading during the month of November. And the mean returns in November month are generally higher as evidenced in our findings.

Our findings also show that, though not statistically significant, may seems to give lower mean returns than other months. Contrary to many other studies in the western markets and their evidences of the month effect, January effect, Indian stock markets (according to BSE Sensex returns) does not provide the evidence for the Calendar Month Effect. This could be due to the fact that we have chosen to study long time period of the market. Finally, we conclude that there is no statistical support for "Calendar Month Effect" in Indian stock markets as BSE Sensex as market proxy. Future research can focus on the impact of bull periods and bear periods on a calendar month anomaly.

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GLOBALISATION: BOON FOR INDIAN ECONOMY

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ABSTRACT

Modern era is the era of globalization. Modern man has been a globetrotter, be it for education, trade, commerce, entertainment or anything else. Gone are the days when the world was divided into impregnable national boundaries. Revaluation in the IT sector has brought the world closer to make the dream of world a reality. Globalization means linking the economy of a country with the economies of other countries by means of free trade, free mobility of capital and labour etc. It also means inviting multinational corporation to invest in increasing economic openness and growing economic interdependence developing countries and opening up of the economy for international market for attaining worldwide competitiveness entire world can be called as globe village. According to Deepak nayyar, "it can be defined as an expansion of economic activities across political boundaries nation state it is a process of deepening economic integration, between countries in the world economy".

KEYWORDS
liberalization, portfolio, collaboration, outsourcing, MNC's, deficit, opportunities.

INTRODUCTION
Seeds of globalization process were sown in the early 1980s itself as many concessions were granted to foreign capital, MNC's were allowed to enter a number of crucial sector to which their entry was previously restricted or banned, provision FERA were not strictly enforced, import liberalization process was accelerated and downward adjustment in the exchange rate of rupee was resorted. The real thrust at the globalization process was provided by the new economic policy introduced by govt. of India in 1991 at the behest of the IMF and the World Bank.

FIG. 1
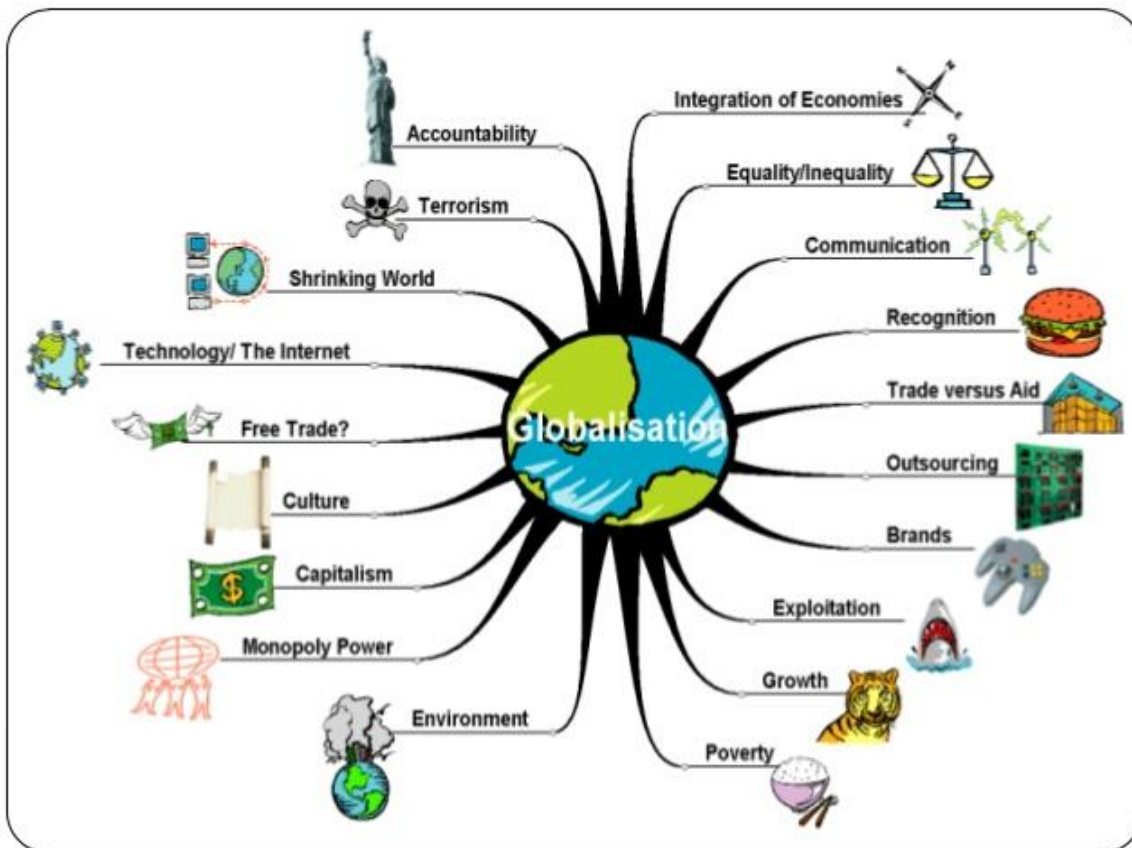
Source-Globalization digital image.N.P, n.d.web.24 Jan 2013

After the period of 1980-81, India's balance of payments problem was marketed by severe balance of payments difficulty. The second oil shock pushed up the import bill substantially while exports lagged considerably behind. The trade deficit rose to astronomical heights. The problems were compounded by the gulf war in 1990-91. Trade recorded negative earnings. Default could be avoided only if credit was made available from IMF and World Bank. Assistance was indeed made available by these institution but on their own term and conditions.

This program had the following three components:
(a)   Stabilization
(b)   Domestic liberalization
(c)   External liberalization
Globalization is identified with external sector liberalization.

It has generally four parameters:
(1)   Permitting free flow of goods between countries.
(2)   Flow of capital between the countries.
(3)   Free flow of technology transfer.
(4)   Free movement of labour between the countries.

GLOBALIZATION IN INDIA

On the basis of their parameter we evaluate its impact on economy. Opinion on this practice is evenly divided. I support this to a great extent.

Some favorable impacts of globalization on Indian economy are as follow:

(1)   In conformity with economic reforms foreign trade policy was enforced for long duration of 5 years. India's present trade policy is a liberal policy. Under the policy all restrictions and controls on foreign trade have been removed. Open competition has been encouraged and all the facilities provided to this end. Administrative controls have also been minimized. The long term objective of the policy for the govt. is to double India's share in global trade by 2020. As a result of foreign trade policies adopted in the wake of globalization, India's share in the world trade has gone up. India's export approximately 7500 commodities to about 190 countries, and import around 6000 commodities from 140 countries. India exported US$318.2 billon and imported $462.9 billion worth of commodities in 2014

## SUMMARY TABLE OF RECENT INDIA FOREIGN TRADE

TABLE 1

Year	Export	Import
1999	36.3	50.2
2002	44.5	53.8
2005	69.18	89.33
2008	176.4	305.5
2012	298.4	500.4
2015	310.3	447.9
2016	261.1	379.8

Source-Historical data graph per year

(2)   Secondly, limit of foreign capital investment has been raised. In many industries FDI to the extent of 100% will be allowed without any restriction. Export trading houses will also be allowed foreign capital investment up to 100%. In this regard foreign management act will be enforced. As a consequence of globalization there has been a considerable increase in FDI and foreign portfolio investment. Benefit of portfolio investment is that under this type of investment foreign company buy share and debenture of native company however management and control remain vested with the native companies. There is significant increase in foreign investment in India in the year 1990-91. Because of this significant increase, India began to experience a surplus balance of payments. And a very remarkable improvement in foreign exchange reserved.

(3)   Another favorable impact on foreign collaboration, globalization has promoted collaboration of foreign companies with many Indian companies. These agreements can be technical collaboration, financial collaboration or both in financial collaboration, foreign company provide financial resources while in technical collaboration modern foreign technology is provided by foreign companies. Foreign companies are setting up many enterprises in India in collaboration with Indian companies.

(4)   One of major forces of globalization in India has been in the growth of outsourced IT and business process outsourcing services. The last few years have seen an increase in the number of skilled professionals in india employed by both local and foreign companies to service customers in the US and Europe in particular. Taking advantage of India's lower cost but educated work force and utilizing global communication technologies have been able to lower their cost base in India.

(5)   A new customer base has developed in Indian economy. International companies are also expanding their operations in India to service this massive growth opportunity. Notable examples of international companies that have done well in India in the recent years include Pepsi, Coca-cola, McDonald's and KFC (Kentucky Fried Chicken) whose products have been well accepted by Indians at large.

(6)   The need for maintaining adequate foreign exchange reverse has increased over time with the acceleration in the pace of globalization and enlargement of cross boarder capital inflows which are highly volatile in nature. Main objective to create this reverse rate policies, enhancing the capacity to intervene in foreign exchange market and limiting external vulnerability so as to absorb shocks during times of crises. As a result of globalization, foreign exchange reverse have been increased substantially. There has been an increase of 290 times from 1991 to 2010.

(7)   Convertibility of Indian rupee was allowed to achieve the objective of globalization. It was in conformity with economic reforms. It was valid for the following transactions import and export of goods and service, payment of interest and divided on investment, remittances to meet family expenses. Recently govt. is seriously thinking of making rupee fully convertible in other currencies.

(8)   Reduction in tariffs is possible due to globalization. In order to render Indian economy beneficial internationally custom duties and tariffs imposed on imports and exports are being reduced gradually. India's average applied import tariffs have increased to 13% in 2014-15 from 12% four year ago largely due to a 3% rise in duties for agriculture products such as cereals, oil seeds, fats, sugar and confectionary.

FIG. 2
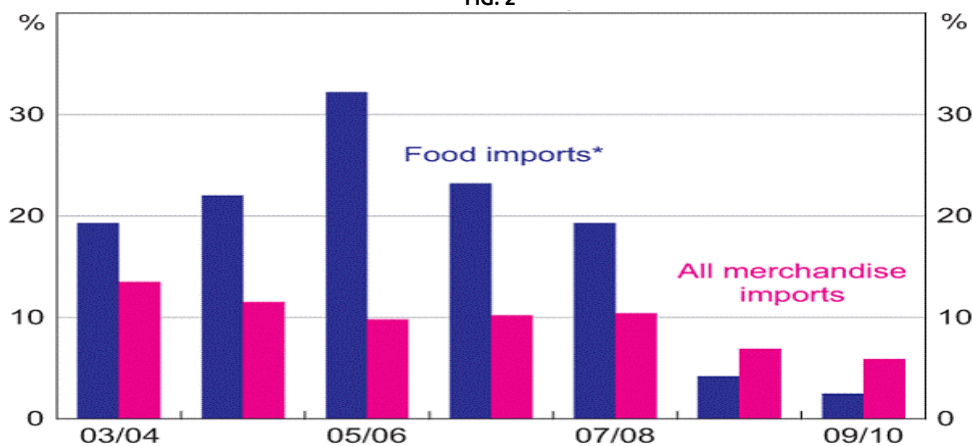
Source-Ministry of finance, govt. of India

(9)   Expansion of market is the main objective of globalization. It has permitted Indian business units to expand their business in the whole world. Now MNCs have no national boundaries. Indian companies are rapidly gaining confidence and are themselves now major players in globalization. From steel to Bollywood from cares to IT. Indian companies are setting themselves up as powerhouse of tomorrows globe economy. Infosys Tata consultancy, Wipro, tata steel, reliance etc. are doing their business in many countries. Current foreign trade policy has added 26 new markets to the focus market scheme.

(10)   Exports have been promoted. Several measure have been taken to meet the deflect of balance of payments. Special facilities have been provided to the exporters in order to increase the share of Indian exports in world trade. India's exports of goods and services increased by 11.6% from 1990 to 2003. It is average annual growth rate of world exports of goods and services.

(11)   Globalization has enabled the inflow of foreign technology which is very superior and advance. Now Indian business units use this modern technology. Mobile phone, computer, television, fridge, and vehicles are best examples of technology.

(12)   Branded goods are promoted by globalization. Now not only durable goods are branded but products like garments, juices, snacks, foodsgrains etc are also branded. Foreign brands are very popular among Indian consumers brand developed has led to quality improvement.

(13)   Globalization has helped in growth of service sector, with the entry of foreign companies, tremendous improvement has been witnessed in various services like telecommunication insurance, banking etc. After sale services are also production by foreign companies.

(14)   It has increased employment opportunities for Indians. Foreign companies are establishing their production and trading units in India. Many Indians are presently employed in foreign insurance companies, mobile or communication sector.

(15)   As a result of globalization, many multinational corporations have set up their business units in India. These MNC's provide attractive salary package and good working conditions to efficient, Skilled Indian engineers, managers, professionals etc. Now Indians get good employment opportunities in India. It has resulted in reduction in brain drain.

(16)   Improvement in standard of living is result of globalization now Indians get better quality goods at low prices. It has resulted in reduction of prices of many products. Now middle income group also uses these luxury products which were earlier used by rich class only.

CONCLUSION

The process of globalization started 1991 has a far reaching impact on Indian economy. Some feel that it has made a sea change in the outlook of the corporate sector especially on external sector front. And no doubt there are some negative effects of globalizations on Indian economy, but we cannot ignore the true spirit of globalization. It has its own meaning with specific goals of attaining higher growth rate, self-reliance, full employment and better standard of living.

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MUTUAL FUND: AN AVENUE TO INVESTORS IN INDIA

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ABSTRACT

In today's competitive environment, various types of investment avenues are available to investors. An investor invests in various types of investment depending upon his requirements. Mutual fund industry has grown drastically over the years. The start of Mutual Funds gave opportunity for investors in hope of high returns from their investments. There are various schemes of mutual funds in India. If one invests for a long term, one can enjoy the benefits of rupee cost averaging. By investing in various schemes (tax saving schemes), one can claim tax benefits under section 80C of the Income Tax Act. Mutual Funds provide various types of schemes depending on the types of investors. Whether the investor is a risk taking investor or a risk-averse investor, one can find various schemes suitable to their needs. The mutual fund industry in India started in 1963 with the formation of UTI (Unit Trust in India) at the initiative of Government of India and Reserve Bank of India.

KEYWORDS

mutual funds, investors, net asset value, fund sponsor.

INTRODUCTION

The mutual fund industry in India started in 1963 with the formation of UTI (Unit Trust in India), at the initiative of Government of India and Reserve Bank of India. The emergence of mutual funds changed the way the world invested their money. It gave an opportunity for investors to invest in funds in hope of high returns from their investments.

There are various investment avenues available for investors like Savings Account, Public Provident Fund, Postal Saving Deposits, Shares, Debentures and more. Mutual funds are launching variety of financial products trying innovations in designing mutual funds portfolio in order to meet the customers' expectations. A mutual fund is an investment fund that pools money from many investors to invest in diversified securities such as stocks, bonds, money market instruments and similar assets. The performance of a particular scheme of a mutual fund is denoted by Net Asset Value (NAV).

OBJECTIVE

The objective is to know the various investment avenues available in mutual funds and factors influencing investors in selection of fund.

MUTUAL FUND PROCESS

FIG. 1
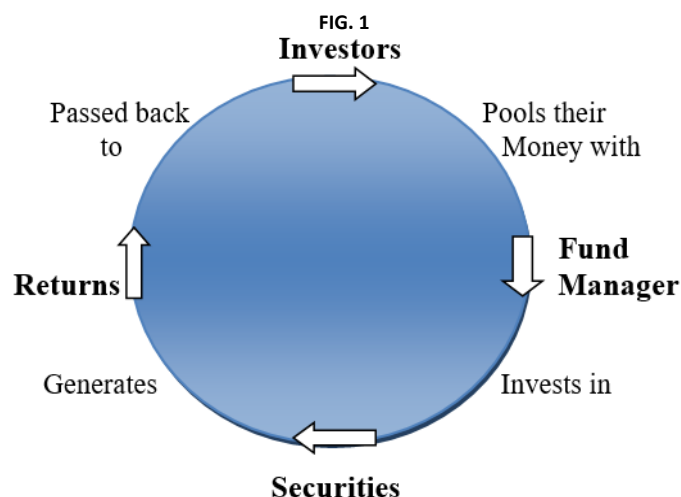
Investors with common financial objectives pool their money and get mutual fund units for the sum contributed to the pool. The money is invested into shares, debentures and other securities by the fund manager. The fund manager realizes gains or losses and collects dividends or interest income. This is then passed on to the investors in proportion of the number of units held by them.

Mutual funds invest the money collected from the investors in securities markets. In simple words, Net Asset Value is the market value of the securities held by the scheme. Since market value of securities changes every day, NAV of a scheme also varies on day to day basis. The NAV per unit is the market value of securities of a scheme divided by the total number of units of the scheme on any particular date.

HOW IS MUTUAL FUND SET UP

A mutual fund is set up in the form of a trust, which has Sponsor, Trustees, Asset Management Company (AMC) and Custodian.

1. **The Fund Sponsor-** A Sponsor establishes the Mutual Fund, along with any individual/body corporate. The Sponsor's liability is restricted to his contribution. Sponsor must contribute a minimum 40% to the net worth of AMC. The sponsor has to register the mutual fund with SEBI.
2. **Trustees-** Trustees manage the trust and are responsible to the investors in the mutual funds. They are the primary guardians of the unit-holders funds and assets. Trustees ensure that the activities of the mutual fund are in accordance with Securities Exchange Board Of India (SEBI) regulations, 1996. They check that the Asset Management Company (AMC) has proper systems and procedures in place. All schemes floated by the AMC have to be approved by the trustees. Trustees review and ensure that the net worth of the AMC is as per the regulatory norms. They furnish a report on the activities of AMC to SEBI.
3. **Custodian-** Custodian is responsible for the possession, handling and safekeeping of all securities purchased by the Mutual Fund.
4. **Asset Management Company (AMC)-** The Asset Management Company is responsible for managing the investments for the various schemes operated by the Mutual Fund. The AMC employs professionals to manage the funds. The AMC may be assisted by a custodian and a registrar.

AMC are obliged to make investments in compliance with Securities Exchange Board of India regulations.

TYPES OF MUTUAL FUNDS

The mutual fund industry in India has developed drastically. Various types of mutual funds categories are designed to allow investors to choose a scheme based on the risk they are willing to take, their goal, and the investment term etc. The following are the important types of mutual fund scheme:

A) BY MATURITY PERIOD
1. Open Ended Fund
2. Closed Ended Fund

B) BY INVESTMENT OBJECTIVE
1. Growth/Equity Fund
2. Debt/Income Fund
3. Balanced Fund
4. Money Market Schemes
5. Guilt Fund

C) OTHER SCHEMES
1. Tax Saving Schemes

D) SPECIAL SCHEMES
1. Sector Fund
2. Index Fund

A) BY MATURITY PERIOD

Mutual funds can be classified into Open Ended Fund and Closed Ended Fund depending on its maturity period.

1. Open Ended Fund- It is a fund that allows investors to buy or sell on a continuous basis at any point of time. These funds don't have a fixed maturity period. Liquidity is the key feature of Open Ended Fund. Investors can buy and sell units at Net Asset Value related prices.

2. Closed Ended Fund- It has a stipulated maturity period which is open for subscription only during a specified period (at the time of launch of the scheme). The fund is open for subscription at the time of the initial public issue and thereafter they can buy or sell the units on the stock exchanges where the units are listed.

B) BY INVESTMENT OBJECTIVE

Mutual Funds can also be classified based on investment objective.

1. Growth /Equity Fund- The aim of this fund is to provide capital appreciation in the long run. Such funds have high risk. Investors who would like to take risk can invest in these securities and expect long term benefits can invest in these schemes. This fund provides various schemes to the investors and the investor can choose the option according to their choice.

2. Debt/Income Fund- The aim of this fund is to provide steady and regular income. Although capital appreciation is low, these are ideal for investors who would like to take low risk and expect steady income. These funds are invested in securities such as debentures, government securities and other debt instruments. Such funds are less risky compared to equity funds. But opportunities of capital appreciation are limited in such funds.

3. Balanced Fund- The aim of this fund is to provide both growth and income. These funds are invested in both equities and fixed income securities. These funds are ideal for investors looking for moderate growth. These funds are less risky when compared to Equity Fund.

4. Money Market Schemes- These schemes invest in money market instruments like treasury bills, certificates of deposits, commercial paper and interbank call money. The main aim of these funds is to provide easy liquidity, moderate income. These funds are preferable for individual investors and corporate investors as a means to park their surplus funds for short period.

5. Gilt Fund- These funds invest exclusively in government securities. Since guilt funds only invest in government securities, investors are protected from credit risk. They are appropriate for risk averse and conservative investors.

C) OTHER SCHEMES

1. Tax Saving Scheme- These funds provide tax benefits to the investors under Section 80C of the Income Tax Act of India. e.g. Equity Linked Savings Schemes (ELSS). This is an equity diversified scheme and investors enjoy both capital appreciation as well as tax benefits. Investors can opt for dividend and growth options. These are close ended schemes with a lock in period of three years.

D) SPECIAL SCHEMES

1. Sector Funds- Sector funds are those that invest only in the equity of those companies existing in a specific sector, as laid down in the funds offer document. For example, a technology fund would invest only in technological companies.

2. Index Fund- An index fund follows a passive investing strategy called strategy. It involves tracking an index say for example, the Sensex or the Nifty and builds a portfolio with the same stocks in the same proportions as the index.

ADVANTAGES OF MUTUAL FUNDS

The following are advantages offered by mutual funds to all the investors:

1. **Offering wide portfolio of investments-** Investors can enjoy the wide portfolio of the investment held by the mutual fund.
2. **Diversification of risk-** It diversifies the risk by investing in a variety of portfolio of securities which cannot be done by small and medium investors.
3. **Offering Tax benefit-** Certain funds offer tax benefit to investors.
4. **Professional Management-** The funds are managed by experts who have adequate experience in the field of investment. The investors are assured of quality service in their best interest.
5. **Choice of Schemes and ensures affordability-** Mutual funds offers a variety of schemes to suit the needs of investors. Even a very small investor can invest in mutual funds.
6. **Liquidity-** Units can be sold to the fund at any time at the Net Asset Value and thus, quick access to liquid cash is assured.
7. **Regulations-** All mutual funds are required to register with SEBI (Securities Exchange Board of India) that ensures protection of investors. All the operations of mutual funds are monitored by the SEBI.
8. **Transparency-** Mutual Fund Company provides information on the value of investment invested in mutual funds to investors at regular intervals. Even mutual funds companies are reviewed by various publications and rating agencies, making it easy for investors to compare fund to another.
9. **Flexibility-** Mutual funds provide various types of schemes depending on the types of investors. An investor can opt for Systematic Investment Plan, Systematic Withdrawal Plan etc. to plan cash flow requirements.
10. **Economies of Scale-** Investment done through mutual funds are cheaper compared to investing directly in capital markets which involve higher charges. The pooled money from investors ensures that mutual funds enjoy economies of scale. This allows investors to access high risk markets and also ensure control over cost.

LIMITATIONS OF MUTUAL FUND

1. **Subject to market risk-** Mutual funds are subject to market risk.
2. **No guarantee-** Mutual fund don't give any guarantee of return to the investors. It depends on the stock market. A fall in the stock market triggers a fall in the value of the mutual fund shares.
3. **Unethical practices may be adopted-** Mutual fund manager may adopt unethical practices to boost the performance of the various schemes.
4. **Fees and Expenses-** Some of Mutual fund charges operating and management fees to meet the daily expenses.

5. **Management Risk-** The investment depends on the selection of the mutual fund portfolio by the fund manager. If things don't go as the expectations, the investments may earn enough money.

These are the challenges that can be averted through proper study and analysis.

CONCLUSION

Investor always tries to maximize the returns and minimize the risks. Mutual Fund provides a variety of schemes to the investors depending on their requirements. With the emergence of tough competition, mutual funds are launching various schemes to meet the requirements of the investors. Investors who would like to earn regular income should invest in income plans. A mutual fund is required to be registered with (Securities Exchange Board of India) which regulates securities markets before it can collect funds from the public. SEBI formulates policies and regulates the mutual funds to protect the interest of the investors.

The Indian mutual fund industry is growing rapidly and this is reflected in the increase in Assets under management of various fund houses. Mutual fund investment is less risky than directly investing in stocks and is therefore a safer option for risk averse investors. The investors may seek advice from experts and consultants including agents and distributors of mutual funds schemes while making investment decisions.

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ANALYSIS OF FACTORS DETERMINING MEMBERS' DECISION TO SALE COFFEE THROUGH COFFEE COOPERATIVES IN JIMMA ZONE: THE CASE OF GOMMA AND LIMU KOSA DISTRICTS

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ABSTRACT

Analysis of factors determining members' decision to sale coffee through coffee cooperatives of specific sites Gomma and Limu kosa districts of the Jimma zone were evaluated with the objectives to: identify factors that determine farmers' marketing of coffee through cooperatives, examine the financial performance of coffee cooperatives and study coffee producers' attitudes towards coffee cooperatives. To accomplish these tasks a survey was conducted in the study areas in which data and information were collected from 180 coffee cooperative members' using a structured questionnaire. The liquidity ratio analysis indicated that the coffee cooperatives financial performance in the study areas were satisfactory but low ratio and the profitability of the cooperatives were not as such viable. In order to analyze factors, determine members' decision to sale coffee through coffee cooperatives, Tobit econometric model was used. From the hypothesized 16 explanatory variables, 8 variables (position in the cooperative, coffee produced, farm size, patronage refund, cooperative price for coffee, credit, distance of the cooperatives from the farmer's house and distance of the district market from the farmer's house) were found to be significant and influence the decision to sale coffee through coffee cooperatives. The findings of this study identifies that, improving the management and financial act of the cooperatives helps to cope with areas market competition to purchase coffee from cooperative members', provision of different services which can help coffee producers to supply quality coffee, fair payment of the patronage refund and continuous capacity building to coffee cooperative members' are the priority areas of interferences to advance the performance of the cooperatives in the study area.

KEYWORDS
cooperatives, coffee, determine, market, performance.

1. INTRODUCTION
1.1 BACKGROUND OF THE STUDY
The history of modern cooperation traced to the impact of industrial revolution that brought immense wealth to the capitalists and poverty to unorganized labor. The first man to conceive of an economic association for the benefit of the members was P.C.Plockboy, a Dutchman, living in England (Knapp, 2000). He encouraged agriculturalists, artisans and other professionals to form their own associations to which they were to contribute capital and work. Dr. William King was also another pioneer in the field of cooperatives, stressed on self-help as opposed to patronage from the rich (ICA, 1995).

In Ethiopia, the formation of modern cooperative societies was started soon after the Italian invasion. However, it was only in 1960s that a cooperative was legally enacted. During the reign of Haileselassie, the cooperative legislation No 241/1966 was proclaimed and about 154 different types of cooperatives were organized. During the Durg regime, cooperatives that were organized earlier were considered unnecessary and discarded. The newly organized cooperatives under the regime have purposefully made instruments of political power.

At present, there are 27,147 organized primary and 524 secondary cooperatives, of which 476 primary and 12 secondary cooperatives are coffee marketing cooperatives and the total number of members in primary cooperatives reached 4,903,683 (11.55% female) owning birr 1, 572,256,047 capital (FCA, 2012). It is evident that the cooperatives are playing a great role in the local and international trade of the country.

Coffee has remained the main export of the country; however, other agricultural products are currently being introduced on the international market. Despite secular decline in the international coffee price, coffee still remains the country's dominant export commodity. According to Villanger (2006), the major export products from Ethiopia in 2004/05 were coffee (41%), oil seeds (13%), Khat (12%), leather and leather products (8%), Gold (6%) and pulses (4%).

In rural areas, smallholders are often geographically dispersed; roads and communications are poor, and the volume of business is insufficient to encourage private service provision. In other words, there are high probabilities of market failure. Inefficient and underdeveloped markets, results in low and variable prices thereby reducing the profitability of new technologies for farmers, discouraging business people from investing in processing activities, retailers and transporters from investing in improved market and transport services (Mulat and Tadele, 2001).

Intervention to reduce uncertainty and other marketing problems and to bring the peasant households into profit maximizing category may be realized through establishment of rural institutions, such as cooperatives. The concept of human cooperation is not new. Cooperative is a worldwide movement. It prevails both in developed and developing nations, and in all branches of economic activity (Krisiinaswami and Kulandaiswamy, 2000).

There are two major varieties of coffee, namely arabica coffee (Coffee arabica L.) and robusta coffee. Ethiopia produces only arabica coffee, which is believed to have originated in the rain forests of southwestern Ethiopia – hence Ethiopia is known as "the home of coffee". Annual coffee production fluctuates between 6 to 7 million tones, with production in the 2012/13 crop year totaling 113 million bags, of 60 kg (NBE, 2011).

1.2 STATEMENT OF THE PROBLEM
It is believed that the characteristics of modern cooperative businesses have mostly been developed in the past 160 years. People form cooperatives to do something better than they could do individually or through a non-cooperative form of business. Acting together, say, in bringing agricultural produce (e.g. coffee) collectively, members can develop bargaining power, enjoy the benefits of a larger business and can access information, which has important impact in the process of marketing. Sometimes people believe that forming a cooperative automatically will solve business problems faced by individual farm households. In reality, cooperatives are subject to the same economic forces, legal restrictions and international relations that other businesses face (Krisiinaswami and Kulandaiswamy, 2000).

Regards to coffee marketing activities, various forms and extent of problems could be identified, and prioritized, to decide upon them by the decision makers. In addition, the cooperatives decision-making procedures purchase capacity, sales volume, profitability, and other marketing performance parameter needs to be assessed. This may also be true for cooperatives. To bring maximum profits to all institutions concerned, a channel of distribution should be treated as a unit- a total system of action (Mamoria, et al., 2003).

Actually, there is no sufficient empirical information supported with scientific research that shows the factors determine decision of cooperatives members to sale their coffee through marketing cooperatives and/or their unions, the magnitude of members benefit from these cooperative organizations and the degree of satisfaction. This research will, therefore, attempt to empirically investigate the above issues and bridge information gaps.

1.3. RESEARCH QUESTIONS
1. What are the factors that influence farmers' marketing of coffee through cooperatives?
2. How is the financial performance of agricultural cooperatives in the study area?
3. What are the attitudes of coffee producers towards coffee cooperatives?

1.4. OBJECTIVES OF THE STUDY
GENERAL OBJECTIVE
General objective is to investigate the factors that determine the decision of cooperative members' to sale their coffee through cooperatives.
SPECIFIC OBJECTIVES
The specific objectives of this study are:
1. To identify factors that influence farmers' marketing of coffee through cooperatives
2. To examine the financial performance of coffee cooperatives in the study area
3. To study coffee producers' attitudes towards coffee cooperatives
1.5. SIGNIFICANCE OF THE STUDY
Information to be produced by this study would be useful for the management bodies of the primary coffee farmers' marketing cooperatives under consideration as well as other cooperatives operating under similar conditions in improving their performance through suitable and appropriate measures. The information would also provide a good lesson for new cooperatives to be established. In general, the findings of this research would be useful to cooperatives societies, researchers, and governmental and non- governmental organizations for policy formulation, planning and development of agricultural marketing and cooperatives in the country.

2. RESEARCH METHODOLOGY

The study was conducted in coffee production potential area, Gomma and Limu Kosa districts in Jimma zone of Ethiopia. To meet the objectives of the study, multi stage random sampling procedure was adopted for the selection of the sample coffee producers from the cooperatives. In the first stage, two districts namely Gomma and Limu Kosa districts were selected purposively from Jimma zone. In the second stage, by considering the number of coffee cooperatives, twelve coffee cooperatives (seven from Gomma and five from Limu kosa district) were randomly selected. In the third stage, 180 coffee producers were selected randomly. Both primary and secondary data were used for the study. Primary data was collected by interviewing techniques using pretested questioner. Collected data was analyzed by using descriptive statistics, econometric analysis and financial ratios.

Descriptive statistics was employed to study farmers' attitudes towards agricultural cooperatives and to show general socioeconomic characteristics' of the co-operatives members.

Econometric analysis which use Tobit model, was used to identify factors that determine farmers' marketing of coffee through the marketing cooperatives. In the course of identifying factors influencing the marketing of coffee through the marketing cooperative 16 potential variables, which are supposed to influence marketing of coffee through the cooperative were hypothesized.

Dependent variable: The Tobit Model uses censored values as a dependent value (Gujurati, 1999). As observed in different empirical studies, this variable can be expressed in terms of ratio, actual figure and logarithmic form depending on the purpose of the study. The total quantity of coffee (in quintal) the producer marketed through the cooperative in 2013/4 will be taken as the dependent variable.

The Tobit model can be defined as:

$Yi = \beta i + \Sigma \beta i\, Xi + Ui$ i = 1, 2…

$Yi^* = ®Xi + Ui$ i=1,2,…,

$Yi = Yi^*$ if $Yi > 0$

$Yi = 0$ if $Yi^* < 0$

Where,

Yi= the observed dependent variable, in this case a quintal of coffee marketed through the cooperative

Yi*= the latent variable which is not observable

Xi= vector of factors influencing the marketing of coffee through the cooperative

®i= vector of unknown parameters

Ui= residuals that are independently and normally distributed with mean zero and a common variance δ2

Independent variables: total of 16 variables such as: district, family size, education level, number of years of membership, off/non-farm income, farm size, total livestock holding, position in the cooperative, coffee product, credit, availability of other services, distance of the cooperative from the farmer house, distance of the district/main market from the farmer house, availability of other marketing agents, cooperative price for coffee, and patronage refund will be hypothesized to explain the dependent variable.

Financial performance measures ratios: ratios were also used to examine the financial performance of the coffee cooperatives of the study area. Measurement of actual performance also include why that has happened, deviations between actual and planned (standard) should be identified so that corrective actions could be initiated (Mamoria, et al., 2003). For the financial performance analysis of the cooperatives', the audit reports, the balance sheet and profit and loss statements of the cooperatives were used.

FINANCIAL RATIOS OF THE COFFEE MARKETING COOPERATIVES
The financial ratios were calculated using the most significant financial ratios that allow forming a judgment about the efficiency of the cooperatives, the return on key aggregates (income ratios) and its creditworthiness.

A. EFFICIENCY RATIOS
Inventory turnover = Cost of goods sold / Inventory -- Eq (1)
Low turnover ratios mean that a cooperative with large stocks on hand find it difficult to sell its product, and this may be an indicator that the management is not able to control its inventory effectively (Gittinger, 1982).
Operating ratio = Operating expense / Revenue --- Eq (2)
The operating ratio is an indicator of the ability of the management to control operating costs including administrative expenses (Gittinger, 1982).

B. INCOME RATIOS
Return on sales = Net income / Revenue -- Eq (3)
Lower return on sales indicates that the cooperatives were making lower operating margin and greater sales must be made to make an adequate return on investment.
Return on equity = Net income / Equity -- Eq (4)
The larger ratio is related to effective use of the owners' capital (Anderson and Vincze, 2000).
Return on asset = Net income / Total asset -- Eq (5)
The return on asset should exceed the cost of capital in the society as measured by, say, the bank lending rate to industries-provided that there is no interest subsidy (Gittinger, 1982).

C. CREDITWORTHINESS RATIOS
Current ratio = Current asset / Current liability -- Eq (6)
A rule of thumb sometimes applied to the current ratio is that it should be around 2 (Gittinger, 1982).
Debt - equity ratio = Total liabilities / Net worth -- Eq (7)
In agricultural projects, enterprises are likely to need a strong equity base (Gittinger, 1982).

3. RESULT AND DISCUSSION

This section describes the major findings of the study.

3.1. HOUSEHOLD CHARACTERISTICS

From the interviewed respondents, 61.3% of the coffee producers sold their coffee through the coffee cooperatives while, 38.7% of the coffee producers didn't sale coffee through the coffee cooperatives in the study period, year 2013/4. As indicated in Table 1, the average age of the sample respondents was about 48 years.

The average family size of the sample households was 6.49 persons, with maximum and minimum family size of 18 persons and 1 person, respectively. The average family size of the sample households that used the cooperative as marketing agent was 6.23 persons, with maximum and minimum family size of 19 and 2 persons, respectively. The corresponding number for the non-users was 6.78 persons, with maximum and minimum family size of 14 persons and 1 person respectively.

TABLE 1: DEMOGRAPHIC CONDITION OF THE SAMPLE RESPONDENTS

		Users (n= 120)		Non users (n= 60)		T-value	Total sample (n=180)	
Demographic		Mean	St. Dev	Mean	St.Dev		Mean	St.Dev
Age (year)		49	12.81	47	10.8	1.23*	48	11.84
Family (number)		6.23	2.23	6.78	2.43	0.56	6.49	2.34
Active labor (man-equiv.)		3.26	1.23	3.24	1.49	-0.58	3.25	1.31

Source: own computation

* Characterize level of significance at less than 10%

3.2. ATTITUDE OF MEMBERS TOWARDS MARKETING COOPERATIVES

The cooperatives purchase coffee as it is primarily produced and sold by most of the coffee producers in the study area. The duration of their purchasing ranges from October to May. In 2012/3, 53% of the sampled coffee producers marketed coffee through the cooperatives. This figure increased to 58.3% in 2013/4.

The study identifies that, 66.7% of the total respondents' sale coffee through the cooperatives. Among users of the cooperatives, 27% of the respondents use cooperatives to sale their coffee by assuming that cooperatives provide them genuine measurement (no cheating in the weight) of the coffee. Other users, 33.2% of the respondents use cooperatives due to imagining an advantage of patronage refund from cooperatives. Both genuine measurement and patronage refund considered as essential arguments to use cooperatives by 37.7% of the respondents. Genuine measurement and introduction of desirable competition were pointed out by 16% of the respondents. The consistent numbers for patronage refund and introduction of desirable competition were 3.7% and 8.4% respectively. Cooperatives provide other services to the farmers besides supplying farm inputs, purchasing farm produces and extending credit. In the study areas, coffee marketing cooperatives gave coffee washing machine, sacks, and other services. As indicated in Table 2, 46.2% of the sample respondents were beneficiary from these cooperatives services. From the users of cooperatives to sale their coffee 70% of the respondents' get different service provided by the cooperatives, while 24.6 % of the non-users of the cooperatives as marketing agent get different cooperative services. There is statistically significant difference between cooperative users and non-users in getting these services. The significant χ^2 test indicates that more of the sample farmers who used the cooperative as their marketing agents were beneficiary from the services.

TABLE 2: OTHER SERVICES OF THE COOPERATIVES USED BY SAMPLE RESPONDENTS

Other service	Users (n= 120)		Non users (n= 60)		Total sample (n= 180)	
	N	%	N	%	N	%
No	36	30	45	75.4	81	45
Yes	84	70	15	24.6	99	55
χ^2-value			14.25***			

Source: own computation

*** Represent level of significance at less than 1%.

As shown in Table 3, 48.2% of the sample respondents realize that the cooperative didn't solve their major common problems currently. About 62.5% of the sample respondents assumed that the cooperatives will enable them to overcome their major common problems in the future while, 17.5% of the sample re-spondents don't think so. Lack of responsibility for the common work assumed as the main reason for not the cooperative enable them to overcome their major common problems and the idea is supported by 88.7% of respondents'. The misuse of the cooperative by cooperative management and employees and lack of commitment of the members for the cooperative reflected as the other reasons and these ideas are supported by 24%, 25% and 32% of the respondents' respec-tively.

TABLE 3: COOPERATIVES CURRENT AND FUTURE PERFORMANCE PERCEPTION OF THE RESPONDENTS

Performance	Users (n= 120)		Non-users (n= 60)		Total sample (n= 180)	
Current	N	%	N	%	N	%
Not good	46	38.3	30	50	76	42.2
Good	74	61.7	30	50	104	57.8
χ^2-value			2.48			
Future	N	%	N	%	N	%
Not good	16	13.3	15	25	31	17.2
Good	104	86.7	45	75	149	82.8
χ^2-value			4.8**			

Source: own computation

** Represent level of significance at 5%

3.3. PERFORMANCE MEASURES OF THE COFFEE COOPERATIVES

The study use ratio analysis to examine the performance of the coffee cooperatives. Subsequently the following types of ratio analysis result were used to show the performance of the cooperatives.

3.3.1. LIQUIDITY ANALYSIS

The acceptable rate of current ratio that is accepted by most lenders as condition for permitting loan is 2.00. With this measure some cooperatives in Gooma and Limu kosa districts performed below the desirable standard with the reference years (2012/3 and 2013/4). In 2012/3 the average current ratio for the twelve selected cooperatives in the Gooma and Limu kosa districts was 1.174 (Table 4). Harawa Jimate coffee cooperative scored highest ratio of 2.102 while Oda Hodaru coffee cooperative scored lowest ratio of 1.012 in 2012/3. In 2013/4 the average current ratio was 1.382. The highest ratio 2.038 was scored by Chime and the lowest ratio 0.965 was scored Bulado.

As it is specified in Table 4, the liquidity ratio of the sampled cooperatives to some extent increases in 2013/4 as compared to the 2012/3 except in Choche Guda, Bulado, Oda Hodaru and Shogole cooperatives. This indicates that their current liabilities are decreasing than their current assets.

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TABLE 4: COFFEE COOPERATIVES FINANCIAL RATIOS OF THE STUDY AREA

Cooperatives	CR	CR	DR	DR	ROTA	ROTA
	2012/3	2013/4	2012/3	2013/4	2012/3	2013/4
Choche Guda	1.212	1.086	0.512	0.412	0.012	0.011
Biftu Gudina	1.071	1.072	0.507	0.560	0.025	0.026
Dalacho	1.060	1.071	0.524	0.576	0.022	0.015
Bulado	1.071	0.965	0.601	0.424	0.001	0.006
Oda Hodaru	1.012	0.989	0.657	0.572	0.111	0.132
Duromina	1.037	1.987	0.564	0.577	0.046	0.044
Yachi Kachisa	1.024	1.976	0.605	0.688	0.031	0.036
Babu	1.030	1.189	0.703	0.566	0.035	0.041
Chime	1.199	2.038	0.692	0.512	0.031	0.046
Shogole	1.186	1.076	0.501	0.502	0.006	0.012
Wolensu	1.086	1.145	0.507	0.440	0.046	0.041
Harawa Jimate	2.102	2.001	0.527	0.457	0.023	0.025

Source: own computation

3.1.2. FINANCIAL LEVERAGE MANAGEMENT ANALYSIS

All of the cooperatives in the two districts used financial leverage. As presented in Table 4 the average debt- asset ratio of the sample a coffee cooperative was 57.5% in 2012/3. The ratio indicates that 57.5% of the total asset of the cooperatives was covered by the credit gained from financial institutions. In 2013/4 the average debt-asset ratio reduced to 52.3%. Only four coffee cooperatives of Gomma district have shown slight increase in debt-asset ratio in 2013/4 as compared to the previous year.

3.1.3. PROFITABILITY ANALYSIS

Based on the finding of this study, the profitability ratios of most of the sampled coffee cooperatives in Gooma and Limu kosa districts were low during the study period. As shown in Table 4 highest profitable coffee cooperatives in 2012/3 were Duromina and Wolensu with 4.87%, while the lowest profitable is Bulado cooperative with ratio of 0.12%.

In 2013/4 the highest ratio of 4.71% was scored by Babu and the lowest of 0.6% was scored by Bulado. In 2012/3 the average profitability of the cooperatives under investigation was 3.24% while this ratio was increased to 3.62% in 2013/4. The average profitability ratio for the two years was 3.43%.

3.4. FACTORS DETERMINING THE MARKETING OF COFFEE THROUGH THE COFFEE COOPERATIVES

The VIF (Variance inflation factor) values of the study have shown that all the continuous explanatory variables have no serious multicollinearity problem. Hetroscedasticity was also tested for all variables by using LIMDEP software. There was no serious problem of hetroscedasticity in the model. All-important variables were included in the analysis of marginal effect and marketing through the coffee cooperative probability.

Sixteen explanatory variables of which 5 are dummy variables were taken for the analysis. The result of the analysis indicated that 8 variables were found significant. The effect of the different independent variables on the sale of coffee through the coffee cooperative is discussed as follows.

Position in the cooperative (POSCOP) influenced positively the probability of marketing and marketing intensity of coffee through the cooperative which is significant at 1% level. Having a position at different levels in the cooperative increases the probability of marketing of coffee through the cooperative and its intensity by 0.19%.

Coffee produced (COFPRD) influenced positively the marketing of coffee through the cooperative and its intensity as expected by the hypothesis which is significant at 5% significance level. Each additional quintal of coffee produced increases the probability of marketing of coffee through the cooperative and its intensity by 0.21%.

Farm size (FARMSIZE) determines the marketing of coffee through the coffee cooperatives and its intensity positively significant at 10% significance level. Each additional hectare of land increases the probability of marketing of coffee through the coffee cooperative and its intensity by 0.18%.

Cooperative price for coffee (COPC) determines the marketing and the intensity of marketing of coffee through the cooperative positively which is significant at 1%. Charging competitive price for a quintal of farmer's coffee increases the probability of marketing of coffee through the cooperative and its intensity by 0.13%.

Patronage refund (PATREF) also influenced the marketing of coffee through the cooperatives and the marketing intensity positively (significant at 1%). A patronage refund of one birr for a quintal of coffee given to the farmer increases the probability of marketing of coffee through the coffee cooperative and its intensity by 0.54%. This implies that farmers are encouraged to sale their coffee through the coffee cooperative if they get patronage refund.

Credit (CRET) influenced the marketing of coffee and intensity of marketing through the coffee cooperatives negatively which is significant at 5% significance level. Getting the required amount of farm inputs will increase the productivity of coffee by the coffee producers. When the amount of coffee productivity increases the amount to be marketed also increase. However, the farmers' usage and participation in the cooperative as their marketing agent for coffee was not as they got credit for inputs from the cooperative i.e. farmers paid this credit to the cooperatives after selling to other marketing agents. That is why the result showed negative sign.

Distance of the cooperative from the farmer's house (DCFH) influenced the marketing of coffee through the cooperatives and intensity of marketing negatively which is significant at 1% significance level. Producers who are nearer to the cooperative were more marketed coffee through the coffee cooperatives. As the house of the coffee producer is far by an hour from the cooperative the probability of marketing of coffee through the coffee cooperatives and its intensity decreases by 0.23%.

Distance of the district market from the farmer's house (DCMKT): it was significant at 5%. As the house of the farmer is far by an hour from the district market the probability of marketing of coffee through the coffee cooperatives and its intensity increases by 0.72%. The implication is that farmers who are nearer to the district market have access to main market system to sell their coffee.

TABLE 5: MAXIMUM LIKELIHOOD ESTIMATES OF THE TOBIT MODEL

Explanatory Variables	Estimated Coefficients	Standard error	Mean	T-ratio	Change in Probability $\frac{\partial F(z)}{\partial X_i} \approx f(z)$	β_i Σ
Constant	-1.5437	1.6783		-0.866		
DISTCT	-1.3415	0.8541	0.5364	-1.7689	-0.0023	
EDULEV	-0.0416	0.0751	2.0132	-0.302	-0.0011	
FAMSIZ	-0.2334	0.1964	5.3187	-1.805	-0.0013	
MEMBYR	0.0400	0.0524	20.6233	0.654	0.0014	
ONOFINC	0.0002	0.0006	494.0001	1.223	0.0012	
POSCOP	3.6553***	1.0267	0.0058	3.122	0.0019	
FARMSIZE	0.6584*	0.4018	2.0216	1.546	0.0018	
COFPRD	0.0634**	0.0452	14.7343	2.324	0.0021	
TLU	0.0592	0.1875	4.9708	0.249	0.0005	
COPC	2.4790***	0.7863	0.1557	2.142	0.0013	
PATREF	0.1021***	0.0240	9.7203	8.143	0.0054	
CREDIT	-0.1210**	0.5678	0.4775	-0.210	-0.0006	
AVMKAG	-0.8905	0.8271	0.2336	-1.123	-0.0011	
AOS	0.5274	0.7450	0.4237	0.653	0.0012	
DCFH	-2.2117***	0.7280	0.4220	-3.311	-0.0023	
DCMKT	1.2201**	0.0243	1.5235	2.1205	0.0072	

Source: Own computation

Log Likelihood function = -201.2421 Number of observation = 180 K = 23

Likelihood ratio = 128.9320 χ^2 (16,103) =15.72 Pseudo R^2 = 0.74

***, **, and * represent level of significance at 1%, 5% and 10%, respectively

4.4. CONSEQUENCE OF CHANGES IN THE SIGNIFICANT VARIABLES ON THE AMOUNT OF COFFEE SALE THROUGH THE COFFEE COOPERATIVES

The results of the Tobit model can be used to identify the effects of changes in independent variables on the amount of sale of coffee through the coffee cooperatives. The effect is discussed as follows.

Position in the Cooperative (POSCOP): Coffee producers that have position in the cooperative used the cooperative better than the other members as their marketing agent for their coffee. Consequently, having any kind of position in the cooperative increases the quantity of coffee sold through the coffee cooperatives by 3.02 qts among users and 2.30 qts by the whole sample.

Farm size (FARMSIZE): An increase in farm size by 1 ha increases the quantity of coffee marketed through the cooperative by 0.43 qts among users and 0.052 qts by the whole sample.

Patronage refund (PATREF): A patronage refund of one birr for a quintal of coffee increases the quantity of coffee sold through the cooperatives by 0.02 qts among users and 0.04 qts by the whole sample.

Cooperative price for coffee (COPC): As cooperatives charging similar or better price for farmer's coffee increases marketing the coffee through the cooperative. It increases the quantity marketed by 2.10qts among users and 1.32qts by the whole sample.

Coffee produced (COFPRD): An increase in the amount of coffee produced by 1qt increases the quantity of coffee sold through the coffee cooperatives by 0.03qts among users and 0.04qts by the whole sample.

Distance of the Cooperative from the Farmer's House (DCFH): An increase in the distance of the farmer's house from the cooperative by 1hour reduces the quantity of coffee sold through the cooperatives by 2.54qts among users and 2.17qts by the whole sample.

The distance of the main market from the farmer house (DCMKT): The study identifies that, an increase in the distance of the coffee producer house by 1hour from the district market increases the quantity of coffee sold through the coffee cooperatives by 1.06qts among users and 0.71qts by the whole sample.

TABLE 6: CONSEQUENCES OF CHANGE IN THE SIGNIFICANT VARIABLES ON THE AMOUNT OF SALE OF COFFEE THROUGH THE COFFEE COOPERATIVES

Variables	Change among users of cooperatives $\frac{\partial E(Y_i / Y_i)}{\partial X_i}$		Change among the whole $\frac{\partial E(Y_i)}{\partial X_i}$
DISTCT	-1.2841		-1.0121
EDULEV	-0.0211		-0.0122
FAMSIZE	-0.3001		-0.2242
MEMBYR	0.0386		0.0312
ONOFINC	0.0002		0.0001
POSCOP	3.024		2.309
FARMSIZE	0.4281		0.521
COFPRD	0.0306		0.0429
TLU	0.0201		0.0918
COPC	2.1012		1.3211
PATREF	0.0205		0.0425
CREDIT	-0.102		-0.0812
AVMKAG	-0.6007		-0.4148
AOS	0.3251		0.4117
DCFH	-2.5414		-2.1703
DCMKT	1.0645		0.7125

Source: Own computation

Log Likelihood Function = -204.2440

Sigma (δ) = 24.8156 f(z) = 0.0008

z = 1.34 F(z) = 0.8321

4. CONCLUSION AND RECOMMENDATIONS

4.1. CONCLUSION

Agricultural cooperatives help in promoting agricultural development in the rural area through supporting production and increase marketing efficiency of the agricultural products.

The study identifies the financial performance of coffee cooperatives and factors influencing coffee producers marketing through coffee cooperatives in Gomma and Limu kosa districts.

The financial performance of the coffee cooperatives is examined using the financial ratios. Ratios were analyzed taking the two years financial data. The liquidity analysis showed that the cooperatives under investigation were less current ratio for the two years. The profitability ratio of the cooperatives under investigation in the two districts showed that the profitability of the cooperatives was not as such strong. All the cooperatives earn return on their asset below the interest rate the financial institution extend credit.

To categorize the factors inducing coffee producers marketing of coffee through the coffee cooperatives in the study districts, Tobit regression model was used. The model results revealed that among sixteen explanatory variables, eight were found to be significant at less than 10% probability level.

4.2. RECOMMENDATIONS

Based on the finding of this study, the following major arguments are proposed for consideration to improve the performance of the coffee cooperatives in the study area.

1. Cooperative will have to provide different supporting services to the members in order to be selected as marketing agent by their members'.
2. The cooperatives need to charge competitive price for the farmers' coffee so as to be a marketing agent.
3. Continuous training and capacity building have to be given for coffee cooperatives committee and members' to build positive attitudes towards the cooperatives.

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PATTERN OF EMPLOYMENT OF FEMALE WORKERS IN INDIA

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ABSTRACT

The levels of education, employment and also the earnings of the people differ a lot when they are considered on the basis of gender, area and social groups at the national level and also among the major states of the country. This chapter examined the nature of employment of the female workers at the all-India level on the basis of secondary data. This shows that the nature of employment indicates that the proportion of workers who are engaged as SE and RE has declined especially among the urban males, while that of casual labour has gone up, among both the rural and urban males. In the case of females also, the proportion of SE has come down, as in the case of males, while proportion of RE has increased among the females in both areas and that of casual labour has gone up among the rural females, but has declined among their urban counterparts. Thus, the degree of casualisation of workforce is especially felt among the rural workers. Moreover, the share of primary sector in total employment has declined even in the rural areas, which has not been adequately compensated by the secondary sector. Also, the share of secondary sector in the rural area and especially in the case of females is quite less and thus, three-fourths of this segment is compelled to depend on agriculture even now.

KEYWORDS

employment, nature, female, sector, casual labour.

INTRODUCTION

The levels of education, employment and also the earnings of the people differ a lot when they are considered on the basis of gender, area and social groups at the national level and also among the major states of the country. This paper examines the nature of employment and sectoral employment of the female workers with the help of secondary data, which are taken from the reports of National Sample Survey Organisation, pertaining to various periods. In the case of data regarding education, 71st Round of the NSSO (2014) published in 2015 is the latest report, while in the case of employment and wage data, the 68th Round of the NSSO (2011-12) published in 2013 is the latest available report.

REVIEW OF LITERATURE

Within India, the ratio of female to male agricultural wages varies widely across regions ranging from 90% in Gujarat to 54% in Tamil Nadu in 2004/05. There is, however, a systematic regional pattern. At a first glance this seems to be against the finding that women have greater autonomy in the southern states (Joshi, 1976). Basu (1992) and Jejeebhoy (2001) also find similar patterns in woman's agency across India's north and south. The sex ratio in the population, the percentage of women with a body mass index below the threshold of 18.5, the percentage of women who have experienced physical or sexual violence, the percentage of women who can make decisions regarding social visits, major household purchases and the percentage of women who can travel unaccompanied to the market, health facility and destinations outside the village.

An explanation of this apparent paradox is provided by Bardhan (1979). The author posits that the variation in gender wage differential across states is because of variation in female labor supply. Female labor force participation is much higher in the southern states than in the north. This characteristic of the labor market has been well studied (e.g. Rosenzweig (1978), Chen (1995), Krishnamurthy (1988), Bardhan (1984) and Das (2006)). The variation in female labor force participation is in some studies is attributed to varying agro-ecological conditions in India. For instance, wet-rice farming, which traditionally employs female labor, is more prevalent in southern India than in the north (Agarwal, 1986 and Rosenzweig, 1980).

NATURE AND PATTERN OF EMPLOYMENT IN INDIA

The nature of employment in which the workers are engaged differs as it includes self employed (SE), regular employed (RE) and casual labour (CL). It is important to understand the changes that have taken place in the different nature of employment in the rural and urban areas and also between males and females. Table – 1 presents the area-wise and gender-wise nature of employment in India since 1993-94.

TABLE 1: AREA-WISE AND GENDER-WISE NATURE OF EMPLOYMENT IN INDIA, 1993-94 TO 2011-12

Year	Gender	Rural				Urban			
		SE	RE	CL	**Total**	SE	RE	CL	**Total**
1993-94	Male	57.7	8.5	33.8	**100.0**	41.7	42.0	16.3	**100.0**
	Female	58.6	2.7	38.7	**100.0**	45.8	28.4	25.8	**100.0**
1999-2000	Male	55.0	8.8	36.2	**100.0**	41.5	41.7	16.8	**100.0**
	Female	57.3	3.1	39.6	**100.0**	45.3	33.3	21.4	**100.0**
2004-05	Male	58.1	9.0	32.9	**100.0**	44.8	40.6	14.6	**100.0**
	Female	63.7	3.7	32.6	**100.0**	47.7	35.6	16.7	**100.0**
2009-10	Male	53.5	8.5	38.0	**100.0**	41.1	41.9	17.0	**100.0**
	Female	55.7	4.4	39.9	**100.0**	41.1	39.3	19.6	**100.0**
2011-12	Male	54.5	10.0	35.5	**100.0**	41.7	43.4	14.9	**100.0**
	Female	59.3	5.6	35.1	**100.0**	42.8	42.8	14.4	**100.0**

Source: Employment and Unemployment reports of NSSO, Govt. of India, various years.
Note: Figures in percentages. SE – Self Employed; RE – Regular Employed; CL – Casual Labour.

It is observed from the table that in the case of rural males, the proportion of workers who are engaged as SE has increased from 57.7 percent in 1993-94 to 58.1 percent in 2004-05, though it has declined sharply to 54.5 percent in 2011-12; in the case of urban males, the share of SE has remained constant at 41.7 percent in last two decades. In the case of workers those who are engaged as RE, the share among the rural males has remained constant at 8.5 percent between 1993-94 and 2009-10, but the same has gone up to 10 percent in 2011-12, though there have been some fluctuation in the middle; and among the urban males, the proportion of RE has increased from 42 percent to 43.4 percent in the same period; on the other hand, the share of CL has gone up among rural males, while it has declined among urban males. This indicates that the proportion of workers who are engaged as SE has declined among rural males, but remained constant among their urban counterparts, while the share of RE has moved up among the males both areas, but the proportion of CL has gone up among rural males, but has come down in the case of urban males. Hence, the latter portray a better nature of employment in the last two decades.

In the case of rural females, the share of SE has increased from 58.6 percent in 1993-94 to 59.3 percent in 2011-12 and as far as urban females are concerned, it has fallen from 45.8 percent to 42.8 percent, though there have been inter-temporal variations. The share of CL has gone down among the rural females from 38.7 percent to 35.1 percent, while in the case of urban females it has declined from 25.8 percent in 1993-94 to 14.4 percent in 2009-10. This suggests that in the case of rural females also, the proportion of SE has gone up, as in the case of males, while proportion of RE has increased among the females in both areas and that of CL has declined among the females in both areas. However, the percentage of self employment is higher in the case of females than that of males in both areas.

TABLE 2: AREA-WISE AND GENDER-WISE SECTORAL EMPLOYMENT IN INDIA, 1993-94 TO 2011-12

Sector	Year	Rural		Urban	
		Male	Female	Male	Female
Primary	1993-94	74.8	86.6	10.3	25.3
	1999-00	72.0	85.7	7.5	18.1
	2004-05	67.1	83.6	7.0	18.3
	2009-10	63.6	79.7	6.7	14.2
	2011-12	59.4	74.9	5.6	10.9
Secondary	1993-94	10.5	7.9	31.6	28.5
	1999-00	12.0	8.7	31.9	29.0
	2004-05	14.9	9.9	33.5	32.2
	2009-10	18.5	12.7	33.9	33.0
	2011-12	22.0	16.7	35.3	34.0
Tertiary	1993-94	14.7	5.6	58.0	46.3
	1999-00	16.1	5.8	60.8	52.9
	2004-05	18.0	6.6	59.5	49.5
	2009-10	17.8	7.6	59.3	52.8
	2011-12	18.7	8.3	59.1	55.1

Source: Employment and Unemployment reports of NSSO, Govt. of India, various years.

Note: Figures in percentages.

It is noted that the share of primary sector employment among the rural males has declined from 74.8 percent in 1993-94 to 59.4 percent in 2011-12; in the case of rural females, it has come down from 86.6 percent and then to 74.9 percent in that period. Thus, the dependence on the primary sector is quite considerable particularly in the rural areas, where even now more than 59 percent of the males and around 75 percent of the females are engaged in this sector.

The share of employment in the secondary sector has gone up among the rural males from 10.5 percent in 1993-94 and then to 22 percent in 2011-12; in the case of rural females, it has gone up from 7.9 percent and then to 16.7 percent in the same period, though not consistently. The share of secondary sector employment among the urban males has increased only negligibly, from 31.6 percent to 35.3 percent and in the case of urban females also, it has gone up from 28.5 percent to 34 percent in the same period. Thus, the share of secondary sector has increased considerably in the rural areas, though it is not so particularly among the urban males. Hence, the contribution of tertiary sector is more than 50 percent among both males and females in the urban area, while it is comparatively lesser in the rural areas. Moreover, the share of primary sector in total employment has declined even in the rural areas, which has not been adequately compensated by the secondary sector. Also, the share of secondary sector in the rural area and especially in the case of females is quite less and thus, three-fourths of this segment is compelled to depend on agriculture even now.

PATTERN OF EMPLOYMENT AMONG MAJOR STATES IN INDIA

The nature of employment of the workers differ considerably especially among the major states, which is examined here for the rural India with the help of the data presented in Table – 3.

TABLE 3: GENDER-WISE EMPLOYMENT STATUS AMONG MAJOR STATES OF RURAL INDIA, 2011-12

States	Male				Female			
	SE	RE	CL	**All**	SE	RE	CL	**All**
Andhra Pradesh	48.4	11.8	39.8	**100.0**	44.7	3.2	52.1	**100.0**
Assam	71.1	10.4	18.5	**100.0**	64.3	17.5	18.2	**100.0**
Bihar	52.9	3.9	43.2	**100.0**	41.7	6.6	51.7	**100.0**
Gujarat	56.5	12.4	31.1	**100.0**	58.3	5.2	36.5	**100.0**
Haryana	58.2	16.5	25.3	**100.0**	75.2	4.2	20.6	**100.0**
Himachal Pradesh	54.7	22.1	23.2	**100.0**	87.9	6.0	6.1	**100.0**
Jammu & Kashmir	51.0	19.5	29.5	**100.0**	90.3	5.7	4.0	**100.0**
Karnataka	53.0	13.4	33.6	**100.0**	49.6	8.2	42.2	**100.0**
Kerala	38.9	15.5	45.6	**100.0**	36.4	23.0	40.6	**100.0**
Madhya Pradesh	61.0	5.8	33.2	**100.0**	57.6	2.7	39.7	**100.0**
Maharashtra	53.8	12.3	33.9	**100.0**	53.5	3.1	43.4	**100.0**
Odisha	60.6	8.2	31.2	**100.0**	66.1	3.4	30.5	**100.0**
Punjab	46.0	20.1	33.9	**100.0**	77.8	8.6	13.6	**100.0**
Rajasthan	61.7	9.6	28.7	**100.0**	76.5	2.6	20.9	**100.0**
Tamil Nadu	**31.5**	**17.0**	**51.5**	**100.0**	**27.8**	**9.5**	**62.7**	**100.0**
Uttar Pradesh	62.4	6.7	30.9	**100.0**	80.7	3.8	15.5	**100.0**
West Bengal	43.1	8.2	48.7	**100.0**	57.5	10.3	32.2	**100.0**
All-India	**54.5**	**10.0**	**35.5**	**100.0**	**59.3**	**5.6**	**35.1**	**100.0**

Source: Govt. of India, "Employment and Unemployment Situation in India, 2001-12" 68th Round, NSSO, 2013.

Note: Figures in percentages. SE – Self employed; RE – Regular Employed; CL – Casual Labour.

It is inferred from the table that the proportion of self employed workers among the rural males ranged from the low of 31.5 percent in Tamil Nadu to a high of 71.1 percent in Assam against the national average of 54.5 percent during 2011-12. The share of regular employed workers is quite low at 10 percent at the All-India level and it is the lowest at 3.9 percent in Bihar and the highest at 22.1 percent in Himachal Pradesh, while it is 17 percent in Tamil Nadu. In some states, the percentage of casual labour is more than 40 percent, and it is the highest in Tamil Nadu with 51.5 percent and the lowest at 18.5 percent in Assam, while the national average stood at 35.5 percent among the rural males.

The share of SE among the rural females is marginally higher than that of their male counterparts at 59.3 percent at the national level, while it ranges from 27.8 percent in Tamil Nadu to 90.3 percent in Jammu and Kashmir. The proportion RE among rural females is quite low at 5.6 at the national and lower than five percent in many states, while it is 23 percent in Kerala and stands at 9.5 percent in Tamil Nadu. The percentage of casual labour is only marginally less among the rural females than males as the national average stands at 35.1 percent during 2011-12, while it ranges from a low of four percent in Jammu and Kashmir to a high of 62.7 percent in Tamil Nadu. Moreover, it is higher than 40 percent in many states. Thus, the share of SE is the lowest and that of casual labour is the highest in

Tamil Nadu among both genders. This indicates that in the rural areas of the major states, the share of RE workers is quite low, while that of SE workers is more than 50 percent. Around 40 percent of the workforce is found in the CL which is the highest in Tamil Nadu during 2011-12.

The gender-wise employment status in urban India among the major states is shown in Table – 4.

The table indicates that during 2011-12 the share of SE workers among urban males stands at 41.7 percent at the national level and it ranges from a low of 28.4 percent in Himachal Pradesh to a high of 61 percent in Bihar, while it is 32.4 percent in Tamil Nadu. The share of RE workers among the urban males is higher than that of SE at 43.9 percent at the All-India level, and it is 21.8 percent in Bihar at the lowest level and at the highest level it is 61.1 percent in Himachal Pradesh. In Tamil Nadu, the share of RE is higher than that of the national average at 43.7 percent. Among the urban male workers, the share of CL is only 14.9 percent at the national level, while it ranges from 7.7 percent in Gujarat to 32.1 percent in Kerala and as far as Tamil Nadu is concerned, it is 23.9 percent.

TABLE 4: GENDER-WISE EMPLOYMENT STATUS AMONG MAJOR STATES OF URBAN INDIA, 2011-12

States	Male				Female			
	SE	RE	CL	**All**	SE	RE	CL	**All**
Andhra Pradesh	35.4	49.4	15.2	**100.0**	44.4	37.4	18.2	**100.0**
Assam	54.9	35.3	9.8	**100.0**	46.9	44.9	8.2	**100.0**
Bihar	61.0	21.8	17.2	**100.0**	53.6	27.7	18.7	**100.0**
Gujarat	40.3	52.0	7.7	**100.0**	48.3	37.0	14.7	**100.0**
Haryana	42.7	46.3	11.0	**100.0**	27.8	67.5	4.7	**100.0**
Himachal Pradesh	28.4	61.1	10.5	**100.0**	36.0	59.0	5.0	**100.0**
Jammu & Kashmir	49.9	39.1	11.0	**100.0**	43.0	50.8	6.2	**100.0**
Karnataka	41.6	42.7	15.7	**100.0**	30.1	53.3	16.6	**100.0**
Kerala	36.3	31.6	32.1	**100.0**	36.3	46.6	17.1	**100.0**
Madhya Pradesh	48.1	34.6	17.3	**100.0**	48.6	35.6	15.8	**100.0**
Maharashtra	36.8	54.7	8.5	**100.0**	33.4	54.2	12.4	**100.0**
Odisha	49.6	36.4	14.0	**100.0**	58.0	27.1	14.9	**100.0**
Punjab	45.2	46.5	8.3	**100.0**	41.1	54.3	4.6	**100.0**
Rajasthan	41.8	41.7	16.5	**100.0**	60.2	26.9	12.9	**100.0**
Tamil Nadu	**32.4**	**43.7**	**23.9**	100.0	**39.8**	**41.8**	**18.4**	100.0
Uttar Pradesh	52.1	29.9	18.0	**100.0**	67.5	21.7	10.8	**100.0**
West Bengal	44.8	37.5	17.7	**100.0**	46.2	40.4	13.4	**100.0**
All-India	**41.7**	**43.4**	**14.9**	**100.0**	**42.8**	**42.8**	**14.4**	**100.0**

Source: Govt. of India, "Employment and Unemployment Situation in India, 2001-12" 68th Round, NSSO, 2013.

Note: Figures in percentages. SE – Self employed; RE – Regular Employed; CL – Casual Labour.

In the case of urban females, the proportion of RE and CL differs only marginally from that of urban males, while SE is marginally higher among the former. In most of the states, the share of SE is more than 40 percent, with a low of 27.8 percent in Haryana and a high of 67.5 percent in Uttar Pradesh, while in Tamil Nadu, it stands at 39.8 percent. The share of RE at the national level is 42.8 percent with a minimum of 21.7 percent in Uttar Pradesh and a maximum of 67.5 percent in Haryana, while it is 41.8 percent in Tamil Nadu. As far as CL is concerned, it ranges from 4.6 percent in Punjab to 18.7 percent in Bihar and it is 18.4 percent in Tamil Nadu. This clearly suggests that the nature of employment differs considerably between the rural and urban workers, in which the latter have better employment, since the share of RE is quite higher, while it is the least among the former. Moreover, the urban females are better positioned compared to their rural counterparts, wherein the latter depend more on self employment.

The data pertaining to the sector-wise employment among the major states in the rural areas during 2011-12 is presented in Table – 5.

TABLE 5: GENDER-WISE AND SECTOR-WISE SECTORAL EMPLOYMENT IN MAJOR STATES OF RURAL INDIA, 2011-12

States	Male				Female			
	P	S	T	**Total**	P	S	T	**Total**
Andhra Pradesh	64.0	16.6	19.4	**100.0**	76.7	14.3	9.0	**100.0**
Assam	58.6	10.8	30.6	**100.0**	79.0	7.2	13.8	**100.0**
Bihar	66.6	15.8	17.6	**100.0**	76.8	11.4	11.8	**100.0**
Gujarat	69.9	13.8	16.3	**100.0**	85.6	7.5	6.9	**100.0**
Haryana	50.5	26.0	23.5	**100.0**	86.0	5.4	8.6	**100.0**
Himachal Pradesh	39.8	33.9	26.3	**100.0**	87.0	5.5	7.5	**100.0**
Jammu & Kashmir	35.9	27.8	36.3	**100.0**	85.0	7.9	7.1	**100.0**
Karnataka	65.9	15.7	18.4	**100.0**	79.4	9.3	11.3	**100.0**
Kerala	28.2	31.2	40.6	**100.0**	38.7	27.9	33.4	**100.0**
Madhya Pradesh	69.0	16.7	14.3	**100.0**	80.0	14.6	5.4	**100.0**
Maharashtra	69.7	12.6	17.7	**100.0**	89.1	4.7	6.2	**100.0**
Odisha	59.3	19.6	21.1	**100.0**	69.3	20.8	9.9	**100.0**
Punjab	43.5	33.4	23.1	**100.0**	82.3	5.2	12.5	**100.0**
Rajasthan	49.9	29.7	20.4	**100.0**	77.4	20.3	2.3	**100.0**
Tamil Nadu	**51.6**	**25.7**	**22.7**	**100.0**	**50.6**	**26.7**	**22.7**	**100.0**
Uttar Pradesh	57.2	24.6	18.2	**100.0**	82.6	8.5	8.9	**100.0**
West Bengal	56.9	21.1	22.0	**100.0**	41.7	39.6	18.7	**100.0**
All-India	**59.4**	**22.0**	**18.7**	**100.0**	**74.9**	**16.7**	**8.3**	**100.0**

Source: Govt. of India, "Employment and Unemployment Situation in India, 2001-12" 68th Round, NSSO, 2013.

Note: P – Primary; S – Secondary; T- Tertiary. Figures are in percentages.

It is noted that the share of primary sector employment among rural males during 2011-12 at the national level stands at 59.4 percent which ranges from a low of 28.2 percent in Kerala to a high of 69.9 percent in Gujarat, while in Tamil Nadu it stands at 51.6 percent. The share of secondary sector at the national level stands at 21.4 percent, which ranges from a minimum of 10.8 percent in Assam to a maximum of 33.9 percent in Himachal Pradesh and in the case of Tamil Nadu, its share among rural males is 25.7 percent. The dependence on tertiary sector among the rural males is the least, since at the All-India level, it contributes 19.2 percent of the total workforce, which is the least in Madhya Pradesh with 14.3 percent and the highest in 40.6 percent in Kerala and in the case of Tamil Nadu, it is 22.7 percent. Thus, the dependence on primary sector is still quite high among rural males, as it is more than 60 percent in 6 out of 17 states.

The share of primary sector employment among rural females is even higher obviously, as it is 75 percent at the national level, with a low of 38.7 percent in Kerala and a high of 89.1 percent in Maharashtra, while in Tamil Nadu, it is 50.6 percent. The national average of tertiary sector employment is the least with 11.3 percent among the rural females during 2011-12 and it is as high as 33.4 percent in Kerala and as low as 2.3 percent in Rajasthan, while it is 22.7 percent in Tamil Nadu.

Thus, the dependence on primary sector is much higher in the case of rural females, since in 8 out of 17 states, it is more than 80 percent and hence, the contribution of secondary and tertiary sectors is quite limited.

The sector-wise employment among the urban workers in the major states during 2011-12 is presented in Table – 6.

TABLE 6: GENDER-WISE AND SECTOR-WISE SECTORAL EMPLOYMENT IN MAJOR STATES OF URBAN INDIA, 2011-12

States	Male				Female			
	P	S	T	Total	P	S	T	Total
Andhra Pradesh	3.9	34.9	61.2	100.0	8.3	41.7	50.0	100.0
Assam	4.0	20.8	75.2	100.0	7.4	23.4	69.2	100.0
Bihar	8.3	26.7	65.0	100.0	22.1	23.8	54.1	100.0
Gujarat	3.3	38.6	58.1	100.0	8.8	30.3	60.9	100.0
Haryana	5.2	44.6	50.2	100.0	12.7	30.8	56.5	100.0
Himachal Pradesh	4.9	24.2	70.9	100.0	19.3	24.4	56.3	100.0
Jammu & Kashmir	5.2	34.8	60.0	100.0	26.5	32.4	41.1	100.0
Karnataka	7.7	34.4	57.9	100.0	8.1	42.4	49.5	100.0
Kerala	8.2	35.6	56.2	100.0	10.1	25.9	64.0	100.0
Madhya Pradesh	9.9	31.9	58.2	100.0	17.2	39.8	43.0	100.0
Maharashtra	3.3	33.8	62.9	100.0	8.9	21.9	69.2	100.0
Odisha	12.1	31.1	56.8	100.0	22.7	44.2	33.1	100.0
Punjab	4.4	38.8	56.8	100.0	11.8	33.5	54.7	100.0
Rajasthan	3.8	34.0	62.2	100.0	18.7	36.7	44.6	100.0
Tamil Nadu	**9.2**	**37.4**	**53.4**	**100.0**	**14.3**	**45.0**	**40.7**	**100.0**
Uttar Pradesh	8.0	34.7	57.3	100.0	14.0	44.1	41.9	100.0
West Bengal	2.6	33.6	63.8	100.0	1.6	37.8	60.6	100.0
All-India	**5.6**	**35.3**	**59.1**	**100.0**	**10.9**	**34.0**	**55.1**	**100.0**

Source: Govt. of India, "Employment and Unemployment Situation in India, 2001-12" 68th Round, NSSO, 2013.

Note: P – Primary; S – Secondary; T- Tertiary. Figures are in percentages.

The table indicates that in the case of urban males, the contribution of the primary sector in total employment is quite less, since the national average stands at 5.6 percent, which ranges from 2.6 percent in West Bengal to 12.1 percent in Odisha, and it is 9.2 percent in the case of Tamil Nadu. The secondary sector contributes more than 35 percent of total employment among the urban males, which ranges from 20.8 percent in Assam to 44.6 percent in Haryana and in Tamil Nadu it stands at 37.4 percent. Hence, the dependence on the tertiary sector employment is the highest among the urban males, since the national average stands at 59.1 percent during 2011-12, with a minimum of 50.2 percent in Haryana to a maximum of 75.2 percent in Assam, which is 53.4 percent in Tamil Nadu.

As far as urban females are concerned, the contribution of primary sector is higher than that their male counterparts, which is 10.9 percent at the All-India level and it is 1.6 percent in West Bengal and 26.5 percent in Jammu and Kashmir, while in Tamil Nadu, it stands at 14.3 percent. The share of secondary sector employment in the case of urban females is only marginally less when compared to that of urban males, as the national average stands at 34 percent, though its range suggests that the lowest level is 21.9 percent in Maharashtra and the highest level is 44.2 percent in Odisha, while in Tamil Nadu, it is 45 percent. The contribution of tertiary sector to the total employment among the urban females is also more than 55 percent, as the national average is 55.1 percent, while it is the lowest in Odisha at 33.1 percent and the highest in Assam and Maharashtra at 69.2 percent, and in the case of Tamil Nadu, it is 40.7 percent. Hence, among urban females, the share of tertiary sector's employment is the highest, as in 5 out of 17 states it is more than 60 percent.

CONCLUSION

This chapter examined the nature of employment of the female workers at the all-India level on the basis of secondary data. This shows that the nature of employment indicates that the proportion of workers who are engaged as SE and RE has declined especially among the urban males, while that of CL has gone up, among both the rural and urban males. In the case of females also, the proportion of SE has come down, as in the case of males, while proportion of RE has increased among the females in both areas and that of CL has gone up among the rural females, but has declined among their urban counterparts. Thus, the degree of casualisation of workforce is especially felt among the rural workers.

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MENTAL HEALTH AND ITS ASSOCIATED VARIABLES AMONG POLICE PERSONALS: WITH SPECIAL REFERENCE TO TIRUNELVELI CITY

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ABSTRACT
This study was intended to understand the concept of mental health and their impact on demographic variables of police personnel in police force. To collect requisite data for the present study, the researcher used the mental health inventory (MHI) (Tamil Version) Constructed by Dr. Jagdish and Dr. A. K. Srivastav Deptt. of Psychology. B.H.U. Varanasi. Mental health inventory (MH1) covers six dimensions of mental health are positive self-evaluation, perception of reality, integration of personality, autonomy, group oriented attitude and environmental mastery with selected demographic variables. Census sampling method was used and sample size is 300. Data were analysed using simple percentage analysis, independent sample t test and regression analysis to test the formulated hypotheses. Finally, suggestions and conclusion are given from the perspective of police personnel to progress their mental health.

KEYWORDS
mental health, police, demographic variables, job stress.

INTRODUCTION

So many factors are believed to be responsible for the arousal of mental ill health. Development of ill health is revealed through certain symptoms like the feelings of shame, guilt, rejection, isolation and tension etc. It makes the man perceive the world as dangerous and human beings as bad. The affected mental health makes a person get away from the feelings such as ability to love work and play, adequacy in interpersonal relationship, adaptation, adjustment and problem solving. All the above mentioned feelings affect the normal personality of an individual. As a result of this, an individual may adopt maladaptive behaviour.

According to W.H.O. mental health is an individual's state of well-being, when he or she realizes his or her own abilities, can cope with the normal stresses of life, can work productively and fruitfully and is able to contribute to his or her community (WHO, 2003). Similarly, mental health also described as the ability to balance desires, feelings, ambitions and ideas in one's daily living. It may also be understood as the behavioural characteristics of a person (B. D. Bhatia, 1982)

Mental health is a term used describes how well the individual is adjusted to the demands and opportunities of life. It is very broad term which includes physical, mental, emotional and social aspects of adjustment. The idea of mental health is more complex and comprehensive. A sound mind in a sound body has been recognized as a social ideal for many centuries. Health generally means sound conditions, or well-being, or freedom from diseases. An individual is said to be physically healthy when his body is functioning well and he/she is free from paints and troubles.

The job of the police officer is one of the most stressful occupations in the world. Research has shown time and time again that police officer occupational stress is directly related to higher rates of heart disease, divorce, sick days taken, alcohol abuse, and major psychological illnesses such as Acute Stress Disorder, Post Traumatic Stress Disorder, Depression, and Anxiety Disorders. Currently, there are approximately 900,000 sworn officers in the United States, and the epidemic of stress disorders among police men and women has been so high that many departments have instituted mental health programs as preventative measures. These programs have been successful and have led to important outcomes, such as a decrease in the number of police officer suicides (from 300 in 1998 to 126 in 2012). In departments where mental health and wellness programs are absent, however, problems likely remain at a critical level.

Stress for police officers consists of an accumulation of exposure to horrific events witnessed and intervened upon while in the performance of their duties, but even a single event can bring on monumental stress. Debilitating stress can also occur from a hostile work environment within an officer's department. These events overwhelm normal intellectual controls, as well as psychological coping mechanisms.

Mental health and other physical health problems are different but additive on well-being. Individuals with both mental health and physical health problems are at particular risk. The physical problems are at particular risk. The physical problem can complicate mental health of individuals. In the context of importance of the subject, the present study has been undertaken to explore the status of mental health of police personnel in tirunelveli city and elicit suggestions to overcome the problems.

RELATED STUDIES

Dr. Terry Elsenberg followed Kroes in 1975 with exploratory research based on his experiences as a psychologist and police officer, placing 33 implied sources of stress into six categories: intra-organizational practices and characteristics; Inter-organizational practices and characteristics; criminal Justice system practices and characteristics; public practices and characteristics; police work itself; and the police officer. The intra - organizational practices and characteristics category contains features within an organization which may provoke or encourage stress development of stress such as poor supervision, absence or lack of career development opportunities, inadequate reward system, offensive policies, excessive paperwork, and poor equipment.

Pienaar and Rothmann conducted a study on South African Police Service in 2006. They found that 2145 police officers had a noteworthy impact on the occurrence of occupational stress in the SAPS. All the different groups experienced higher levels of stress due to lack of support, salary, promotion and recognition as compared to other occupational stressors. While considering rank in police department it was reported to have also impacted significantly on the experience of occupational stress in the police.

Constables experienced stress less frequently because of job demands, crime-related stressors and lack of support in comparison to other ranked police officers.

A survey research conducted by Buker and Wiecko (2007) on civilian officers, police officers, and mid-level supervisors around 811 respondents working for the Turkish National Police Organization in which they founded the organizational factors are the most stressful as compared to other stressors.

A study carried out by Gul (2008) examined the stressors in policing and law enforcement officers' depression on their profession. He also found that officers on duty of violent arrests feel more negative and depressed about their work. In addition to that officers who attended a police funeral were more likely to feel negative and depressed about their profession.

A study conducted by Martin Gachter and his team in 2009 on "Gender Variation of Physiological and Psychological Stress among Police Officers" with main objective is to analyze the effect of gender on reported and perceived level of stress through examination of both the physiological and physiological indicators. Data were taken for analysis from the study "SHIELD" (Study to Help, Identify, Evaluate and Limit department Stress)

Gerrshon (1999) in Baltimore, Maryland. Several indices were constructed to measure different aspects and outcomes of stress for the purpose of study. Initially, t-test was ran to control whether the mean level of perceived stress levels differ significantly between males and females. After then regression was ran to explore the partial effects rather than just the raw effects. A large set of explanatory variables were taken. There was no significant difference were found between males and females concerning physiological stress but the observation shows that female officers have higher level of physical stress (covering also somatisation and

overall health). Furthermore, stress mitigation factors overall like social capital, and perceptions of fairness (Individual) are affecting the male officers but not helps in reducing physical stress among female officers. For both gender groups, only work-life balance and home stability show the tendency to be statistically significant. The requirement of implication of important policy for stress-reducing programs among female police officers with the aim of reducing gender gaps leads to the conclusion of research. For the police officers to find a sane difference between their tasks, both at home and the job such program should focus on overcoming stereotype about job profiles and on allowing a reasonable work-life balance. And this also leads to an environment in which female officers work have significantly hindered their stress coping abilities.

The study conducted with The Campbell Collaboration by George T. Patterson and team on "The Effects of Stress Management intervention among Police Officers and Recruits"(2012) with the objective to identify, recover, assess and produce the available facts about effects of stress management involvement offered to veteran police officers and recruits. The research arrives with conclusion that stress management interventions had no significant effect on psychological, behavioural or physiological outcomes. The 12 primary studies examined psychological stress outcomes with stress can be contribute to negative psychological and physiological outcomes. To support the efficacy of stress management interventions for police officers or recruits, the result does not provide evidence.

STATEMENT OF THE PROBLEM

Many research studies have shown that when people receive appropriate mental health care, their use of medical services declines. Other studies shown that people with untreated mental health problems visit a medical doctor twice as often as people who receive mental health care. Excessive anxiety and stress can contribute to physical problems such as heart disease, ulcers and colitis. Anxiety and stress can also reduce the strength of the immune system, making people more vulnerable to conditions ranging from the common cold to cancer. Smoking, excessive alcohol or drug use, poor eating habits and reckless behaviour can result in severe physical problems and the need for medical services. This study has been undertaken in order to find out the opinion of police officers about their quality of work life in the organization. Also it helps to understand the impact of demographic factors on mental health.

NEED OF THE STUDY

Mental health strengthens and supports our ability to have healthy relationships, make good life choices, maintain physical and well-being, handle the natural ups and downs of life and helps to discover and grow towards our potential. Mental health also associated with higher productivity, better performance, more consistent work attendance and fewer workplace accidents.

1. This study helps the officers to convey their feelings and various factors to enrich their mental health.
2. Secondly, this study helps the department to evaluate their employee's mental health
3. It also helps to evaluate their present mental state, physical health problem and Job stress level of police officers regarding their job.
4. It will also help to understand how good their mental health helps the employees to work more effectively in their job.
5. This study helps to understand the importance of demographic variables also the relationship between demographic variables and mental health.

RESEARCH OBJECTIVES

BROAD OBJECTIVE
- Mental Health and Its Associated Variables among police personals: With Special Reference to Tirunelveli city.

SPECIFIC OBJECTIVES
- Determining the variables that affect the mental health of employees.
- Determining which factors plays the most significant role on mental health.
- Establishing hypothesis on the basis of the research work.
- Drawing a qualitative and quantitative conclusion on the basis of the survey.

HYPHOTHESIS DEVELOPMENT

Based on research objectives following hypotheses have been developed for the study.
- H 1= there is no significant difference in the degree of influence of demographic variables, viz., gender, age, marital status, education, experience, income, hrs worked, no of children, work scheduled, pressurised to work and rank with mental health.

CONCEPTUAL FRAMEWORK

A conceptual framework has been developed that is one of the relative construct of this study.

FIG. 1
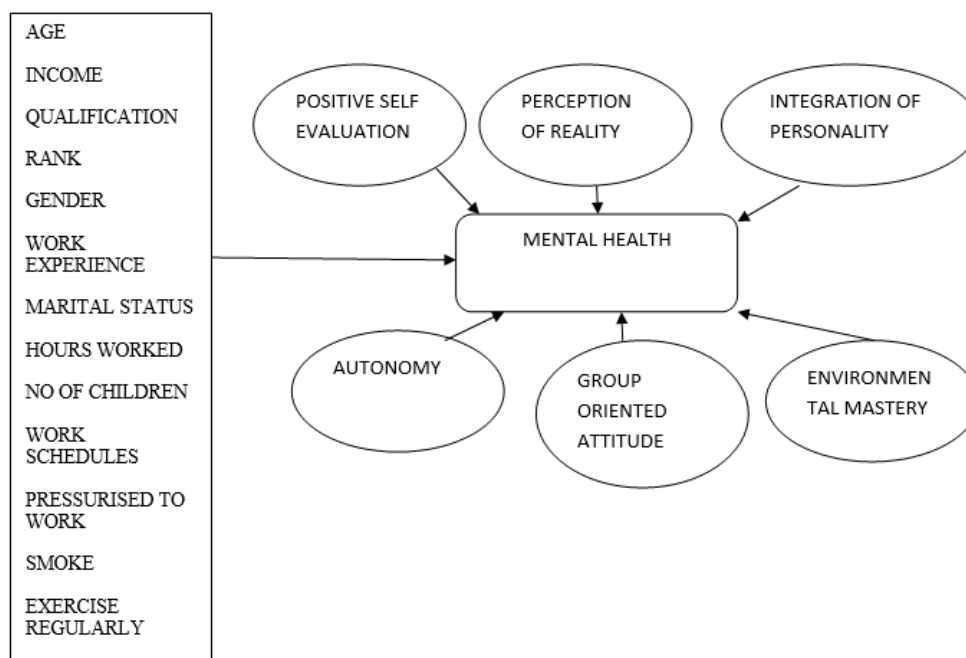
MENTAL HEALTH INVENTORY

Mental health inventory (MHI) developed by Jagdish and Srivastav (1983) was utilized to access positive aspects of mental health. This test can be used as a group or an individual test, for ages 15 and above, no time and age limit is enforced in the testing. Each items from 1 to 56 given in the test booklet to be rated on 4 point rating scale. It covers the following 6 dimensions of sound mental health:

- Positive Self-Evaluation (PSE) – self-confidence, self-acceptance, self-identity, realization of one's capabilities.
- Perception of Reality (PR) – related to absence of excessive fantasy, ability to face and accept realities of life.
- Integration of Personality (IP) – indicates balance of psychological forces in the individual, includes emotional maturity, ability to concentrate at work and interest in several activities.
- Autonomy (AUT) – the actions of people are independent rather than dependant on other persons.
- Group Oriented Attitudes (GOA) – ability to work with others and ability to find recreation.
- Environment Mastery (EM) – Efficiency in meeting situational demands.

RESEARCH GAP

From the literatures reviewed, the researcher identified the following gaps;

- ❖ Even though there are enormous studies conducted in Mental health, still it is new to the police sector. Studies are fewer in India.
- ❖ Especially no studies conducted among police in Tirunelveli City.
- ❖ Most of the researchers analysed only female police officer's stress. But the present study aims to identify both (male & female) police personnel's mental health.

RESEARCH METHODOLOGY

The type of research used in this article is of descriptive nature. Through this descriptive research, the article sought to determine the answers why, what, where and how questions of the existing employees in police sector and expectations. It also involves collecting information that explains people's beliefs, knowledge, attitude and behaviour (Fink 1995, Sommer & sommer 1996). Primary data was collected through structured questionnaire and personnel interview with the employees.

A total of 50 sample size considered to be the adequate for my study. Each and every response is checked thoroughly for incomplete and missing response. The questionnaire has two parts in were the first part contains demographic information. Table 1 gives a proper summary of this sort of information. In the second part, the questionnaire to construct the six dependent variables along with an independent variables in the study.

Construct validity of the inventory in determined by finding coefficient of correction between scores on mental health inventory and general health questionnaire (gold berg, 1978) it was found to be 54. The test is scored with the help of manual, 4 alternative responses have been given to each statement i.e. always often, rarely ad never. 4 scores to always, 3 scores too often, 2 scores to rarely and 1 scores to never, marked responses are to be assigned for true keyed (positive) statements whereas 1, 2, 3 and 4 scores for always, 'often' rarely and never respectively in case of false keyed (negative) statements.

Scoring of the data was under taken manually with the help of stencils. Statistical Analysis of data, means S.D., test of significance correlation and regression between the factors have been computerized and scores are analyzed with the help of Statistical Package of Social Science (SPSS) Software on its relevant basis respectively. The questionnaire was outlined in English and Tamil and also understandable. Reliability analysis was done to identify the reliability of my study. Beside this, regression analysis, hypothesis testing was done for a proper justification and to draw an appropriate recommendation in the study.

DATA ANALYSIS AND FINDINGS

A) DEMOGRAPHIC DATA ANALYSIS

From the below table it is inferred that most of the respondents in the survey were male (78%) were (22%) were female. It is found that most of the respondents (32 %) falls under the age of 31- 40 and a few of the respondents are 41-50 years old. It is established that most of the respondents (82%) are married. It is found that maximum numbers of the respondents are earning above Rs 40,000 (30%) as their monthly income and minimum numbers of respondents are earning less than 20,000-30,000 (10%) as their income. It is stated that most of the respondents have 15+ yrs (30.6%) work experience and minimum of 7-15 yrs. This table shows that they don't have any define working hours (78%) and (52%) respondents stated that they are working in rotating shifts. It is found that most of the respondents are Graduate (42%). It is stated that most of the respondents are accepted that they are pressurised to do extra work (74%). From the rank categories, there were (52%) who were working as constables. It is also assured that most of the respondents have one child (47%). (72%) of the respondents assured that they are not regular in daily workout. (92%) of respondents falls under non smoke.

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TABLE 1: DEMOGRAPHIC PROFILE OF RESPONDENT

S.NO	DEMOGRAPHIC VARIABLES	FREQUENCY	PERCENTAGE
1.	GENDER		
	Male	39	78.0
	Female	11	22.0
	Total	50	100
2.	RANK		
	Constables	26	52.0
	Head Constables	14	28.0
	Sub-Inspector	8	16.0
	Additional Superintend	2	4.0
	Total	50	100
3.	WORK EXPERIENCE		
Below 4 yrs		9	18.1
4-7 yrs		10	22.6
7-15 yrs		12	28.7
15+ yrs		19	30.6
Total		50	100
4.	MONTHLY INCOME		
Below 10,000		8	16.0
10,000-20,000		12	24.0
20,000-30,000		5	10.0
30,000-40,000		10	20.0
Above 40,000		15	30.0
Total		50	100
5.	ACADEMIC QUALIFICATION		
Post Graduate		2	4.0
Graduate		21	42.0
Diploma		7	14.0
HSC		10	20.0
SSLC & Below		10	20.0
Total		50	100
6.	AGE		
20-25		8	16.0
26-30		12	24.0
31-40		16	32.0
41-50		7	14.0
50+		7	14.0
Total		50	100
7.	MARTIAL STATUS		
Married		41	82.0
Single		7	14.0
Divorced/widowed		2	4.0
Total		50	100
8. NO OF CHILDREN			
No children		9	18.0
One		23	46.0
Two		18	36.0
Total		50	100
9.	HOURS OF WORK		
8hrs		2	4.0
9hrs		3	6.0
10hrs		1	2.0
10+hrs		2	4.0
NO definite time		39	78.0
Total		50	100
10.	WORK SCHEDULE		
Day shift		8	16.0
Split shift		1	2.0
Irregular shift		15	30.0
Rotating shift		26	52.0
Total		50	100
11.	PRESSURED TO WORK		
Yes		37	74.0
No		13	26.0
Total		50	100
12. Smoke			
Yes		4	8.0
No		46	92.0
Total		50	100
13. exercise regularly			
Yes		14	28.0
No		36	72.0
Total		50	100

Source: Field Study (2015)

B) SECONDARY DATA ANALYSIS

A reliability analysis is commonly used to identify the internal consistency of the variables. However, cronbach's alpha is commonly used to test the reliability and the range of alpha coefficient value is in between 0 to 1. The higher value indicates the higher reliability (Hair, et at., 1992). A value more than .70 is significantly good measure for sufficient scale of reliability (Cronbach 1951, Nunnally 1987). According to the cronbach's alpha test the value of alpha in this study is 0.911 which is higher than the minimum acceptable value. Therefore 91.10% of data are reliable in this study. The reliable analysis has been done for dependent variables.

RELIABILITY OF THE INVENTORY

The reliability of the inventory was determined by 'split half methods using odd even procedure. The table showing reliability co efficient of mental health variables are.

TABLE 2: RELIABILITY TEST

Sr. No.	FACTORS OF MENTAL HEALTH	RELIABILITY INDEX
1	Positive self-evaluation	.75
2	Perception of reality	.71
3	Integration of personality	.72
4	Autonomy	.72
5	Group oriented attitude	.74
6	Environmental mastery	.73

i) HYPOTHESIS TESTING

To conduct the hypothesis test a regression analysis has been done and eleven factors which have effect in demographic factors are considered. However, details of the influence of independent variable over dependent variable have been shown in table 6.

According to the analysis, the significant value for the hypothesis is 0.036, which is less than level of significance 0.05. So null hypothesis is rejected and it is concluded like there is an impact on age and mental health. Rank affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .042, which is less than level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is an impact of rank on mental health. Work experience affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .046, which is less than level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is a impact of work experience on mental health. Monthly income affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .035, which is less than level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is an impact of monthly income on mental health. Educational qualification affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .075, which is equal to level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is an impact of educational qualification on mental health. Age affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .022, which is less than level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is an impact of age on mental health. Marital status affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .039, which is less than level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is an impact of marital status on mental health. No of children affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .022, which is less than level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is an impact of no of children on mental health. Hours of work affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .007, which is less than level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is an impact of hours of work on mental health. Work scheduled affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .040, which is less than level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is an impact of work scheduled on mental health. Pressurized to work affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .001, which is less than level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is an impact of pressurized to work on mental health. Exercise regular affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .041, which is less than level of significant value 0.05. So null hypothesis is rejected and hence it is concluded like that there is impact on mental health. Smoking affects the mental health of the employees. According to the analysis, the significant value for the hypothesis is .031, which is less than level of significant value 0.05. So null hypothesis is rejected and it is concluded like there is an impact of smoking on mental health.

ii) REGRESSION ANALYSIS

From the regression analysis (table 4), the R square tells the goodness of fit and the degree of association between the dependent and independent variables. In this case, R square value is .440 and it shows a good fitness. The value of F (2.118) depicts the significance of R square, which further means that regression as a whole is significant expects exercise regularly. Hence the hypothesis is rejected, which means that there is significant difference in the degree of influence of demographic variables on mental health of police.

Considering the Beta value (table 6), it is clear that the age explains the maximum proportion of variation for mental health, followed by monthly income and work experience. The 't' value and the significance level indicate that age, gender, rank, experience, qualification, income, hours works, pressurized to work, smoking and exercise regularly significantly contribute to the mental health.

TABLE 3: VARIABLES ENTERED/REMOVED

Model	Variables Entered	Variables Removed	Method
1	smoke, rank, hours of work, marital status, gender, usual work schedule, exercise regularly, monthly income, academic qualification, no of children, pressurised to work extra, age, work experience	.	Enter

a. Dependent Variable: Mental health

b. All requested variables entered.

TABLE 4: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.664ª	.440	.232	.26289

a. Predictors: (Constant), smoke, rank, hours of work, marital status, gender, usual work schedule, exercise regularly, monthly income, academic qualification, no of children, pressurised to work extra, age, work experience

TABLE 5- ANOVAª

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.902	13	.146	2.118	.039ᵇ
	Residual	2.419	35	.069		
	Total	4.321	48			

a. Dependent Variable: Mental health

b. Predictors: (Constant), smoke, rank, hours of work, marital status, gender, usual work schedule, exercise regularly, monthly income, academic qualification, no of children, pressurised to work extra, age, work experience

TABLE 6: COEFFICIENTS^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.400	.643		2.179	.036
	gender	.082	.113	.111	.722	.005
	rank	-.097	.046	-.372	-2.111	.042
	work experience	.133	.070	.546	1.897	.046
	monthly income	.007	.036	.037	.209	.035
	academic qualification	.052	.038	.222	1.385	.075
	age	-.051	.063	-.217	-.812	.022
	marital status	-.088	.081	-.174	-1.076	.039
	no of children	.036	.045	.134	.812	.022
	hours of work	.057	.045	.216	1.287	.007
	usual work schedule	.031	.028	.187	1.120	.040
	pressurised to work extra	.063	.119	.094	.527	.001
	exercise regularly	-.217	.102	-.329	-2.121	.041
	smoke	.325	.174	.299	1.863	.031

a. Dependent Variable: Mental health

RESULTS AND DISCUSSION

This research study is tried to examine the factors that have an impact on mental health of employees of police sector in Tirunelveli city. The six factors are. Positive self evaluation, perception of reality, integration of personality, autonomy, group oriented attitude and environmental mastery the outcome of the research indicates that six out of thirteen demographic factors (gender, age, income, education, experience, rank, marital status, no of children, hours of worked, work scheduled and pressurized to work, smoking and exercise regularly) have significant influence on mental health. From the finding, it can be recommended that good mental health is such a critical concept that might be disturbed due to dissatisfaction of mind set.

The present study had been undertaken in order to know the relationship and differences between demographic variables with mental health of police. Mental health is a condition of psychological maturity - a relatively constant and enduring function of personality. It is a condition of personal and social functioning with maximum effectiveness and satisfaction. Mental health includes positive feelings and attitudes towards the self and others. A person who successfully adjusts with his own self and also with the society is said to be well adjusted whereas if a person fails to adjust with himself, with his family and with the norms of his society, is called disturbed and having ill health. According to research, more police officers than ever before are suffering from mental health problems due to stress caused by dwindling numbers on the frontline. Officers feared disclosing having mental health problems due to factors including fear of the reaction they would receive from supervisors and colleagues, fearing the stigma around mental health and the impact on their careers if they are seen as not being able to cope. Officers reported feeling they were 'letting the team down' if they took time off for stress. Managers reported a lack of ability to spot early signs of distress, anxiety and depression, especially the effect of non-work stressors and a lack of training on dealing with mental health issues due to cost and time. The long terms effects of mental health on people can be devastating so it is vital that issues can be identified early and that officers know they will be supported and helped. There are far too many people suffering.

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THE CURRENT CRISES IN EU: AN EXPLORATORY RESEARCH

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ABSTRACT
For the first time in the history of its existence, European Union (EU) is passing through the most turbulent time. A member-state decided to leave the politico-economic union known as the European Union. Brexit is the informal name for the United Kingdom's proposed withdrawal from the European Union. Brexit has altered the balance of power within the European Union. All member countries would, however, feel the impact of Brexit, both politically and socially. As Brexit is not the only challenge European Union is facing at the moment, this paper attempts to explore the various dimensions of Brexit and refugee crisis. The unprecedented and unexpected magnitude of influx of refugees has thrown the preparedness of even the best-prepared member states into disarray. They are finding themselves unable to receive and process the applicants smoothly. Border States like Greece and Italy have to face a disproportionate burden of managing new arrivals, despite their weak economic condition. Although the paper is restricted to Brexit and refugee crisis, Italy is also on its way to referendum deciding whether to continue in European Union or not (being termed as 'Italeave'). The paper also explores the various hues of India - European Union relations.

KEYWORDS
Brexit, European Union, Eurozone, India - European Union relations, refugee crisis.

INTRODUCTION

The European Union (EU), the erstwhile European Community, went through a huge transformation including the significant structural changes such as the Single European Act, the Maastricht Treaty, introduction of common currency – Euro, and a regular stream of new members from West, Central and East European countries between 1986 and 2010, making EU a huge market of about 500 million people.

Although individual members may have different opinions, the fact of the matter is that the enlargement of EU has resulted into improvement in efficiency through reduction in transaction costs, acceleration in GDP growth and resultant increase in employment. Despite so many advantages of being united, EU is passing through the most turbulent time. A member-state decided to leave the European Union. Brexit is the informal name for the United Kingdom's proposed withdrawal from the European Union. Brexit has altered the balance of power within the EU. Member countries would be affected in different ways and to different extents. This paper attempts to take the first step towards understanding the mechanism of EU as well as the political and social structures that are intrinsic to the EU member-states to get a brief understanding of why Brexit happened and what circumstances are responsible for an unprecedented refugee influx. Since empirical data is not available related to the impact of Brexit, the research paper is an educated and systematic forecast of what the likely altercations will be on the concerning parties.

REVIEW OF LITERATURE

In drafting and presenting this review of related literature, the researcher has benefitted from many studies that analysed Economic and Monetary Union (EMU) policy, its decision making patterns in helping secured prices and economic stability, and also its communication efforts. A number of studies are available on the developments in EU. These studies are undertaken mainly by researchers in western countries. Scholars from India need to do more research in this field. Although there are many dimensions of developments in EU, such as historical, cultural, sociological, demographical, ecological, economical, etc. yet the present work has focussed on only one dimension, 'Political and Social Effects'. Hence, all the related studies have been clubbed into this broad group.

Based on the survey of available literature, an exhaustive review of research studies on the subject is given as follows.

Robert Alvarez (2002) inspects in his article the impacts of position in the social structure and political introduction on states of mind toward the European Union (EU); regardless of whether individuals trust that participation in the EU is useful for their nation. Social structure is measured at the ostensible and interim levels with social class and social stratification position, separately. Political orientation alludes to exchange union participation and political conservatism. Additionally, analysed are nation contrasts in levels of backing for European integration and contrasts amongst Western and Eastern Europe in the impacts of the social structure, political introduction, and demographic variables. Information of sixteen nations is utilized from the International Social Survey Program (ISSP) 1995: National Identity. Results show that the social structure, political introduction, and demographic variables are critical indicators of backing for EU enrolment. Moreover, there are essentially distinctive levels of backing for EU participation over the nations of Europe, proposing a solid division amongst Western and Eastern Europe.

Karl-Dieter Opp (2005) discussed a broadly held contention that unions, for example, the European Community will just succeed if a recognizable proof with these associations' develops; and the EC makes this distinguishing proof. This, thus, should decrease distinguishing proof with national and sub-national locales. In view of this contention, some testable recommendations are proposed alluding to the conditions under which distinguishing pieces of proof with progressive locales - in this paper Europe, country states and sub-national districts - emerge and how these recognizable pieces of proof are causally related. As opposed to the past contention, the study discovered positive relationships between the three recognizable pieces of proof. Moreover, European ID has positive causal impacts on sub-national and national recognizable pieces of proof, and sub-national ID has positive causal consequences for national and European distinguishing proof.

W. R. Mead (1991) studied the position of Finland in the changing Europe. According to the author, Finland, one of Europe's littler country states, has exhibited a dynamic reaction to the changing European scene since getting to be autonomous in 1917. This paper talks about four correlated subjects which are dealt with both verifiably and contemporarily. 'Finland in Europe' considers matters peripherally--an area on the northern boondocks of settlement and on the eastern marchlands of Western Europe. 'Finland and the concept of Europe' talks about Finnish thoughts regarding and dispositions to Europe in general. 'The concept of Finland in Europe' offers a reciprocal perspective from the European point of view: 'Europe in Finland' reflects upon the components in the general public and economy of Finland which are general to Europe or which are particular to Finland. The quest for a Finnish body electorate in Europe has been facilitated through Finland's nearby connections with the Nordic nations, yet has been made more troublesome by the developing mix inside the European Community and the extension of its enrolment.

Simon Bulmer and William E. Paterson (1996) tried to establish the identity of Germany in the EU. The 1996 intergovernmental conference on the European Union spoke a vital test of German impact on the European Union. The two previous changes the Single European Act and the Maastricht Treaty were embraced under various circumstances. The Single European Act went before German unification, though the Maastricht Treaty transactions were somewhat a reaction to German unification and the end of the Cold War. The IGC arrangements saw the unified Germany working in a more normal arrangement of circumstances. This article looks at the Federal Republic's part in European Union on the eve of the IGC. What are the cut-off points and conceivable outcomes of German diplomacy in the EU? Was Germany hesitant to utilize the different wellsprings of impact available to it? On the other hand, were there indications of Germany readily going about as the main thrust of European Union?

Wil Arts and Loek Halman (2005/2006) attempted to study the reactions of the general public regarding National Identity. The issue of character has as of late increased social and political essentialness. The destruction of socialism in the Eastern Europe, the German reunion in Central Europe, and the Maastricht Treaty

in Western Europe are said to have stirred nationalistic sentiments and developments, and procedures of social, financial, and political internationalization and globalization are expected to have increased uncertainty about national identity as well as a slackening of the bond amongst group and personal identity in Europe. The further unification of Europe is viewed by numerous Europeans as a risk to the survival of national societies and identities. They expect that the vanishing of the inward borders between the European Union states may at last result in lost assortment in national societies and of unmistakable national personalities. Further unification may bring about issues of national identities and a few onlookers have contended that it will culminate into more focus on regional and cultural societies. This article explains the significant thoughts of country, patriotism, and national identity, and related issues. From a social-psychological viewpoint, it portrays how national character identifies with individual identity. Information from the European Values Study Euro indicator reviews have been utilized to exhibit cross-national contrasts and similitudes in national self-ID and changes after some time. The discoveries uncover a far reaching support for the European unification venture, yet substantial dominant parts in Europe don't feel unequivocally connected to Europe. The European Union has yet to develop as a contender for the loyalties of its residents.

Daniel Lerner (1963) attempted to look for a merger in the goals of European Union and individual member-states. Quick unification of Europe is evident in the financial circle, yet the European community does not have the fundamental profound quality for unification which would be shown in the converging of political or social national objectives. Europe has experienced in one era a change from which it has not recuperated completely. Some time ago, Europe was the focal point of a force to be reckoned with. This was vexed, and Europe turned out to be reliant on American approach and American power to a great extent to assume control over the obligations it could no more meet. The 1950 decade conveyed European leaders the fact that no European country alone could promise either its own particular thriving or its own security. Just by tolerating the troublesome states of reliance were European pioneers ready to move past patriotism toward new types of transnational obligation. This involved the mission for combined national objectives and for methods for communicating them in organizations and in practices. There has been an unfaltering development of responsibility to the European thought and of availability to relinquish national interests and controls with a specific end goal to keep up and fortify the European community. The weight of European Union clearly is on the European leaders, however it must be shared mentally, ethically, and politically by the United States.

Little is thought about how conventional Europeans feel about the focal approach making organizations of the European Union (EU). James L. Gibson and Gregory A. Caldeira (1998) examine mass states of mind towards the authenticity of the European Court of Justice (ECJ). Depending on a cross-time (1992-93) board investigation, and additionally a cross-institutional examination (the ECJ, the European Parliament and the high courts of the member states), the authors found:

a)   The ECJ does not have an overflow of authenticity, and it is far-fetched whether the authenticity shortage is just a transient capacity of the line over Maastricht;

b)   Dispositions toward the ECJ, in spite of the fact that in the total genuinely steady, changed essentially over the one-year panel survey;

c)   The European Parliament has little authenticity it can impart to the ECJ; and

d)   Despite the fact that the national high courts do have more prominent authenticity, there is little proof that they are fit for exchanging that authenticity to the ECJ.

Alberto Alesina, Ignazio Angeloni and Ludger Schuknecht (2005) made an assessment of the attribution of approach rights to European Union level foundations and contrast them with the ramifications of regularizing strategy models and to the inclinations of European nationals. They affirm that the degree and the power of policy making by the EU have expanded pointedly throughout the most recent 30 years, however at various paces, and in various degrees, crosswise over approach spaces. As of late the regions that have extended most are very remote from the EEC's unique mission of setting up a free market zone with normal external trade policy. In reality some arrangement areas that would typically be credited to the most abnormal amount of government stay at national level. They further argue that the subsequent allotment of rights between the EU and its member nations is incompletely conflicting with regulating criteria concerning the task of strategies at various government levels, as laid out in the theoretical literature.

To sum up the review, it can be concluded that there is myriad of varied views and opinions, based on empirical works of academicians and researchers. This exhibits that EU is an area that has a huge scope for study, and as EU continues evolving, we may find even more perspectives to be studied. As far as present work is concerned, the above mentioned studies help us proceed in our research work with good background support.

I. BREXIT

As of 2016, the UK government is planning to leave the European Union following an advisory referendum held in June 2016 in which 52% of votes were cast in favour of leaving the EU. There has been major speculation around the world regarding the short term and long term social, political and economic impact of Brexit on Britain, EU and various other major trading partners of both the EU and Britain. Major debates and discussions are taking place on whether Brexit is a beneficial move or not, considering the global economic crisis as well as the refugee crisis originating from the Middle East.

IMPACT OF BREXIT ON BRITAIN

Hundreds of Britons googled 'What is the EU?' in the hours after the vote. This shows that a large number of British populations were shamefully negligent in their democratic duty on 23 June 2016. Ignorance at ballot box should not be celebrated or disingenuously defended.

What was 'Brexit vote' all about?

➢   Immigration
➢   Inequality
➢   Historic xenophobia
➢   Sovereignty
➢   EU bureaucracy
➢   Anti-neoliberal or
➢   Class war

In fact, high-minded leftists objected to the EU as a tool of global capitalism. The majority of those who voted 'leave' highlight the economic divide between educated youth and uneducated poor middle aged. The referendum resulted into a class war. In the United Kingdom, the old and the less educated are not two demographic, but one overlapping categories. The data on pattern of voting suggest that people between the age from 18 to 24 years and university-educated opted in the ratio of 75:25 in the favour of 'remain'. But the tragedy is that less than half of young people under 24 bothered to vote compared to the 75% turnout among the old. The driving factor was "If you have got money, you vote in. If you haven't got money, you vote out." For all those who voted 'out', globalisation led to outsourcing, joblessness and immigration. Slogan for Brexit was "Take back control".

However, the Scottish people had emphatically opted, by 62:38 majorities to remain inside the European Union. This might lead to another referendum by the Scotland on whether to 'remain' or 'leave' the United Kingdom. They value EU membership more, and the chances are that they may choose one union over the other.

Though the long-term economic impact of the Brexit on the UK's economy is still unknown, there is a consensus that the future of the UK's economy is not promising.

FIGURE 1: UK'S ECONOMIC OUTLOOK SLASHED IN BREXIT AFTERMATH
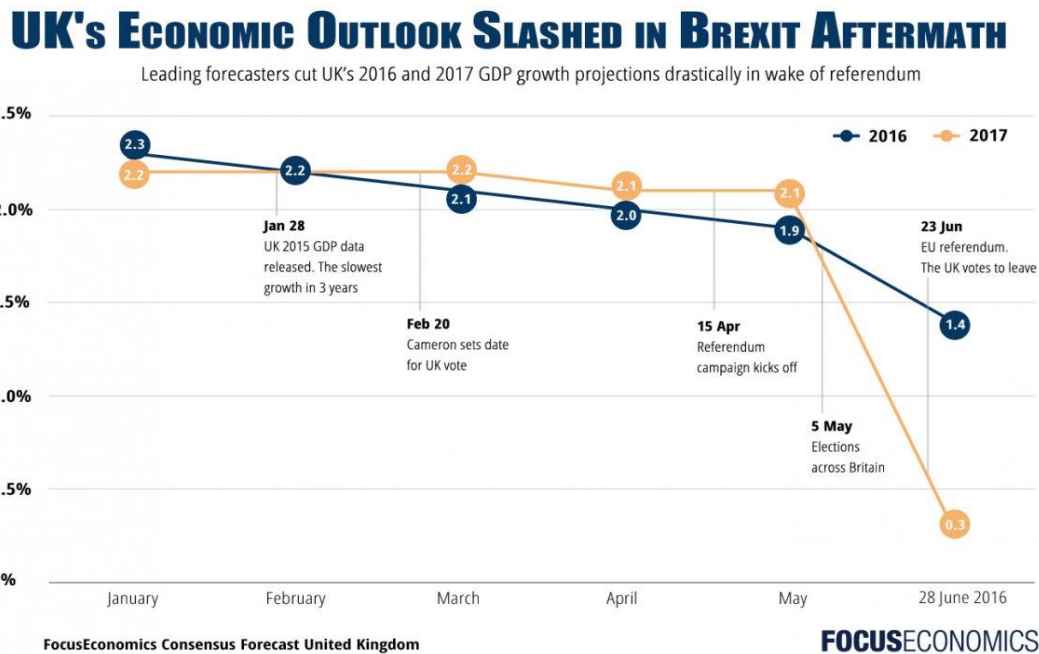
Some economic institutions are still in the process of revising UK's GDP forecasts post Brexit, but the downtrend is clear. Simon Kirby, head of forecasting at NIESR, suggests an impact on GDP in the range of -2.2% to -6.3% is on the cards in the long run. It is expected that heightened uncertainty and risk aversion will likely to persist in the UK and Europe in the interim, and perhaps even after that. The UK government might aim decide to join the EEA or might move to a WTO status. But nothing is sure as of now. Only one thing is sure that the choice once made is going to have rather different implications for the long-run negative effect on the UK economy.

It may be years before the full economic impact of the Brexit can be analysed, but market volatility is very likely to remain high going forward and a prolonged political vacuum will only add to the uncertainty, all of which will weigh on the currency and the investment outlook.

IMPACT OF BREXIT ON EUROZONE

Besides the United Kingdom, the economic damage of Brexit is expected to be very prominent in the Eurozone. Earlier projections of region's steady growth to be continued in 2017 have been altered by the economists. Now the Eurozone economy is expected to slow down in 2017 as contagion from Brexit hits the region.

As per the European Union regulations, a two year period is fixed for negotiations, once a member state gives a formal notice to exit. British Prime Minister Mrs. Theresa May has signalled that a formal notice might get delayed till the start of 2017. Nonetheless, the Brexit vote has placed the European Union into uncharted territory having huge economic and political repercussions for the bloc. Although at present, the impact of Brexit on the region cannot be assessed fully, the results of negotiations will definitely be crucial and the domino effect will undoubtedly be experienced on trade, finance, investment and it may lead to political instability in the bloc as well as may have impact on migration and the EU budget.

In fact, Brexit may be termed as a vote to oppose the European Union. Initially proclaimed to be the instrument of a one-for-all and all-for-one economic growth, the European Union is now treated by many Britons as an expensive, interfering and unilateral bureaucracy. Brexit seems to be a bad news not only for the European Union, but for the United Kingdom. The Scots wish for a new independence referendum and, if successful, will seek to join the EU. The likely possibility is that those British businesses that have substantial EU interests might shift from England to Scotland. Brexit will create an actual border between Northern Ireland (part of UK) and the Republic of Ireland. It will ultimately disturb the peaceful relationship between the two parts of island of Ireland. Moreover, there is a huge crisis with the diaspora of a million refugees, the threat posed by home-grown disaffected Islamic extremists, and the on-going social catastrophe in Southern European countries due to the Euro crisis. The chances are that the attention of the political and administrative talent of Europe will get diverted from dealing with these major crises because of Brexit.

Brexit might result in a domino effect of further disintegration in Europe. It has been suggested that since European Union is struggling with the most serious crisis to its existence since its creation, it is time for a rethink; it is time for Europe 2.0.A new European governance mechanism should be developed and the distribution of responsibilities and authorities at the national and European levels should be redrafted. Europe has to face challenges not only like poverty, migration, climate change, energy security, but also as terrorism and geo- political issues. And for all this, a new, bold political leadership is much desired.

Some analysts believe that the referendum for Brexit was not only about national sovereignty against the faceless bureaucracy of Brussels and the EU, this was actually a referendum on immigration. The majority of the people of England (and not of Scotland and Northern Ireland) voted against immigration. Ironically, in the coming month of March, European leaders will congregate to celebrate the sixtieth anniversary of the founding of the Union, without the UK, it is sure to be an uneasy celebration.

BREXIT AND INDIA

While it is difficult to anticipate the full impact that Brexit will have on India- the outcome between the EU and the UK are critical- waves of contagion are expected to hit India through trade, financial and investment routes. Reduced demand important trading partners, UK and EU, as a result of Brexit is a key risk for India. India's exports destined for the UK are 16%, while for the EU as a whole are 20%. India's foreign trade would be vulnerable to the reduced demand from not only from the UK and the EU, but from the world at large. There is an increased global uncertainty and the slowdown in global trade is expected. Besides trade, the spill over effect is likely to impact global financial markets. Investors will prefer the safe-heavens and the demand for the US Dollar will increase.

The brighter side is that the British government will seek to diversify markets and India could benefit from better trade and investment deals with the UK.

II. REFUGEE CRISIS

The U.N. defines an international migrant as "any person who changes his/her country of usual residence". They may move due to a myriad of reasons, and the term 'migrant' is an umbrella term, including both asylum-seekers and economic migrants – including movement of people for improving their living conditions or job opportunities. It is a choice rather than an issue of life and death. Another category, an irregular migrant is one who lacks legal status in host country due to unauthorised entry, breach of entry condition, or an expired visa.

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On the other hand, refugee is granted protection under international law. A refugee is a person fleeing conflict or persecution on the basis of race, religion, and nationality, and also due to being member of a particular social group or political opinion. Under the 1951 U.N. Refugee Convention, which took effect in 1954, a country is legally bound to give shelter and is not allowed to expel or return a refugee to a place where his/her life or freedom would be damaged.

Another term, asylum-seeker refers to a person who has applied for asylum but whose refugee status has not yet been determined. Such a person has to wait a decision under relevant international and national laws. If the request is denied, the person must leave the country and may be expelled.

FIGURE 2: WHERE REFUGEES SEEK ASYLUM IN EUROPE
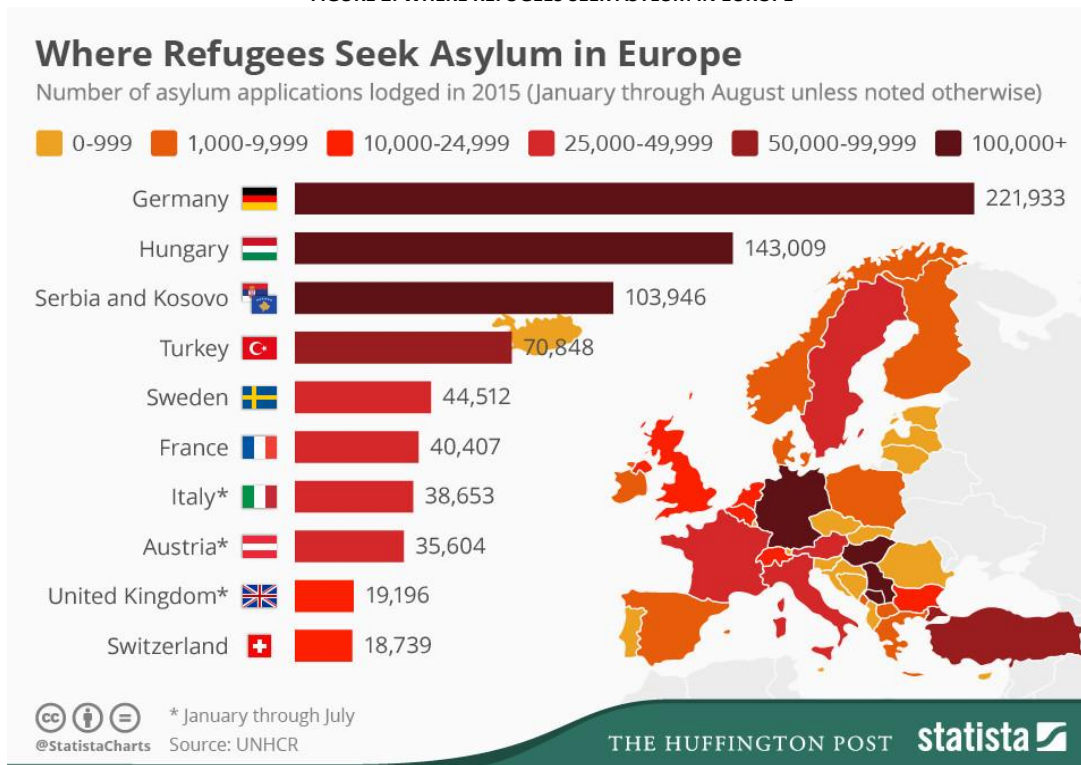
Source: http://www.huffingtonpost.co.uk/2015/10/27/europe-refugee-crisis-graphics-latest-developments_n_8398868.html

The problem was acknowledged by European leaders at an extraordinary EU summit held on 23 September, 2015. An additional one billion Euros were promised to UNHCR in order to reduce the deficit. This is not all. The demography of refugees and migrants, arriving on Europe's shores at present, suggests that almost 70 per cent of them not only are males but also are "first movers". This simply indicates that their families would join them through legal channels once the "first movers" are settled in various member states.

But as the pressure on essentials like education and health care mounts, public opinion on refugees would sour. Sympathy towards short term 'guests' may not translate into support for permanent 'neighbours'. There would be a strong competition between the natives and the refugees for jobs and seats in schools. Besides, the diversity of refugee flow, not only in terms of their nationalities but also in their motive to seek asylum, is an additional challenge for the authorities to verify the genuineness of asylum seekers.

Moreover, the unprecedented and unexpected magnitude of influx of refugees has thrown the preparedness of even the best-prepared member states into disarray. They are finding themselves unable to receive and process the applicants smoothly. Border States like Greece and Italy have to face a disproportionate burden of managing new arrivals, despite their weak economic condition. Although most of these refugees swiftly proceed to strong economies such as Sweden and Germany- about fifty per cent of total asylum applicants got settled in these states. Transit countries like Hungary and Croatia are also feeling the pinch of sudden enormous pressure at their borders. Hungary has even reacted by erecting barbed-wire fencing and pushing back the asylum seekers.

FIGURE 3

Source: http://www.bbc.com/news/world-europe-34131911
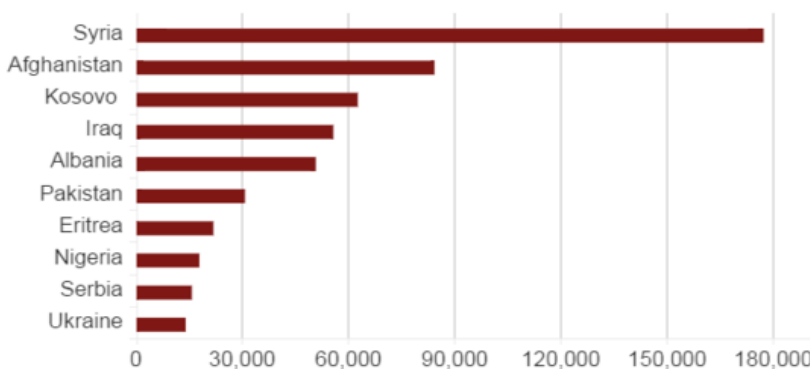
Many of the asylum seekers are coming from the countries of their first asylum, that is, from Turkey, Jordan and Lebanon. The reason behind this move is that these countries are now overwhelmed with the refugee inflow, and the resources and opportunities there have dried up. In fact, 86 per cent of global refugees are hosted in the developing world, and with their precarious economic and political challenges, refugees are now looking to Europe for shelter and greener pasture.

As a matter of fact, all the three categories of member states, the border states (Greece and Italy), the transit states (Hungary and Croatia) and the destination states (Germany and Sweden), are caving under pressure. Trust and solidarity between the member states are eroding.

More than one million migrants entered Europe in 2015, resulting in a severe crisis in the countries that had to struggle to cope up with this continuous flow. Most of the migrants took the sea-route, while some came by land through Turkey and Albania. People are migrating from Syria, Afghanistan, Eritrea and Kosovo due to all or some of these reasons such as conflicts, violence, abuses and poverty.

FIGURE 4: BOAT PEOPLE ARRIVALS IN EUROPE (2010-2015)

Source: http://thosewhocansee.blogspot.in/2015/10/crashing-gates-crash-course.html
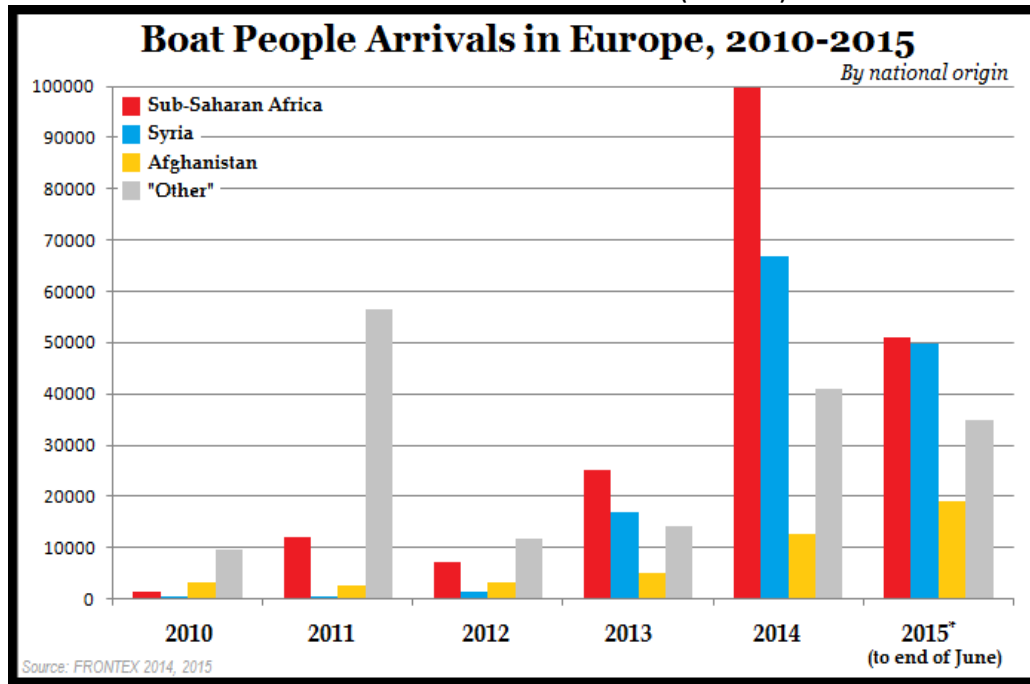
The European Union is very prone to crisis, it seems. As if the Eurozone crisis was not enough, the Union is facing a serious challenge to its economic, political and social integration in the form of the recent inflow of asylum seekers from Africa, the Middle East and South Asia. This issue has presented a major threat to security, sovereignty and integration of the Union.

One of the reasons for the Britons to vote for Brexit is said to be the on-going 'refugee crisis'. In fact, this crisis has reinforced the xenophobic, nationalist movement not only in Britain but also in France, the Netherlands, and Germany, the member states where the national elections are due in 2017. Borderless states are ironically planning to build border fences to deter the asylum seekers. Not only is the concept of 'Borderless Europe', that is, the commitment to the 'Schengen Agreement' and 'the Maastricht Treaty', being scrutinised, but also the enormous inflow of complex mix of migrants has thrown the asylum system of EU into jeopardy.

The refugee crisis is the one of the greatest political challenges faced by the European Union. EU is struggling to find the long term solution to the problem. But the terrorist attacks and continued security threats in many member states including Paris and Brussels have shifted the focus entirely to heighten the border security, internally and externally. However, response by European governments that close the door to asylum seekers or discriminate against Muslim community will not prevent home grown attacks.

ECONOMIC AND SOCIAL IMPLICATIONS OF MIGRATION FOR THE EU

One of the advantages of managing the migration crisis well is that it may lead to positive development in economy and society. Europe's aging population may bank on the young migrants to sustain the average economic growth. Also, the labour market becomes flexible with various sets of skill bases brought by the migrants. This inflow of new talent and skills enhances the growth in establishing new enterprises. Migrants eventually provide a boost to economy by being part of workforce as well as taxpayers and consumers.

Although at present, the refugee crisis has had a severe blow on public finances and resources of many member states, especially the Border States, if managed properly, the long run impact of large number of migrants on Eurozone's public finances, demographics and economic growth will be positive. The Organisation for Economic Co-operation and Development terms the integration of migrants as an investment rather than a cost.

In the year 2015, a series of measures were adopted to tackle the crisis of unmanageable influx of migrants. EASO (European Asylum Support Office) was established to work with Europol (European Police), Frontex (European border agency) and Eurojust (Agency for justice in criminal matters). These agencies are also working to combat human smuggling and trafficking. European Agenda on Migration was also launched for surveillance and intelligence gathering, and was extended to naval operation to board, search, seize and divert ships having a dubious use of human smuggling.

Simultaneously, emergency relocation measures and permanent relocation mechanism for all member states were designed. EU funding for 2015-16 was enhanced to 1.7 billion euros to assist the most affected member states.

III. INDIA AND EU

The relations of India and EU date back to the early 1960s, the early decade of formation of European Economic Community. India was amongst the first countries to form diplomatic ties with EEC. Almost three decades later, in 1994, this bilateral relationship took a new flight when a cooperation agreement was signed to move beyond trade and economic cooperation. Since then, a continuous progress has been made and the 5th India-EU Summit, the Hague upgraded the relationship to a 'Strategic Partnership' in 2004. Through the Joint Action Plan in 2005 and 2008, the efforts have been made to strengthen dialogue and consultation to enhance trade and investment, by bringing peoples and cultures together.

EU, as a block, is India's largest trading partner and India is among the top ten largest trading partner of the EU. Besides, the EU is one of the biggest sources of Foreign Direct Investment in India. The major EU member states adding to FDI inflows are the Germany, UK, Italy, Sweden and Belgium. There are regular annual meetings of India-EU Joint Commission to deal with the economic and commercial issues.

SEU-IN: Start up Europe India Network (SEU-IN) is an attempt to combine the pan-European and Indian start up entrepreneurs. The idea is to provide a platform to all the key stakeholders to create a smooth network for growth, investments and collaboration between the ecosystems of European and Indian start-ups. The focus of SEU-IN is on digital and ICT, and related sectors are Fintech, Cyber security, Data intelligence, Machine Intelligence and Artificial Intelligence, Smart cities, Agritech, Edtech, Waste management, Healthtech and Government and Businesstech.

In nutshell, the focus of SEU-In can be described as to explore the unexplored opportunities of working together. This can be termed as an initiative of business people to create an alliance between the key stakeholders and change makers. The goal is to create value, expand investment and build strategic partnerships. The relationship promises to benefit both the sides in the long run.

A solid strategic partnership, aiming to push the global agenda including climate change and terrorism is being built since 2004. Not only the EU-India trade has more than doubled, but also the investments have multiplied ten- fold. India is an important trade partner for the EU, as well as, an emerging global economic power. The country is an impressive growing market of more than 1.25 billion people. EU-India trade has grown from 28.6 billion Euros in 2003 to 72.5 billion Euro in 2014.

TABLE 1: EU-INDIA "TRADE IN GOODS" STATISTICS

Trade in goods 2013-2015, € billions			
Year	EU imports	EU exports	Balance
2013	36.8	36.0	-0.9
2014	37.1	35.6	-1.5
2015	39.4	38.1	-1.3

Source: http://ec.europa.eu/trade/policy/countries-and-regions/countries/india/

TABLE 2: EU-INDIA "TRADE IN SERVICES" STATISTICS

Trade in services 2012-2014, € billions			
Year	EU imports	EU exports	Balance
2012	13.0	11.8	-1.2
2013	12.7	11.7	-1.0
2014	12.1	12.3	0.3

Source: http://ec.europa.eu/trade/policy/countries-and-regions/countries/india/

Experts are recommending strengthening the strategic partnership by concluding negotiations for an EU-India Free Trade Agreement. India is among the top ten largest trading partners of EU. This Asian giant is important both politically and economically as besides being the most populous democracy in the world; it is generating the highest GDP growth rate at present. Coincidently, all the 28 EU member states have resident diplomatic missions in Delhi besides having The Delegation of European Commission.

Negotiations for Free Trade Agreement started between EU-India in 2007, however, more enthusiasm is needed from both sides to improve market access for goods and services. EU seeks an extended "deep FTA", while India has not yet promised. Although this seems to be a major roadblock in forming a dynamic, economic trade relationship, and the stakes are high, but the fact of the matter is that the imperatives of democracy may sometimes slow down policy reforms.

India is participating in the 'Horizon 2020" Framework Programme for Research and Innovation. EU may become an active partner in helping meet India's rapidly growing energy needs because of a growing GDP and huge population. EU terms India as a "graduated" country and EU bilateral development aid is planned for the current EU budgetary period 2014-2020 accordingly. However, a major focus of social sector funding for the EU in India is education, health, water and sanitation.

Considering the fact that EU was awarded the Nobel Peace Prize in 2012 for its role in promoting peace and human rights in the continent, enormous possibilities are there to be tapped in between India and EU cooperation to build a democratic, multi-cultural and multi-polar world order.

CONCLUSION

1. The one question on everyone's mind is, how much of an impact will the Brexit have on each person's respective country and will their country be better off from this mega event in history or not. Even though it's too early to answer this question at this point of time, certainly rational inferences can be drawn on the impacts of Brexit in the near future.

2. EU's political structure will be significantly affected in the short and the long run and will also have an adverse effect on the economic dominance of the EU in the global markets. It will be a challenge to the EU's efforts to be a serious global actor and could be seen as a sign of decline. With the on-going two year period of negotiations between Britain and EU, it is difficult to predict what the full impact of the withdrawal will be and to what extent this will tarnish the stability of the EU. But it is safe to say that Brexit has disrupted the EU's internal equilibrium. The biggest consequence of all, therefore, is that Brexit has undermined the liberal, political and economic order of the EU.

3. Britain, right now is battling to keep itself together, let alone remove itself from the EU. The domestic political fallout in the UK is apparent with the resignation of the then-Prime Minister David Cameron. The strength, composition and leadership of the government are likely to be uncertain. This uncertainty created by the move has already caused massive economic turmoil within the country as well as all over the world, causing one of the biggest stock market crashes in history. Investor sentiments do not seem to be improving which is a bad news for the already recovering financial sector. In addition to this, global growth and inflation are likely to be somewhat dampened due to the heightened uncertainty about the global implications of Brexit. All in all, the impact of Brexit will be severe and across different channels.

4. Brexit has altered the balance of power within the EU. Member countries would be affected in different ways and to different extents. This will most likely influence the way in which countries are willing to engage and accommodate the UK during the pre-referendum negotiation. All member countries would, however, feel the impact of Brexit, both politically and socially. Nonetheless, voices are being heard about Italy's intention of having a referendum 'to leave' or 'not to leave' the EU.

5. Refugee crisis has opened another Pandora box for smooth functioning of EU. It has been a challenge for all the member states to tackle the continuous inflow of refugees. In fact, this crisis has reinforced the xenophobic, nationalist movement not only in Britain but also in France, the Netherlands, and Germany, the member states where the national elections are due in 2017.

6. India and EU have many things in common. They both are among the largest democracies in the world. Both are multilingual, multicultural, pluralist, secular and complex societies. Both might turn out to be natural allies, had there not been the inherent problem of leadership due to diverse and heterogeneous amalgamation of 27 members. Since India has trade and commerce relations with only a number of EU members, relations with India are driven by a 'very small circle' in Brussels. Secondly, EU has gradualist and incremental approach that leads to a slow decision making within the EU. Thirdly, EU is a constant 'work in progress'. It becomes confusing for policymakers in India to deal with it.

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ROLE OF KHADI AND VILLAGE INDUSTRIES IN THE ECONOMIC DEVELOPMENT OF THE JAMMU AND KASHMIR STATE

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ABSTRACT

Industrial development is of utmost importance to developing economies. The state of Jammu and Kashmir is unfortunate on this front despite having resources it lags far behind then the other parts of the country in industrial activity. Since agriculture has been gradually losing its strength to generate additional employment opportunities for the fast increasing work force in rural areas and the natural local factors are more conducive for Khadi & Village Industries. Khadi is an age old industry in our state. Being labour intensive, Khadi industry is highly useful in creating employment opportunities especially in far-flung and backward areas of the state Khadi and village industries play an eminent role in the advancement of rural as well as semi-urban economy. The main objective of developing these industries is to raise the standard of living, generate more income, increase the use of local raw material and help the development of rural economy by generating employment for the people. The present study is an attempt to highlight the role played by Khadi & Village industries in the economic development of the state vis-à-vis growth in production, sales and employment generation.

KEYWORDS

economic development, khadi and village industries, labour intensive, per capita income, rural economy, small scale industries.

I. INTRODUCTION

Jammu and Kashmir is strategically located on the northern extremity of India. It is the 11th largest state of India and accounting for 3.20% [1] of the total geographical area and ranks 19th most populous state of India and constitutes about 1% [2] of the total population of the country. Jammu and Kashmir economy possesses almost all characteristics of an underdeveloped economy and continues to be predominantly agrarian and industrially backward state. The state of Jammu & Kashmir is ranked at the 21st position in terms of per capita income among all the Indian states and 11th in agriculture [3]. The Jammu and Kashmir economy depends mostly on traditional forms of occupation. Unaffected and unaltered by modern day industrial developments and changing times, the indigenous traditional occupations of farming, animal husbandry and horticulture forms the backbone of the economy. The state economy due to various odds resulted in low economic activity, low employment and low-income generation. Jammu and Kashmir has always been characterised as a relatively backward economic region. The chief characteristics of the state are the predominance of the agricultural sector, low degree of urbanisation, inadequately developed infrastructure and low levels of investment although the state is vested with the substantial water resources, Mineral base, and is famous world over for its extraordinary handicrafts, handloom products, tourism, horticulture produce and cottage industry. While the state has enormous potential for the flourishing of various industries, still it is lagging behind in the field of industrialisation.

Industrial development is of utmost importance to developing economies. As the industrial base of an economy expands, there takes place a shift from low earning occupations of primary sector to high earning occupation of industry and with the result the standard of living of general masses rise. It is for this reason one of the major objectives of the planned economic development has been to diversify primary sector economy and to gradually expand the secondary and the tertiary sectors. It is a proven fact that rapid industrialisation can substantially push up the productivity, per capita income, the saving capacity of labour and increase in the rate of investment as well, which results in a rapid all round economic development.

The state of Jammu and Kashmir is unfortunate on this front despite having resource it lags far behind then the other parts of the country in industrial activity.

TABLE 1: RELATIVE PERCENTAGE SHARE OF KEY ECONOMIC SECTORS IN THE NET STATE DOMESTIC PRODUCT BY INDUSTRY OF ORIGIN AT CURRENT PRICE IN JAMMU AND KASHMIR (Rs. in crores)

Year	Agriculture	Industry	Service
1960-61	76.17	9.97	13.86
1970-71	56.63	14.57	28.80
1980-81	47.40	12.90	39.70
1990-91	43.29	13.22	43.49
2000-01	33.01	21.68	45.33
2008-09**	28.00	28.48	43.52
2011-12	19.84	25.93	54.23

Source: *Compiled from digests of statistics 1968-69, 1976-77 & Economic survey 2011-12 Directorate of Economics and Statistics Govt. of J&K.*
**at 2004-05 price.

Table 1 clearly shows that transformation of state economy has taken place from primary sector to service sector. Though industrial sector shows increasing trend but is inconsistent and increases at diminishing rate this is a clear signal that in the state of Jammu and Kashmir unfortunately has not been able to attract investments in this sector and remain an industrially backward state due to its unique economic disadvantages arising out of remoteness and poor connectivity, hilly and often inhospitable terrain, poor infrastructure, sparse population density, absence of a viable entrepreneurial class, shallow markets and most importantly a law and order situation. Nevertheless, many small and medium scale industries have come up basically in the traditional sectors along with new areas like food processing, agro-based units and metallic and non-metallic products. However, natural factors are more conducive for handicrafts, village and small scale industries. Besides, due to saturation of employment opportunities in government/traditional and non governmental sectors like agriculture, industrial sector has been declared as the main vehicle for accelerating economic activity besides providing employment to the educated unemployed youths in the state. However, the J&K state is on the path of industrialization in a modest way despite topographical limitations.

We can think of industrial development only when we have adequate infrastructure; the electricity, the railway and other cheap transport when found inadequate the industrial development is a dream. The same is the case with J&K economy having the natural resources in abundance, but still facing the scarcity of industrial development. Since private sector has remained shy and hesitant in accepting the challenge of industrialisation a heavy responsibility was placed on the state itself. To break the shackles and to attract the investment in this sector the government of the state has come up with a new eco-friendly industrial policy 2004[4] to restore the industrial activities in the state. This policy will last till 2015. In order to judge the development of industrial sector in the state. The Industrial sector can be categorised in to three types:

❖ Small scale industries.
❖ Khadi and village industries.
❖ Medium and large scale industries.

The present study is an attempt to deliberate upon the role played by Khadi and Village Industries in the overall economic development of the state. It will also highlight the growth pattern in production, Sales and employment generation of the said industries.

OBJECTIVES

As is evident from the title of the paper, the major objective is to measure the overall impact of Khadi and Village industries on the economic development of the state. The related objectives of the paper are:
1. To analyse the growth pattern in the production of Khadi and Village industries of the state.
2. To analyse the sales pattern of Khadi and Village industries of the state.
3. To analyse the employment generation in the state by Khadi and Village industries.

HYPOTHESIS

In conformity with the aforesaid objectives, the following hypothesis has been laid down for verification and confirmation:

H_o: There is no significant growth in the production of Khadi and Village Industries in the state.

H_o: There is no significant growth in the sales of Khadi and Village Industries in the state.

H_o: There is no significant impact of Khadi and Village Industries on employment generation in the state.

RESEARCH METHODOLOGY

The present study is based on secondary data. The secondary data related to Production, Sales, Wages paid and Employment generation of Khadi & Village industries in Jammu & Kashmir has been compiled from the official records of Directorate of Industries and Commerce J&K government. Besides this, secondary data has also been taken from various issues of economic surveys and digest of statistics issued by Directorate of economics and statistics government of Jammu & Kashmir.

The data collected have been properly compiled, tabulated and analyzed with the help of various statistical tools like simple averages, Standard deviation, Variance. "t" test has also been used to test the hypothesis already set.

II. KHADI AND VILLAGE INDUSTRIES (A BRIEF PROFILE)

Khadi is an age old industry in our state. Being labour intensive, Khadi industry is highly useful in creating employment opportunities especially in far-flung and backward areas of the state. This industry is mostly concentrated in Bhaderwah, Kishtwar, Samba, Banihal, and Rajouri in Jammu division and Bandipora, Shopian, Chadoora, Pakherpora, in Kashmir Valley. The Khadi and Village industries board provide financial and other assistance to these industries.

Khadi and village industries play an eminent role in the advancement of rural as well as semi-urban economy. The main objective of developing these industries is to raise the standard of living, generate more income, increase the use of local raw material and help the development of rural economy by generating employment for the people.

During the freedom struggle, the development of Khadi and village industries was entirely a non-governmental effort launched under the guidance of Mahatma Gandhi. It was under the guidance of Mahatma Gandhi, provisional activities of Khadi were started in 1922[5], when they were symbolic of the 'fight for freedom'. The development of Khadi & Village industries was a movement to meet the twin objectives of self-reliance through local production and seeking active participation of the poor in the struggle for freedom through the removal of hunger and unemployment. After independence, the Government of India took the responsibility of bringing the development of Khadi and Village industries within the ambit of the Five Year Plans for promoting Khadi and village Industries, government of India set up Khadi and Village Industries commission (KVIC), which is a statutory organisation by an act of parliament. This organisation came up in 1956 and is playing a pivotal role for strengthening of rural economy by promoting and developing Khadi and Village Industries [6]. Since agriculture has been gradually losing its strength to generate additional employment opportunities for the fast increasing work force in rural areas, the importance of Khadi and Village Industries Commission (KVIC) has increased to find an alternative and appropriate employment for rural people.

The implementation of Khadi and Village industries programme in our country is a joint effort of the Khadi and Village Industries Commission, which is an Apex organisation at the Central Level and the State Khadi and Village Industrial Boards, functioning in various States and Union Territories. The Jammu and Kashmir KVIB is playing a vital role in generating the employment to local populace not only this but also provide financial and technical assistance to unemployed youth and down trodden artisans of the state for setting up Micro and Small Units in Industrial and Service Sectors under Schemes Launched by Khadi & Village Industries Commission. Ministry of Micro, Small and Medium Enterprises, Government of India.

The board has been assisting Co-operative Societies and individuals both technically and financially. Financial assistance is provided, at a low rate of interest of 4 percent per annum. Under the Khadi programme, working fund is provided which is free of cost. The Khadi & Village industries have played a vital role in bringing the prosperity in the rural areas of the state. The different aspects of industries production, Sales, and wages (in Rs. Lakhs) are discussed in detail in following sections.

III. PRODUCTION PATTERN OF K&VI

The production of Khadi & Village Industries though showing an increasing trend, but from 2006 onwards there is a sharp decline in production of this industry. The production in the year 1980 was for Rs 426.72 Lakhs, it increased to Rs 4331.13 Lakhs; while as in the next decade it reached to Rs 8016.20 Lakhs. In the year 2006 it reached to a huge margin of 18464.83 Lakhs but it declined to a lowest of Rs 2915.80 Lakhs in the year 2010. Table 2 present the whole picture of production of K&VI over the number of years.

TABLE 2: PRODUCTION OF KHADI AND VILLAGE INDUSTRIES IN THE STATE OF JAMMU & KASHMIR (In Rs Lakhs)

S.NO	Year[**]	Production
1	1980	426.72
2	1990	4331.13
3	2000	8016.20
4	2001	9000.00
5	2005	10602.03
6	2006	18464.83
7	2007	9612.53
8	2008	5211.71
9	2009	2451.80
10	2010	2915.20

Source: *Secretary J&K Khadi & Village Industries Board*

*** Year indicating 31st March every year.*

TABLE 3: TABLE SHOWING VALUE OF t-TEST FOR PRODUCTION

Production of Khadi and Village Industries	Df	Mean	S.D	variance	Std.Error
	9	7.10	5.24	2.74	1.657
	Value for t = 4.287				
	Significance level 95%				

Table 3 shows the standard deviation in the production of K&VI is 5.24 and the variance for the same is 2.74. The calculated value of "t" is 4.287 at 95% level of significance however the table value of "t" at 9 df and 95% level of significance is 2.262 which means table value of "t" is less than calculated value hence:

Hypothesis 1 already set stands rejected that is to say that there is significant growth in the production of Khadi and village industries in the state of Jammu and Kashmir.

IV. GROWTH IN SALES OF K&VI

Sales represent the major source of revenue for Khadi and Village industries. It is the sales earned which largely determines the wages paid large sales means possibility of large amount of wages paid to workers and artisans and the vice-versa. Table 4 presents clearly that with the increase in sales wages paid also increase and with the decrease in sales automatically led to decline in wages as well. Sales in the year 1980 was just Rs.448.06 lakh which increased to Rs.4920 Lakhs in a period of one decade from 1980-1990. Then it further increased to Rs.8529.66 Lakhs in 2000 and Rs.22107.57 Lakhs in the year 2006 but from 2006 onwards the sales of K&VI started declining and reached to a small margin of Rs.3965.76 Lakhs in the year 2010. Graph 1 clearly shows that both sales and wages paid were showing increasing trend upto year 2006 but from here onwards a total opposite trend can be very well seen from the Graph 1.

TABLE 4: SALES OF AND WAGES PAID BY KHADI AND VILLAGE INDUSTRIES IN J&K (in Rs Lakhs)

S.NO	Year**	Sales	Wages paid
1	1980	448.06	109.10
2	1990	4920.37	1368.85
3	2000	8529.66	2452.82
4	2001	9561.21	2710.60
5	2005	11579.21	5242.66
6	2006	22107.57	8300.72
7	2007	11015.34	8286.56
8	2008	6514.62	2865.56
9	2009	3204.43	1044.29
10	2010	3965.76	1239.00

Source: *Secretary J&K Khadi & Village Industries Board*

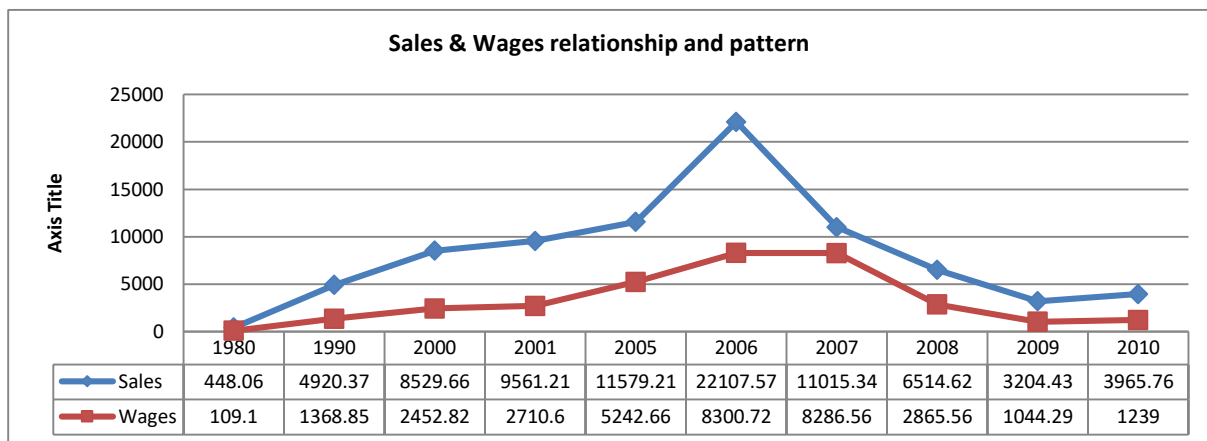*** Year indicating 31st March every year.*

GRAPH 1

Sales & Wages relationship and pattern

	1980	1990	2000	2001	2005	2006	2007	2008	2009	2010
Sales	448.06	4920.37	8529.66	9561.21	11579.21	22107.57	11015.34	6514.62	3204.43	3965.76
Wages	109.1	1368.85	2452.82	2710.6	5242.66	8300.72	8286.56	2865.56	1044.29	1239

TABLE 5: VALUE OF t-TEST FOR SALES

Sales of Khadi and Village Industries	D.f	Mean	S.D	variance	Std.Error
	9	8.18	6.06	3.68	1.91
	Value for t = 4.266				
	Significance level 95%				

Table 5 shows the calculated value of "t" for sales data of K&VI in the state of Jammu and Kashmir. The value of S.D and Variance is 6.06 and 3.68 respectively and the value for "t" is 4.266. However, the calculated value of "t" at 95% significance level and 9 df is 2.262, which means that calculated value of "t" is greater than table value hence:

Hypothesis 2 already set is also rejected that means there is significant growth in the sales of Khadi and village Industries in the state of Jammu and Kashmir.

V. EMPLOYMENT GENERATION OF K&VI

Khadi is an age old industry in the state under study. Being labour intensive, Khadi industry is highly useful in creating employment opportunities especially in far-flung and backward areas of the state. This Industry is capable of offering employment opportunities at the place of residence to a large section of the population. Rural industrialisation is important not only as a means of generating employment opportunities in the rural areas with low capital cost and raising the retail income of the people, but because Khadi & Village Industry have the capacity to correct regional imbalances by initiating industrial activities on dispersed basis in the most neglected, Backward inaccessible areas where perhaps the large-scale sector is unable to penetrate.

Khadi and village industries play an eminent role in the advancement of rural as well as semi-urban economy. The main objective of developing these industries is to raise the standard of living, generate more income, increase the use of local raw material and help the development of rural economy by generating employment for the people. Khadi and Village Industries promote rural industry. The development of rural industries increases the level of income in rural areas, and tends to break down the old self-sufficiency of the family and to lessen its cohesiveness creating opportunities for youth, women and the able bodied as well in changing the pattern of leisure life and work. Khadi and Village Industries should be looked upon not merely as a way of containing the rural workers and stopping them from migrating to urban areas by providing them some kind of remunerative employment in the villages.

Table 6 and Graph 2 given below clearly shows that Khadi and Village Industries have played a very vital role in generating the employment for state population. In the 1980 Khadi industry provided employment to just 18396 persons and same raised up to 67433 persons in the 2000. But having a close look there is a steep decline in employment generation from the year 2005. In the year 2010 this sector provided employment to only 9020 persons which is very less in comparison to year 1980.

Graph 2 bring this fact that from year 1980 to 2000 that is almost for a period of 20 years the employment generation by Khadi & Village industry was following an increasing trend, but from the year 2005 there is tremendous decline so far as the employment generation of this sector is concerned. It is a matter of concern for us all especially for policy makers.

TABLE 6: EMPLOYMENT GENERATION BY KHADI AND VILLAGE INDUSTRIES IN J&K

Year	Employment (No's)	Percentage change over 1980
1980 (March)	18396	------
1990 (March)	46241	+151.36%
2000 (March)	67433	266.56%
2005 (March)	46539	152.98%
2010 (March)	9020	-50.97%

Source: *Compiled from the data provided by KVIB, J&K government*

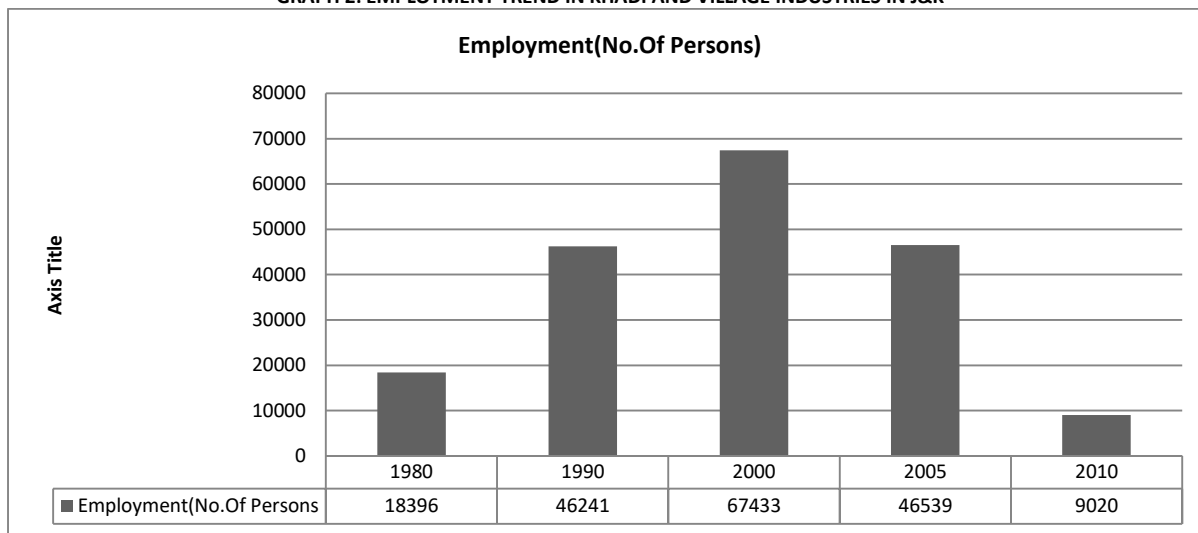**GRAPH 2: EMPLOYMENT TREND IN KHADI AND VILLAGE INDUSTRIES IN J&K**

	1980	1990	2000	2005	2010
■ Employment(No.Of Persons)	18396	46241	67433	46539	9020

TABLE 7: TABLE SHOWING VALUE OF t-TEST

Employment generation of Khadi and Village Industries	D.f	Mean	S.D	variance	Std.Error
	4	3.752	2.36	5.57	1.056
	Value for t = 3.554				
	Significance level 95%				

Table 7 presents the values of S.D and Variance which are 2.36 and 5.57 respectively and the calculated value of "t" for employment generation data of K&VI in the state of Jammu and Kashmir. The value for "t" is 3.554. However, the calculated value of "t" at 95% significance level and 9 df is 2.262, which means that calculated value of "t" is greater than table value hence:

Hypothesis 3 already set is also rejected which means there is significant impact of Khadi and Village industries in the employment generation in the state of Jammu and Kashmir.

VI. SUMMARY AND CONCLUSION

A close study of performance of Khadi and village industries in the state economy from 1980 to 2005 and then from 2005 to 2010, which is around a period of 30 years reveals that up to 2006 production, sales and contribution in terms of providing wages all the three has shown increasing trend. In the year 1980 the production was of worth Rs 426.72 Lakhs, the sales for the same year was Rs. 448.06 Lakhs and the sector provided the wages worth Rs 109.10 Lakhs. These figures have gone upto Rs. 18464.83 Lakhs (production), Rs. 22107.57 Lakhs (Sales), Rs. 8300.72 Lakhs (Wages) in the year 2006. When we analyse the performance after 26 years the production has gone upto Rs 18464.83 Lakhs, the sales have gone upto Rs 22107.57 Lakhs and the wages gone upto Rs. 8300.72 Lakhs, but from year 2007 to 2009 onwards a sharp decline in all the three parameters viz: production, sales and wages though in the year 2010 we see again recovery. The production, sales and wages are inter-related with each other and all the three impact the employment generation when from 2006 onwards there is decline in the already stated parameters that negatively impacted employment provided by Khadi and Village Industries this can be seen from the fact that in the year 2005 the industry provided employment to 46539 persons but it declined to 9020 persons in the year 2010 which is a matter of great concern. Graph 3 clearly present the picture of decline on account of production, sales, and wages in the Khadi & Village Industries from 2007 but showing recovery in the year 2010.

The present study also makes it clear that the variance calculated for production, sales and employment data pertaining to Khadi and Village Industries comes to 2.74, 3.68, and 5.57 respectively which mean there is highest volatility in employment generation followed by sales and production respectively. Therefore, production of K&VI is more consistent in comparison to sales and employment generation. Thus it can be concluded that if employment generation of the industry has to be increased then production and sales compulsorily has to be increased for which following suggestions are forwarded:

❖ Use of modern methods and technology to increase production.
❖ Dynamic entrepreneurs to invest in such industries and start ventures.
❖ Political will to bring the industry on track.
❖ Government to provide financial and technical support.
❖ Provide adequate training for enhancing the skill of people engaged in such industries.
❖ Provide market facilities for the output of K&VI.

GRAPH 3: KHADI AND VILLAGE INDUSTRIES PRODUCTION, SALES AND WAGES FROM 2000 TO 2010 (In Lakhs)
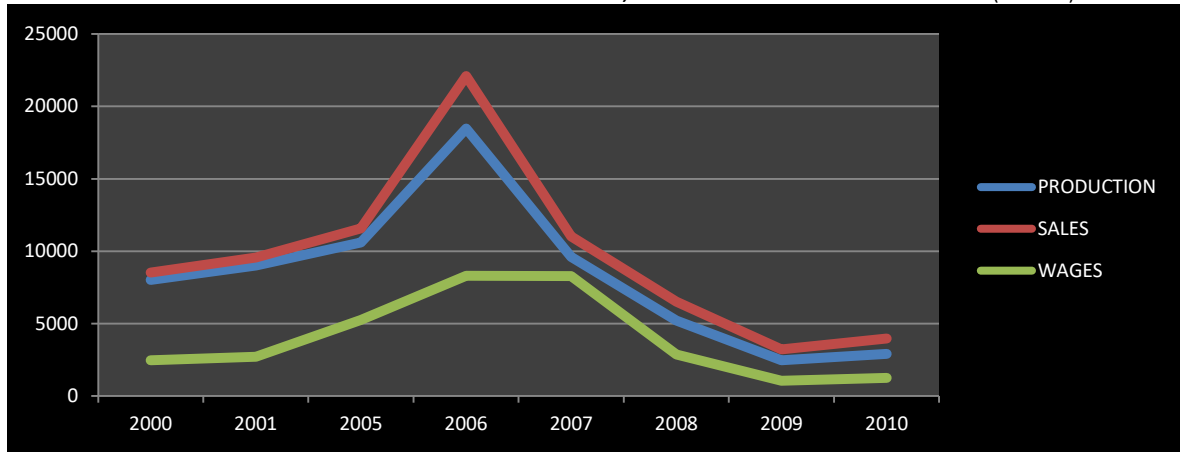
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IMPACT OF FOREIGN INSTITUTIONAL INVESTMENTS ON NATIONAL STOCK EXCHANGE

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ABSTRACT

Indian economy has been one of the stars of global economy in recent years. The foreign institutional investment [FIIs] has emerged as noteworthy players in the Indian stock market and their growing contribution adds as important features of the development of stock market in India. This study has conducted to examine the influence of Foreign Institutional Investment on the different Sectoral Indices of National Stock Exchange. For this purpose, the data from January 2008 to June 2014 is analyzed with the help of regression model on SPSS. Besides this Granger Causality test has also used for testing the causal relationship between National Stock Exchange and Foreign Institutional Investments. It is concluded that FIIs have a significant impact on the NSE, although the degree of influence is not much high on NSE Sectoral Indices.

KEYWORDS
FII flow, National Stock Exchange, NSE sectoral indices.

INTRODUCTION

Indian economy has been one of the prominent economies in the world. This growth has been supported by market reforms, huge inflows of FIIs, real estate booms and a flourishing capital market. Generally, a strong financial system is needed for strengthening the economy of our country. During liberalization, the one of the important thing was the opening of Indian markets for foreign investment. This market access to the foreign investors was made an important contribution in improving the capital flow of our country. FIIs play an imperative role for developing as well as enhancing the Indian stock market.

FOREIGN INSTITUTIONAL INVESTMENT

FII is defined as an investment into the Indian securities market by the foreign investors under the regulations of Security Exchange Board of India. Institutional investors are organizations, which pool large sums of money and invest those sums in securities, real property and other investment assets in another country. These FIIs are controlled by the Reserve Bank of India (RBI). Foreign Institutional investments are made for short term period, so this money is also termed as 'Hot Money', because any time this money can be invested or withdrawn. FII can be categorized as mutual funds, investment companies, pension funds and insurance houses etc. The entrance of FIIs in India, was allowed by the recommendations of Narsimhan committee Report on Financial system but that time there were not any type of suggested policies for FIIs. During budget presentation in 1992-93, Dr. Manmohan Singh (The Finance Minister) had announced the proposal regarding remarkable channels for foreign investments like pension funds etc. There is no doubt that FIIs are the biggest market holder in India that dominate the market by holding significant portion of the free float. There are lots of Indian companies which are preferred by the FIIs to invest in. Infosys, HDFC, HDFC Bank, Asian Paints are some of the darling companies of FIIs….
India is world's third largest tech start-up hub in terms of number of technology-driven start-ups, after the US and the UK, according to a report by The Associated Chambers of Commerce of India in association with Thought Arbitrage Research Institute. India's tech start-ups numbered around 4,200 in 2015.

INVESTMENT LIMITS FOR FIIs

As per RBI policy- The ceiling for overall investment for FIIs is 24% of the paid up capital of the Indian company and 10% for NRIs/PIOs. The limit is 20% of the paid up capital in case of public sector banks, including the State Bank of India

TABLE 1: NUMBER OF REGISTERED FIIs

Year	No of registered FII in India
2008	1279
2009	1609
2010	1697
2011	1,767
2012	1,759
2013	1742

Source: www.sebi.gov.in

FII's net investments in Indian equities and debt have touched record highs in the past financial year. FIIs net investments stood at Rs 18,106 crore (US$ 2.68 billion) in March 2016, out of which Rs 16,731 crore (US$ 2.48 billion) was invested in equities and Rs 1,375 crore (US$ 203.83 million) was invested in debt.

NATIONAL STOCK EXCHANGE (NSE)

NSE was set up for providing a modern, fully automated screen-based trading system with national reach. NSE has played a catalytic role in reforming the Indian securities market in terms of microstructure, market practices and trading volumes. NSE was promoted by leading financial Institutions at the behest of the government of India and was incorporated on November 1992 as tax paying company. It is Located in Mumbai. It has market capitalization of US $1.65 trillion and around 1,696 companies are listed on NSE (as on July 2013). NSE have three broad Indices i.e. CNX Nifty, CNX Nifty Junior and CNX 500. The managing director and CEO is Ms. Chitra Ramakrishna. The **CNX Nifty** is a well diversified 50 stock index in National Stock Exchange [NSE]. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds. CNX Nifty is owned and managed by India Index Services and Products Ltd. (IISL). IISL is India's first specialized company focused upon the index as a core product.
SECTOR INDICES: there total 12 Sectoral indices under CNX Nifty i.e. CNX auto index, CNX bank index, CNX energy index, CNX finance index, CNX FMCGs index, CNX media index, CNX metal index, CNX realty index, CNX It index, CNX PSU index, CNX petrochemical index, CNX pharma index and Nifty 500 industry indices. First 11 sector indices are taken for analysis. Brief explanation of these Sectoral indices are given through Table 1 (Annexure)

REVIEW OF LITERATURE

Srinivasan Kalaivani (2014), explored the determinants of foreign institutional investments in India through the Autoregressive Distributed Lag (ARDL) bounds testing approach. Using quarterly time series data, the empirical analysis was carried out for the period from January 2004 to December 2011. Their study concluded that exchange rate has significant negative impact on FII inflows both in the short-run and long-run.
Kumar Venkateswara K.S. &Rama Devi V. (2013), examines the relationship and impact of FDI &FII on Indian stock market using statistical measures correlation coefficient and multi regression for 12 years data starting from 2001 to 2012. **Loomba Jatinder** (2013), studied by using daily data on BSE Sensex and FII activity

over a period of 10 years spanning from 01st Jan 2001 to 31st Dec 2011. It provides the evidence of significant positive correlation between FII activity and effects on Indian Capital Market.

Kulwant raj Bindu N. (2004), found out the determinants responsible for the flow of FIIs and their degree of impact. With the help of monthly data they concluded that FII inflow depends on stock market returns and inflation rates. **Chakrabarti and Vimal** (2001), concluded that in the pre-Asian crisis period any change in FII was found to have a positive impact on the equity returns, whereas in the post- Asian crisis the reverse relationship was noticed.

STATEMENT OF THE PROBLEM

Due to the global integration, capital started flowing freely across the world in quest of higher return. FIIs holds a strong position in the Indian market and influence it greatly. After studying the numbers of research papers, which have been done with regard to FII policy effect on the Indian capital market, determinates for FIIs, effect of FIIs on Indian market, relationship of FIIs and FDI etc., one question is raised in my mind that is the volatility of the different Nifty Sectoral Indices inflicted by FII flows? So this study is conducted to analyze the impact of FIIs flow on different Nifty Sectoral Indices.

OBJECTIVES OF THE STUDY

1. Examine the volatility due to FIIs in Nifty Sectoral Indices.
2. To analyze the interrelationship between foreign institutional investments (FII) and National stock exchange (NSE).

HYPOTHESIS OF THE STUDY

H0: there is no significant casual relation in the mean of FII flows and different Nifty Sectoral Indices.
H1: there is significant casual relation in the mean of FII flows and different Nifty Sectoral Indices.

RESEARCH METHODOLOGY

For completing the first objective, regression model is used for analyzing the Volatility due to FII flows in Nifty Sectoral Indices. For this purpose, the daily basis, data (from Jan. 2012 to Jun 2014) of all 11 Sectoral indices has been compiled from the NSE site and converted into monthly data series. The data of FII flows are collected from the www.moneycontrol.com. Regression model is separately used on all selected sectors of NSE. The regression equation is: y= a+bx (where y is dependent variables i.e. 11 sectors of NSE and x is independent variable i.e. FII flows). Bi-directional relationship is examined by using Granger Causality Test on the monthly data of NSE closing price and FII flows from Jan. 2008 to Jun 2014. For analyzing, the rate of % change is calculated from both series data.

For achieving the second objective, Granger Causality test is used to find out the cause and effect relationship between the variables. In this study to identify the interrelationship between the FII and NSE, Granger Causality test has been applied with the help of E Views software. For this the monthly data of CNX Nifty Indices and FII Flow are extracted from NSE Site and RBI Site. The data are taken from Jan 2008 to Jun 2014. For applying the causality test, the percentage rate of change of both series has calculated.

RESULTS & DISCUSSION

FIRST OBJECTIVE

For analyzing the volatility in Nifty Sectoral Indexes due to the foreign institutional investments, regression tool is used with the help of SPSS on the monthly data of FIIs flow and Nifty Sectoral indices. Results are presented through the Table 2. Interpretations are given in following way:

CNX bank index has positive correlation of 0.208 with the FII Flow. The unstandardized Beta is 0.001, it refers that if FII Flow increase by 1, the dependent variable will change in the multiple of this slope value. The standardized Beta is 0.372, it is less than 1. It interpreted that the dependent series is less volatile in comparison to the independent variable. The t-test results of **CNX Auto index** interpreted that at 5% level of significance, these coefficients are not good estimators, because the p value is more than the 0.05. Although this sector has positive correlation with FII flows, but the degree of correlation is not strong. Its standardize Beta is less than 1, it refers that CNX Auto index is less volatile in comparison to the independent variable (FIIs). **CNX Energy index** has positive correlation of 0.15. FII flow explains around 40% variances in CNX Energy Indices. According to the t-test results the p value is more than 0.05 at 95% level of confidence, it refers that these all coefficients are not good estimators. The standardized Beta is less than 1, it refers that the independent variables are more volatile than the dependent variable. In case of **CNX Finance**, FII Flow explains only 6% variances in the dependent variable i.e. CNX Finance Index of NSE. It has positive correlation with FII Flow. Any change in FIIs will make change in this index in the multiple of 0.001. the standardized Beta is less than the 1, it means the dependent variable is less volatile in comparison to the independent variable i.e. FII Flow.

CNX FMCG Index has positive correlation with FII Flow, but the degree of this correlation is very low. The slope of these Indices is also negative. It means that if FIIs increase by one, the CNX FMCG Index will decrease in the multiple of 0.001. It also interpreted the lesser influence of FIIs on the dependent variable i.e. CNX FMCG. The p value of ANOVA table is more than 0.05 at 5% level of significance that refers that this model is not good predictor. **CNX IT** Index has positive but very less degree of correlation with the FII Flow. The standardized Beta of CNX IT Index is.211 i.e. less than 1, it refers that the dependent variable (CNX IT Index) is less volatile than the independent variable (FII Flow). The p value of t-test is greater than 0.05 at 95% level of confidence; it means that these coefficients are not good estimators. The R square value explains that the independent value explains only 5% variances in the dependent variable, remaining are occurred because of other external variables. The standardized Beta of **CNX Media** is less than 1 (0.564< 1), it refers that the CNX Media Index is less volatile than the independent variable (FII Flow). This index has positive correlation with the independent variable (FII Flows), but the degree of correlation is very less. The p value is shown in the ANOVA table is more than 0.05 at 5% level of significance, it means that the used model is not a good predictor. **CNX Metal** has positive, but very low degree of correlation with FII Flow. It has negative slope. It means that if there is any change in FII Flow, there will be negative change in the CNX Metal in the multiple of 0.008. The results of t-test show the highest p value i.e. more than 0.05 at 5% level of significance. It interprets that these coefficients are not good predictors. The standardize beta of this indices are less than 1, it means that the dependent variables are less volatile in comparison to the independent variables. **The CNX Pharma** has positive correlation with the FII Flow. The p value of t-test is higher than the 0.05 like the above sectors, it means that the calculated coefficients are not good estimators. R square refers that only 4.4% variances are explained by the FII Flow in the dependent variables (CNX Pharma). The above graph shows that the variables have less linear relationship. The standardize Beta of **CNX PSU Bank** is less than 1, hence the dependent variable (CNX PSU Bank) is less volatile than the independent variable (FII Flows). CNX PSU Bank has positive correlation with the independent variable, it means that this sector has the influence of FII, but the degree of correlation is very low. The p value shown in the ANOVA table is more than 0.05 at 95% level of confidence, it refers that the used model is not good predictor. The **CNX Realty** has positive correlation with FII Flow. Although it is only moderate degree of correlation but this degree is higher than the above sectors. The result of t-test gives the p value of 0.481 that is not less than 0.05 at 5% level of significance, it means that these coefficients are not good estimators. The graph shows that the values of dependent variables are not frame the linear trend line.

From the above analysis, it is revealed that although all Sectoral indices have positive correlation with the independent variable i.e. FIIs. It means that FIIs have influence over all Sectoral indices, but this degree of correlation is not much strong. Thus, it can be concluded that FII Flow has very less degree of influence on the different Sectoral indices of NSE.

SECOND OBJECTIVE

The results are as following:

TABLE 1

Pair wise Granger Causality Tests			
Sample: 2008M01 2014M06			
Lags: 1			
Null Hypothesis:	Obs	F-Statistic	Prob.
NSE does not Granger Cause FII	77	0.44032	0.5090
FII does not Granger Cause NSE		6.89997	0.0105

INTERPRETATION

The first hypothesis i.e. NSE does not granger cause FII, is accepted as the p value is more than 0.05, whereas the second hypothesis, FII does not granger cause the NSE is rejected because the p value is less than the 0.05. These both hypotheses are tested at 5% level of significance. Thus, NSE does not have any effect in FII Flows, but FII Flows have the effect in NSE. In other words, FII Flow significantly influences to the NSE.

Although all Sectoral indices have positive correlation with FII Flow, but the indices of Media, Finance, IT, Bank and Pharma sectors have comparatively higher degree of correlation. The R Square value of Media, Finance, Bank, IT and Pharma indices are more in comparison to other Sectoral indices. It means the independent variable (FII Flow) explains more variances in these sectors. CNX Metal has highest Standard Error, it interprets, the more deviation from mean value and there is high error in its' linear relationship. The value of standardized Beta of almost all Sectoral indices are less than one, it reveals that the dependent variables (NSE Sectoral Indices) are less volatile than the independent variables (FII Flow). The p value from ANOVA table of almost all Sectoral indices are more than the value 0.05 at 95% level of confidence, it means that the used model is not the good predictor. The reason is that the existing environment is very volatile in nature and it is not possible to cover all variables of the environment. The stock market is very sensitive in nature and change frequently. Granger Causality test refers that NSE does not have any effect in FII Flows, but FII Flows has the effect in NSE.

CONCLUSION

Although the options for external finance in domestic manner are in limited number in many countries, still due to the globalization and liberalization the channel for foreign capital has been opened. This capital is helpful in facilitating for the development of the financial system of any country, especially for the emerging markets. From the above analysis, it can be concluded that FII flow has a major impact on the NSE, although the degree of influence is not much higher on NSE Sectoral Indices. This signifies that market rises with increase in FII's and collapse when FII's are withdrawn from the market**.** As shown in the results, there is a positive correlation between various NSE stock indices and FIIs, but the degree of correlation is not strong in any case for the period ranging from January 2008 to June 2014. It shows the existence of a weak relation between FII and various Sectoral indices. The reason of weak relation is the presence of other external as well as internal factors in the market like change in political structure, government policies, inflation, changes in investment policies and market conditions etc. these factors increase the volatility rate in the stock market. Anisha Damania, (head of institutional equities at IDFC Securities) said that the inflows have largely come from funds with broader mandates rather than those with a country-specific focus. A large amount of this money has come from regional and global funds. India funds have been under pressure, and facing redemptions. They have been hit by the depreciation in the rupee and so their assets under management has also shrunk.

Now the Government of India has accepted the recommendation of A.P. Shah Committee to not impose Minimum Alternate Tax (MAT) on overseas portfolio investors retrospectively for the years prior to April 01, 2015, thereby providing significant relief to foreign portfolio investors (FPIs). The Reserve Bank of India has stated that it will promote FIIs in India by simplifying processes and creating an enabling framework for receiving foreign venture capital, in line with the Government of India's 'Start-up India' initiative. Thus India is being viewed as a potential opportunity by investors, with the economy having the capacity to grow tremendously. Buoyed by strong support from the government, FIIs investments have been strong and are expected to continue to improve going forward.

LIMITATIONS OF THE STUDY

1. The stock market is very sensitive in nature. Since there are number of the fluctuations in the FIIs data series, thus the daily data would be more authentic for analysis but the daily data was not available.
2. The duration for conducting the study is too short.

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ANNEXURE

TABLE 1

	Name of NSE Sectoral indices	% of free float market capitalization of the NSE stock listed	% of free float market capitalization of the concerning sector stock	Number of included stocks in concerning sector	Base date for Index computation to base value 1000
1.	Nifty Auto Index	8.6%	91.1%	15 stocks	Jan 1, 2004
2.	Nifty Bank Index	15.6%	93.3%	12 stocks	Jan 1, 2000
3.	Nifty Financial Services Index	19.2%	75.8%	15 stocks	Jan 1, 2004
4.	Nifty FMCG Index	8.6%	80.4%	15 stocks	Dec, 1995
5.	Nifty IT index	12.15%	91.9%	10 stocks	Jan 1, 1996
6.	Nifty Media Index	NA	72.8%	15 stocks	Dec 30, 2005
7.	Nifty Metal Index	2.6%	87.9%	15 stocks	Jan 1, 2004
8.	Nifty Pharma Index	6.1%	79.95%	NA	Oct, 11, 2010
9.	Nifty Private Bank Index	13.9%	97.7%	10 stocks	Apr. 1, 2005
10.	Nifty PSU Index	2.3%	91.1%	NA	Jan., 2004
11.	Nifty Realty Index	0.4%	71.1%	NA	Dec 29, 2006

TABLE 2

SECTORS	R	R²	SLOPE	ANOVA RESULT (p value)
Bank	.208	.043	.001	.280
Automobile	.001	.001	4.8	0.9
Energy	.149	.022	.001	.442
Finance	.239	.057	.001	.212
FMCG	.145	.021	.001	.459
Information Technology	.211	.045	.001	.271
Media	.364	.133	.001	.052
Metal	.032	.001	-0.008	.869
Pharmaceutical	.210	.044	.001	.274
PSU Bank	.078	.006	.001	.687
Realty	.136	.019	.001	.481

Source: table prepared on the basis of results calculated by SPSS.

PERFORMANCE OF LIFE INSURANCE INTERMEDIARIES IN INDIA AND THE NEED FOR INSURANCE MARKETING FIRMS (IMFs)

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ABSTRACT
Life insurance industry has always been a major buzz creator in India. It has seen many changes since its inception from nationalization to liberalization it has seen it all. Market has become dynamic with time in this case intermediaries play a very important role in fetching up the business. And every life insurer is trying to tap the market and potential policyholders as much as possible, with the help of its intermediaries. Thus this paper aims at analyzing the performance of different intermediaries in life insurance industry as well as analyzing the position of Indian life insurance sector in the world economy (Asian countries) in terms of penetration and density and discussing the new concept of IMFs in India as the need for boosting up the distribution channel has been felt by the insurers as the performance has not been so satisfactory in the previous half decade.

KEYWORDS
penetration, density, IMF.

INTRODUCTION
According to the 'World Insurance in 2014' report published by reinsurance major Swiss Re, the economic environment for insurers improved only marginally in 2014, as global real gross domestic product (GDP) rose by 2.7%, near the 10-year annual growth rate average of 2.8%. Globally, the share of life insurance business in total premium was 55.55 per cent. However, the share of life insurance business for India was very high at 79.12 per cent while the share of non-life insurance business was small at 20.88 per cent. In life insurance business, India is ranked 11 among the 88 countries, for which data is published by Swiss Re. India's share in global life insurance market was 2.08 per cent during 2014. However, during 2014, the life insurance premium in India increased by 1.0 per cent (inflation adjusted) when global life insurance premium increased by 4.3 percent.

Insurance industry has always been intermediaries driven i.e. it depends totally on its marketing intermediaries in bringing up the business. The success of life insurance business is largely vested on them. After opening up of the insurance sector for the private and foreign players by IRDA in 2000 many advancements have taken place in development of the intermediaries for steady flow of business earlier only individual agents used to be responsible for bringing up the business but later on bancassurance, brokers, corporate agents also came into picture which strengthened the base of life insurance business in India. And to expand the business further IRDA is proving licenses to Insurance marketing firms as well. The role played in life insurance and personal insurance by the agents is far greater than in commercial, property and liability insurance which is by and large availed by corporate. Now let's throw a light on types on intermediaries operating in Indian life insurance industry.

LIFE INSURANCE INTERMEDIARIES

FIG. 1
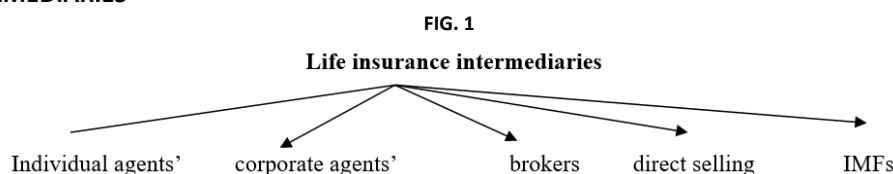
Other than this there are MI agents and common service centers as well.

Individual agents are the licensed agents by IRDA whereas the corporate agents can be banks, firms, companies registered under company's act 1956, RRBs, Co-operatives, panchayats and NGOs approved by IRDA. Brokers are different from agents as they can sell the policies of many insurance companies to the policy-holders and they are categorized as direct brokers, reinsurance brokers and composite brokers. IMFs i.e. Insurance marketing firms are the newest branch of insurance intermediaries as IRDA has started allowing licenses from 2015 itself. All the efforts are taken to increase the business and taping the potential policy-holders which can be ultimately observed on insurance penetration and density which sees whether the insurance industry is able to cover the nation against the risks or not.

LITERATURE REVIEW
Sumninder Kaur Bawa & Samiya Chattha (2016) studied the efficiency of each life insurance intermediary working in the industry and also measured the growth and performance and found out the the individual agents are fetching the most business.

Sreedevi Lakshmikutty and Sridharan Baskari (*2006)* stated the importance of every distribution channels and how every channel is important for the industry ansd also stated that every intermediary can't work profitably due to vast economic, social, cultural and geographical differences.

J. David Cummins, Neil A. Doherty (2005) canvassed the economic functions of the insurance intermediaries and also studies the compensation arrangements of various individual intermediaries.

Aditya Nath Jha (2014) emphasized on the need of development of better distribution channels for the life insurance industry.

Viswanathan (2006), Lakshmikutty and Baskar (2006) highlighted that the ultimate success of marketing of insurance channels depends on matching the right segment of customer with the right products at the right time with right distribution channel

Govardhan (2008) stated that an effective growth of business ultimately depends on the performance of various distribution channels. The study asserted that each distribution channel had been performing at its best in one way or another. Among the array of distribution channels, time tested channel had a long way to achieve success in emerging markets of insurance business.

Majumdar (2010) made a conceptual analysis of different situation where the performance of distribution channels could be profitable. The study disclosed that although agents had brought maximum business to the life insurance industry through the business underwritten, but the bancassurance channel was regarded as an upcoming channel in terms of its growth and productivity.

RESEARCH METHODOLOGY

The performance has been evaluated on the basis of new polices and new schemes sold by the various intermediaries during the period of 5 years i.e. 2010-11 to 2014-15. And after that India's position in global scenario Asian counties has been assessed in terms of penetration and density and the concept of IMFs has been discussed theoretically. For this purpose, percentages and trend analysis has been used and for the trend analysis percentage proportions have been taken.

ANALYSIS OF PERFORMANCE OF INTERMEDIARIES IN TERMS OF POLICIES SOLD (INDIVIDUAL) AND NUMBER OF LIVES COVERED (GROUP)

NEW POLICIES SOLD (INDIVIDUAL)

The number of new polices sold are the important indicators in the growth of any insurance business and in also shows that how many new policyholders are buying the policies every year. In the table 1 number of new policies sold by every intermediary has been shown and it has been observed that every intermediary is showing a decline in number of new polices sold from the previous year even the total number of new polices sold is showing a declining trend from the last 5 years (y_c=20+(-2.40)*x shows that the number of polices has decreased at the average rate of 2.40% during the period of 5 years). And on observing table 1 it can be seen that the individual agents have most proportion in the business contributed over the period of time.

NEW POLICIES SOLD (INDIVIDUAL)

TABLE 1

Year	individual agents	corporate agents(banks)	corporate agents others	brokers	direct selling	total
2010-11	41581811	1936562	2988481	511388	1088426	48106668
Growth from previous year	-7.67%	-7.09%	-21.76%	16.38%	-40.01%	-9.565%
2011-12	39103141	2180018	1588650	476054	812478	44160341
Growth from previous year	-5.96%	12.57%	-46.84%	-6.90%	-25.35%	-8.203%
2012-13	39370820	2454767	1093960	427151	809926	44156624
Growth from previous year	0.68%	12.60%	-31.13%	-10.27%	-0.31%	-.008%
2013-14	36792083	2327836	701276	315769	698100	40835064
Growth from previous year	-6.54%	-5.17%	-35.89%	-26.07%	-13.80%	-7.522%
2014-15	21654232	2414000	393200	256740	666858	25385030
Growth from previous year	-41.14%	3.70%	-43.93%	-18.69%	-4.47%	-37.83%

Source: Hand book on Indian insurance statistics (2014-15)

TREND OF NEW POLICIES SOLD

TABLE 2

year	Total policies sold	Proportion of new polices	trend
2010-11	48106668	23.73953	24.8
2011-12	44160341	21.79211	22.4
2012-13	44156624	21.79027	20
2013-14	40835064	20.15116	17.6
2014-15	25385030	12.52693	15.2
total	202643727	100	100
			A=20
			B=-2.40

CONTRIBUTION BY EACH INTERMEDIARY

TABLE 3 (in %)

Year	individual agents	corporate agents(banks)	corporate agents others	brokers	direct selling	total
2010-11	86.44	4.03	6.21	1.06	2.26	100
2011-12	88.55	4.94	3.6	1.08	1.84	100
2012-13	89.17	5.55	2.48	0.97	1.83	100
2013-14	90.1	5.7	1.71	0.77	1.71	100
2014-15	83.71	9.33	1.52	0.99	2.58	100

Source: Hand book on Indian insurance statistics (2014-15)

NUMBER OF LIVES COVERED (GROUP)

In group insurance number of lives covered are considered instead of number of polices sold because unlike individual insurance group insurance has more than one person insured analysis this we can get the information about that each year how many lives are getting secured and how many people are availing the benefits of insurance. From table 4 it has been observed that the intermediaries have shown positive growth as compared to last year unlike individual insurance not only this the total number of lives covered has seen a positive growth (trend line being y_c=20+2.394*x shows that the total lives covered under group insurance has increased at the average rate of 2.394% during the period of 5 years). On observing table number 6 it is easily visible that the group policies are sold mainly by the direct selling instead of individual agents or any other intermediaries.

NUMBER OF LIVES COVERED (GROUP)

TABLE 4

year	individual agents	corporate agents(banks)	corporate agents others	brokers	direct selling	total
2010-11	3435632	4651600	6735374	4657417	63752022	83232045
Growth from previous year	-61.80%	293.75%	3.00%	-5.47%	7.963%	3.14%
2011-12	8703095	2618616	1143544	2370781	51877235	66713271
Growth from previous year	153.31%	-43.70%	-83.02%	-49.09%	-18.62%	-19.84%
2012-13	11626637	2698080	6281462	2296292	55214205	78116676
Growth from previous year	33.59%	3.03%	449.29%	-3.14%	6.43%	17.09%
2013-14	11644649	3282246	4621554	3793588	70669931	94011968
Growth from previous year	0.15%	21.65%	-26.42%	65.204%	27.99%	20.34%
2014-15	6934791	4485704	34022937	5537280	71855360	122861373
Growth from previous year	-40.44%	36.66%	636.17%	45.96%	1.677%	30.68%

Source: Hand book on Indian insurance statistics (2014-15)

TREND OF NUMBER OF LIVES COVERED

TABLE 5

year	Total	% prop of total lives insured	trend
2010-11	83232045	18.70655	15.212
2011-12	66713271	14.99393	17.606
2012-13	78116676	17.55686	20
2013-14	94011968	21.12936	22.394
2014-15	122861373	27.61331	24.788
total	444935333	100	100
			A=20
			B=2.394

CONTRIBUTION BY EACH INTERMEDIARY

TABLE 6 (in %)

year	individual agents	corporate agents(banks)	corporate agents others	brokers	direct selling	total
2010-11	4.13	5.59	8.09	5.6	76.6	100
2011-12	13.05	3.93	1.71	3.55	77.6	100
2012-13	14.88	3.45	8.04	2.94	70.68	100
2013-14	12.39	3.49	4.92	4.04	75.17	100
2014-15	5.64	3.65	27.69	4.51	58.48	100

INSURANCE PENETRATION AND DENSITY

Insurance penetration and insurance density are the capable indicator of the growth in the industry. Insurance penetration refers to percentage of insurance premium to GDP (expressed in %) whereas insurance density is the ratio of premium to population (per capita premium) expressed in USD.

TABLE 7

Year	Insurance penetration (%)	insurance density (USD)
2000-01	1.39	6.1
2001-02	2.15	9.1
2002-03	2.59	11.7
2003-04	2.26	12.9
2004-05	2.53	15.7
2005-06	2.53	18.3
2006-07	4.1	33.2
2007-08	4	40.4
2008-09	4	41.2
2009-10	4.6	47.7
2010-11	4.4	55.7
2011-12	3.4	49
2012-13	3.17	42.7
2013-14	3.1	41
2014-15	2.6	44

Source: Hand book on Indian insurance statistics (2014-15)

AS shown in the table and the chart during the first decade of the deregulated insurance industry insurance penetration has gone up by 2.15% (2000) to 4.4% (2010). After this the penetration has been decreasing since then and has reached to 2.6 (2015) which is the lowest in these 15 years. whereas, insurance density also had an impeccable growth since de-regulation, i.e. 9.1 USD (2000) to 55.7 USD (2010) after this it has fallen and reached to 44 USD in the year 2014-15. Which shown that the first decade after the de-regulation was the golden decade as the insurance industry has flourished in leaps and bounds. This infers that the Indian Government as well as the insurance companies shall take instrumental steps in developing the life insurance industry in India as it's by far one of the most potential industries as it mobilizes savings effectively along with proving a risk cover

INTERNATIONAL COMPARISON OF PENETRATION AND DENSITY (ASIAN COUNTRIES)

TABLE 8

countries\year	Penetration (in %)				Density (in US Dollars)			
	2010-11	2011-12	2012-13	2013-14	2010-11	2011-12	2012-13	2013-14
Hong kong	10.1	11.2	11.7	12.7	3442	4024	4445	5071
India	**3.4**	**3.17**	**3.1**	**2.6**	**49**	**42.7**	**41**	**44**
Japan	8.8	9.17	808	8.4	4138	4142.5	3346	2926
Malaysia	3.3	3.08	3.2	3.1	328	329.9	341	338
Pakistan	0.4	0.43	0.5	0.5	4	5.3	6	7
PR China	1.8	1.7	1.6	1.7	99	102.9	110	127
Singapore	4.3	4.43	4.4	5	2296	2471.8	2388	2840
south Korea	7	6.87	7.5	7.2	1615	1578.1	1816	2014
Sri lanka	0.6	0.54	0.5	0.5	15	14.8	16	17
Taiwan	13.9	15.03	14.5	15.6	2757	3107.1	3204	3371
Thailand	2.7	2.95	3.8	3.6	134	156.5	310	198

Source: Hand book on Indian insurance statistics (2014-15) and various issues of swiss re.

It's clearly visible from the table that India is lagging behind many Asian countries in terms of penetration and density as well as we can see here Taiwan tops the list with maximum penetration over the year whereas Hong Kong tops the list in terms of density but India performs poorly in terms of both.

As observed in all the tables and various data that despite so many intermediaries in the life insurance sector each working towards expanding the life insurance business to its best individual life insurance policies sold has seen a declining trend over the period of 5 years not only this all the intermediaries has seen the decrease in business as compared to the last year and not only this insurance penetration and density is not that satisfactory and still many potential policy holders lie in the nooks and corners of the country who are unable to enjoy the benefits of insurance due to lack of information and reach thus realizing this Life Insurance Council, the industry body of life insurers in India is currently actively assisting Insurance Regulatory & Development Authority (IRDA)'s innovative initiative of entrepreneur driven alternative distribution channel – the creation of 'Insurance Marketing Firms' (IMFs), with an objective to bring Insurance at the doorstep of

the customer, and this in turn would help Life Insurance industry attain greater heights Now let's throw some light on what IMFs are and how it will be helpful in increasing the business.

INSURANCE MARKETING FIRMS

IRDA started giving licenses to the insurance marketing firms from the year 2015 in order to boost the insurance business across the country. They are basically entrepreneur driven firms aimed at selling the insurance product to different strata of society. The Insurance Regulatory and Development Authority of India (IRDAI) has allowed insurance marketing firms to solicit and procure products of two lives, two general and two health insurance companies, through salespersons. The firms would also have financial service executives (FSEs) who would be able to distribute any product.

It works in accordance with the norms and regulations laid down by IRDA like other intermediaries. IRDA has laid down many regulations for IMFs right from its registration from working to the minimum capital requirement s and the eligibility of its employees below are the few regulations related to IMFs.

- IMFs should follow the proper procedure related to registration in IRDA in order to carry on business.
- Registration of Insurance Marketing Firm by engaging ISP for the purpose of soliciting and procuring Insurance Products of two Life, two General and two Health Insurance companies at any point of time, under intimation to the Authority. Provided that in respect of general insurance, the Insurance Marketing Firm shall be allowed to solicit or procure only retail lines of insurance products as given in the file & use guidelines namely motor, health, personal accident, householders, shopkeepers and such other insurance products approved by the Authority from time to time. Provided further that any change in the engagement with the insurance companies shall be done only with the prior approval of the Authority and with suitable arrangements for servicing existing policyholders.
- They can take up insurance services activities as listed by IRDA.
- ➢ Undertaking back office activities of insurers as allowed in the Guidelines on Outsourcing Activities by Insurance Companies issued by the Authority.
- ➢ Becoming approved person of Insurance Repositories.
- ➢ undertaking survey and loss assessment work by employing on their rolls licensed surveyor & loss assessors
- ➢ Any other insurance related activity permitted by the Authority from time to time.
- Products that can be marketed are.
- ➢ Mutual funds of mutual fund companies regulated by SEBI.
- ➢ Pension products regulated by PFRDA.
- ➢ Other financial products distributed by SEBI licensed Investment Advisors.
- ➢ Banking/ financial products of banks/ NBFC regulated by RBI.
- ➢ Non-insurance products offered by Department of Posts, Government of India.
- ➢ Any other financial product or activity permitted by the Authority from time to time.
- The Applicant shall have a net worth of not less than ten lakh rupees
- The Applicant shall ensure that the net worth is maintained at all times and Insurance Marketing Firm shall submit a certificate duly certified by a chartered accountant to this effect annually within three months from the close of the financial year.
- The aggregate holdings of equity shares or contribution of the Insurance Marketing Firm by a foreign investor, including portfolio investors, do not exceed forty-nine per cent of paid up equity capital or contribution of the Insurance Marketing Firm at any time. For the purposes of these regulations, the calculations of foreign investment shall be made in the same manner as specified in the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000 for an insurer, as amended from time to time.
- The Insurance Marketing Firm shall designate a Principal Officer who shall be the overall in charge and shall be responsible for regulatory compliance to the Authority.
- The eligibility criteria training and examination procedure for the principle officer is mentioned by IRDA.

Rest of the regulations are mentioned in the THE GAZETTE OF INDIA: EXTRAORDINARY

Currently as on 31.08.2016 34 IMFs are working in the life insurance industry.

CONCLUSION

The IMFs is yet another significant step in reaching out to large retail customer base with need based Insurance solution, after the new product guidelines of IRDA came into existence from January 1, 2015 which has enabled the launch of almost 375 products by Insurers, to Indian life insurance customers. This is looked upon as the most ambitious intermediary as observed in the study that the insurance industry has not prospered well in the last 5 years in case of individual industry and the individual agents are bringing most of the business whereas, in group insurance direct selling is proving covers to most of the policyholders. To have a better position in the global market in terms of penetration and density India needs to improve its distribution channel a s result of which IMFs has emerged. Results of which will soon be visible in the later 2, 3 years.

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FINANCIAL INCLUSION OPPORTUNITIES AND CHALLENGES FOR INDIA

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ABSTRACT

The banking industry in India has undergone dramatic changes. Previously the banks would target the rich customers. As a result, the have-nots or the bottom-line customers of the pyramid were ignored. They belonged to low-income group and had to take resort of moneylenders or informal lenders for taking advance/loan at exorbitant rate of interest. This situation cannot uplift the poor people and makes them destitute in the long run. For developing nations, the era is of inclusive growth and the key for inclusive growth is financial inclusion. Financial inclusion or inclusive financing is the delivery of financial services, at affordable costs, to sections of disadvantaged and low income segments of society. There have been many formidable challenges in financial inclusion area such as bringing the gap between the sections of society that are financially excluded within the ambit of the formal financial system, providing financial literacy and strengthening credit delivery mechanisms so as to improvised the financial economic growth. A nation can grow economically and socially if it's weaker section can turn out to be financial independent. The paper highlights the basic features of financial inclusion, and its need for social and economic development of the society. The study focuses on the role of financial inclusion, in strengthening the India's position in relation to other countries economy. For analysing such facts data for the study has been gathered through secondary sources including report of RBI, NABARD, books on financial inclusion and other articles written by eminent authors. After analysing the facts and figures it can be concluded that undoubtedly financial inclusion is playing a catalytic role for the economic and social development of society but still there is a long road ahead to achieve the desired outcomes.

KEYWORDS
financial inclusion, banking industry.

FINANCIAL INCLUSION
In majority of the developing countries, access to finance is now being perceived as a public good, which is as important and basic as access, say, to safe water or primary education. A question that arises is whether financial inclusion can be interpreted as a public good. A good is considered a public good if it meets the conditions non-excludability. I am sure you would agree that financial inclusion meets the two criteria. One of the important effects of financial inclusion is that the entire national financial system benefits by greater inclusion, especially when promoted in the wider context of economic inclusion. The concept of financial inclusion has a special significance for a growing economy like India as bringing the large segment of the productive sectors of the economy under formal financial network could unleash their creative capacities besides augmenting domestic demand on a sustainable basis driven by income and consumption growth from such sectors. Financial inclusion efforts do have multiplier effect on the economy as a whole through higher savings pooled from the vast segment of the bottom of the pyramid (BoP) population by providing access to formal savings arrangement resulting in expansion in credit and investment by banks. Deeper engagements of the BoP/under-banked population in the economy through the formal financial system could lead to improvement of their financial conditions and living standards, enabling them to create financial assets, generate income and build resilience to meet macro-economic and livelihood shocks. Government also immensely benefits by way of efficient and leakage-proof transfer of vast amounts of welfare benefits to the targeted, disadvantaged groups of population

NEED OF FINANCIAL INCLUSION
According to the United Nations the main goals of inclusive finance are as follows:
1. Access at a reasonable cost of all households and enterprises to the range of financial services for which they are "bankable," including savings, short and long-term credit, leasing and factoring, mortgages, insurance, pensions, payments, local money transfers and international remittances.
2. Sound institutions, guided by appropriate internal management systems, industry performance standards, and performance monitoring by the market, as well as by sound prudential regulation where required
3. Financial and institutional sustainability as a means of providing access to financial services over time
4. Multiple providers of financial services, wherever feasible, so as to bring cost-effective and a wide variety of alternatives to customers (which could include any number of combinations of sound private, non-profit and public providers).

OBJECTIVES OF THE STUDY
1. To discuss about the conceptual aspect of "Financial Inclusion"
2. To highlight the reasons for providing access of formal financial services to the underprivileged sections of the society
3. To evaluate the role of banks towards "Financial Inclusion"
4. To explore the need and significance of financial inclusion for economic and social development of society.
5. To analyse the current status of financial inclusion in Indian economy.
6. To study the access of rural people to bank branches and the number of ATM opened in those areas.
7. To study the progress of State Cooperative Banks in financial inclusion plan.
8. RBI initiatives & guideline and Impact on Indian economy of financial inclusion
9. Scope & challenges of financial inclusion in India

METHODOLOGY
The entire gamut of discussion has been made on the basis of secondary sources. The different books, journals, newspapers and related websites have been consulted in this regard.

SERVICES EXTENDED THROUGH "FINANCIAL INCLUSION"

TABLE 1

1.	Service facility	2.	Overdraft facility
3.	Payment and remittance services	4.	Low cost financial services
5.	Cheque facility	6.	All kinds of commercial loan
7.	Electronic fund transfer	8.	Credit and Debit Cards access
9.	Access to financial markets	10.	Financial advice
11.	Insurance (Medical insurance)	12.	Micro credit during emergency

FINANCIAL INCLUSION IN INDIA

The Reserve Bank of India (RBI) set up the Khan Commission in 2004 to look into financial inclusion and the recommendations of the commission were incorporated into the mid-term review of the policy (2005–06). In the rep ort RBI exhorted the banks with a view to achieving greater financial inclusion to make available a basic "no-frills" banking account. In India, financial inclusion first featured in 2005, when it was introduced by K.C. Chakraborthy, the chairman of Indian Bank. Mangalam became the first village in India where all households were provided banking facilities. Norms were relaxed for people intending to open accounts with annual deposits of less than Rs. 50,000. General credit cards (GCCs) were issued to the poor and the disadvantaged with a view to help them access easy credit. In January 2006, the Reserve Bank permitted commercial banks to make use of the services of non-governmental organizations (NGOs/SHGs), micro-finance institutions, and other civil society organizations as intermediaries for providing financial and banking services. These intermediaries could be used as business facilitators or business correspondents by commercial banks. The bank asked the commercial banks in different regions to start a 100% financial inclusion campaign on a pilot basis. As a result of the campaign, states or union territories like Pondicherry, Himachal Pradesh and Kerala announced 100% financial inclusion in all their districts. Reserve Bank of India's vision for 2020 is to open nearly 600 million new customers' accounts and service them through a variety of channels by leveraging on IT. However, illiteracy and the low income savings and lack of bank branches in rural areas continue to be a roadblock to financial inclusion in many states and there is inadequate legal and financial structure.

The government of India recently announced "Pradha n Mantri Jan Dhan Yojna, a national financial inclusion mission which aims to provide bank accounts to at least 75 million people by January 26, 2015.

In India, RBI has initiated several measures to achieve greater financial inclusion, such as facilitating no-frills accounts and GCCs for small deposits and credit. Some of these steps are:

1. **Opening of no-frills accounts**: Basic banking no-frills account is with nil or very low minimum balance as well as charges that make such accounts accessible to vast sections of the population. Banks have been advised to provide small overdrafts in such accounts.
2. **Relaxation on know-your-customer (KYC) norms**: KYC requirements for opening bank accounts were relaxed for small accounts in August 2005, thereby simplifying procedures by stipulating that introduction by an account holder who has been subjected to the full KYC drill would suffice for opening such accounts. The banks were also permitted to take any evidence as to the identity and address of the customer to their satisfaction. It has now been further relaxed to include the letters issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number.
3. **Use of technology**: Recognizing that technology has the potential to address the issues of outreach and credit delivery in rural and remote areas in a viable manner, banks have been advised to make effective use of information and communications technology (ICT), to provide doorstep banking services through the BC model where the accounts can be operated by even illiterate customers by using biometrics, thus ensuring the security of transactions and enhancing confidence in the banking system.
4. **Adoption of EBT**: Banks have been advised to implement EBT by leveraging ICT-based banking through BCs to transfer social benefits electronically to the bank account of the beneficiary and deliver government benefits to the doorstep of the beneficiary, thus reducing dependence on cash and lowering transaction costs.
5. **GCC**: With a view to helping the poor and the disadvantaged with access to easy credit, banks have been asked to consider introduction of a general purpose credit card facility up to ₹25,000 at their rural and semi-urban branches. The objective of the scheme is to provide hassle-free credit to banks customers based on the assessment of cash flow without insistence on security, purpose or end use of the credit. This is in the nature of revolving credit entitling the holder to withdraw up to the limit sanctioned.
6. **Simplified branch authorization**: To address the issue of uneven spread of bank branches, in December 2009, domestic scheduled commercial banks were permitted to freely open branches in tier III to tier VI centres with a population of less than 50,000 under general permission, subject to reporting. In the north-eastern states and Sikkim, domestic scheduled commercial banks can now open branches in rural, semi-urban and urban centres without the need to take permission from RBI in each case, subject to reporting.
7. **Opening of branches in unbanked rural centres**: To further step up the opening of branches in rural areas so as to improve banking penetration and financial inclusion rapidly, the need for the opening of more bricks and mortar branches, besides the use of BCs, was felt. Accordingly, banks have been mandated in the April monetary policy statement to allocate at least 25% of the total number of branches to be opened during a year to unbanked rural centres.
8. **Engaging business correspondents (BCs)**: In January 2006, RBI permitted banks to engage business facilitators (BFs) and BCs as intermediaries for providing financial and banking services. The BC model allows banks to provide doorstep delivery of services, especially cash in-cash out transactions, thus addressing the last-mile problem. The list of eligible individuals and entities that can be engaged as BCs is being widened from time to time. With effect from September 2010, for-profit companies have also been allowed to be engaged as BCs.
9. **Pradhan Mantri Jan Dhan Yojana** is a scheme for comprehensive financial inclusion launched by the Prime Minister of India, Narendra Modi on 28 August 2014. He had announced this scheme on his first Independence Day speech on 15 August 2014. Run by Department of Financial Services, Ministry of Finance, on the inauguration day, 1.5 Crore (15 million) bank accounts were opened under this scheme. By September 2014, 3.02 crore accounts were opened, with around Rs. 1500 crore (US$240 million) were deposited under the scheme, which also has an option for opening new bank accounts with zero balance. SBI, India's largest bank had opened 11,300 camps for Jan Dh an Yojana over 30 lakhs accounts were opened so far, which include 21.16 lakh accounts in rural areas and 8.8 lakh accounts in urban areas. On the contrast, even taking to get her all the major private sector banks, have opened just 5.8 lakh accounts

SPECIAL BENEFITS UNDER PMJDY SCHEME

a. Interest on deposit.
b. Accidental insurance cove r of Rs. 1.00 lac
c. No minimum balance required.
d. Life insurance cover of Rs. 30,000/-
e. Easy Transfer of money across India
f. Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
g. After satisfactory operation of the account for 6 months, an overdraft facility will be permitted
h. Access to Pension, insurance products.
i. Accidental Insurance Cover, RuPay Debit Card must be used at least once in 45 days.
j. Overdraft facility up to Rs. 5000/- is available in only one account per household, preferably lady of the household.

TABLE 2: PMJDY PROGRESS REPORT (Accounts Opened as on 20.1.2016) (INR Cr)

Bank Name	Rural	Urban	Total	No. of RuPay cards	Aadhaar Seeded	Balance in Accounts	% of Zero Balance Accounts
Public Sector bank	8.91	7.10	16.01	13.82	7.46	24180.79	31.78
Regional Rural bank	3.12	0.51	3.63	2.62	1.04	5286.66	26.24
Private banks	0.45	0.30	0.74	0.70	0.24	1170.83	39.80
Total	**12.47**	**7.91**	**20.38**	**17.14**	**8.74**	**30638.29**	**31.09**

Source: PMJDY Website

The share of non-operative or zero balance accounts has fallen to 31.8% from 76.8% earlier. The significant drop in zero balance accounts indicates both increased transfers of central and state government subventions (NREGA, LPG subsidies, etc.) via these accounts, as well a development of a savings habit.

Of the 20 crore accounts opened under the scheme, about 53 lakh have been offered the overdraft facility. But the overdraft was sanctioned for only around 27.5 lakh accounts, of which only around 12.3 lakh accounts availed this facility amounting to a disbursement of Rs. 166 crore.

TABLE 3: REPORT ON OVERDRAFT (SANCTIONED/ DISBURSED) UNDER PMJDY AS ON 15.01.2016

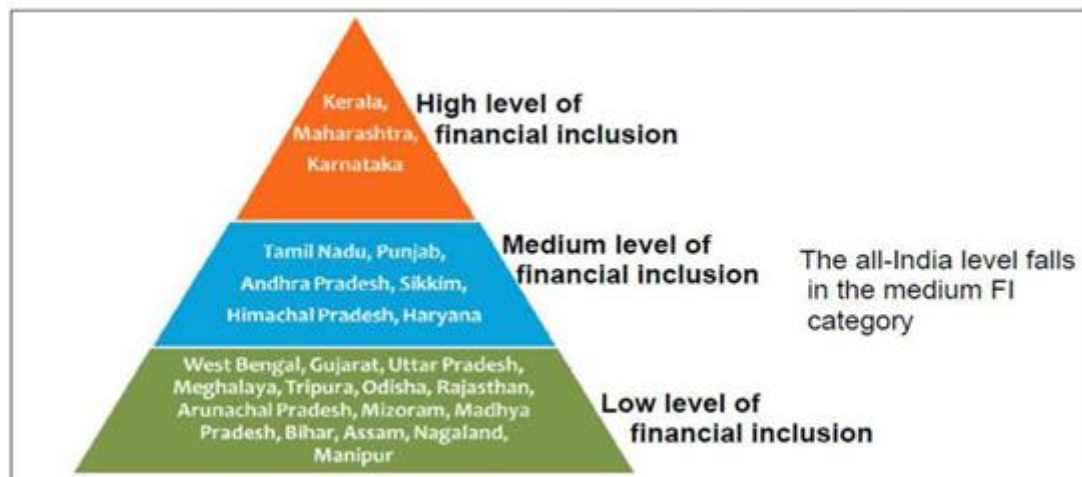| Total No. of Accounts Offered for OD	53,54,075
Total No. of Accounts OD Sanctioned	27,56,516
Total No. of Accounts OD Availed	12,32,997
Amount of Total OD Availed	**Rs. 166 Crores**

Source: PMJDY Website

INDIA'S POSITION COMPARED WITH OTHER COUNTRIES

The extent of financial exclusion in India is found to be higher as compared with many developed and some of the major emerging economies. The wide extent of financial exclusion in India is visible in the form of high population per bank branch and low proportion of the population having access to basic financial services like savings accounts, credit facilities, credit and debit cards. The following table summarises India's performance in the area of financial inclusion as compared with other developing as well as developed countries

TABLE 4

Country	Geographic Penetration		Demographic Penetration	
	No. of Bank Branches per 1000 sq km	No. of ATMs per 1000 sq km	No. of branches per 100000 people	No. of ATMs per 100000 people
Korea	65.02	436.88	13.40	40.03
U.K	45.16	104.46	18.35	42.45
India	22.57	-	6.30	-
Indonesia	10.00	5.73	8.44	4.84
USA	9.81	38.43	30.86	120.94
Mexico	4.09	8.91	7.63	16.63
Brazil	3.05	3.72	14.59	17.82
China	1.83	5.25	1.33	3.80
Russia	0.19	0.53	2.24	6.28

Chart 1: State-wise index of financial inclusion

High level of financial inclusion: Kerala, Maharashtra, Karnataka

Medium level of financial inclusion: Tamil Nadu, Punjab, Andhra Pradesh, Sikkim, Himachal Pradesh, Haryana

Low level of financial inclusion: West Bengal, Gujarat, Uttar Pradesh, Meghalaya, Tripura, Odisha, Rajasthan, Arunachal Pradesh, Mizoram, Madhya Pradesh, Bihar, Assam, Nagaland, Manipur

The all-India level falls in the medium FI category

Source: RBI Working Paper on Financial Inclusion in India: A case-study of West Bengal by Sadhan Kumar Chattopadhyay

FINANCIAL INCLUSION - OPPORTUNITIES

1. With the help of financial inclusion concept, by saving small amounts over time, poor people can arrange funding for the lump investment needed in businesses like for purchasing equipments or buying goods at a wholesale price.
2. By fostering financial inclusion and encouraging saving habits can also provide provides funds for searching more productive sources of employment by providing access to easy finance and banking services to even in rural areas.
3. Electronic benefit transfer (EBT): With the help of EBT and information and communication technologies, banks can transfer social benefits electronically to the bank account of the beneficiary and can deliver government benefits at the doorstep of beneficiaries, thus reducing dependence on cash and lowering transaction costs.
4. For achieving commercially sustainable universal access, banking systems will be updated to new technologies like EBT to ensure the availability of financial services to all sections at a reduced cost and enhanced benefits like makes banking convenient which ensures being able to transact near where they live and work and ensuring trust among the peoples that they are putting their money with such organizations that seem to care for them and who they feel are going to be there for them when they need them the most.
5. Financial inclusion provides opportunities to the banking sector to cut across various strata's of society, regions, gender, and income and encourage the public to embrace banking habit. Reserve Bank of India has intervened for the success of financial inclusion by introducing various enactments, financial literacy drives, leveraging technology etc.

6. Financial inclusion paves a way for growth and development by ensuring timely and quick availability among the needy sectors.
7. Financial inclusion will provide not only safe savings, but also offer many other allied services like insurance cover, entrepreneurial loans, payments and settlement facilities etc.
8. With an increase in business opportunities, national income of our country will also increase, which in turn results in increased GDP.
9. With the help of KYC norms and UID financial inclusion process speeds up the banking process which reduces the cash and noncash costs to both banks and customers.
10. Financial access will also attract global market players in our country that will result in increasing business and employment opportunities.
11. Financial inclusion will help the poor in meeting various needs with the help of a wide range of financial services which are readily available and affordable also. Financial services will provide tools which will help in providing easy financing facilities in many fields like microenterprises' investments in new production technologies, helping in farmers' purchasing productivity-enhancing inputs such as fertilizers, labourers' search for better job opportunities, or children's education and to mitigating people's exposure to large Lifecycle events or unpredictable risks.

Thus, financial inclusion offers plenty of opportunities for growth and development in India.

FINANCIAL INCLUSION – CHALLENGES
The path of financial inclusion is full of various challenges like:
1. Financial services are used only by a section of the population; the excluded sections are rural, poor areas where it is difficult to provide these financial services which are mainly relying on informal sector (moneylenders etc.) for availing finance that is usually at exorbitant rates. The main challenge of financial inclusion is to include the rural and poor people in the coverage area.
2. Financial Illiteracy is also one of the challenges in the area of financial inclusion. Lack of basic education prevents the people to have an access from financial services.
3. Poor living even in urban areas does not fully utilize the financial services as they find them costly and unaffordable which deter the poor from accessing them.
4. Another challenge in the area of financial inclusion is that access to formal financial services requires various documents of proof regarding persons' identity, income, birth certificates, etc. But poor people generally lack these documents and thus are devoid of these services.
5. Poor and rural sections may sometimes subscribe these financial services initially, but may not use them as active as others due to high distance between the bank and residence, poor infrastructure etc.
6. Low income level is another challenging area in the process of financial inclusion because they think banks provides services only to rich class.
7. Due to difficulty in understanding formal languages, various documents and many formalities in banking procedure people are not comfortable in using financial services.
8. Many people who live in remote localities find it difficult to reach the areas where banks are generally situated.
9. Many people, who lack basic knowledge and education, do not know the importance of financial products like insurance, finance, bank accounts, cheque facilities etc. is also the challenge in the implementation of financial inclusion.
10. Many financial institutions not able to justify on commercial grounds the establishment of broad-based infrastructure to serve poor households so they sometimes pull back to their physical presence in rural or poor areas and also place some restrictions to discourage the custom of poor people (e.g. high minimum account balances). As a result, they also pass the access cost on to customers, who had to travel to distant branches and face long queuing time. As a result, many poor people reject financial institutions that serve the middle and upper classes.

FINDINGS AND RECOMMENDATIONS
- With the help of financial inclusion, banking technology has progressed at a faster rate and realized that even poor sector can contribute towards a pool of financial resources.
- Due to the RBI's concerted efforts since 2005, the number of branches of Scheduled Commercial Banks increased manifold from 68,681 in March 2006 to 1, 02,343 in March 2013, spread across the length and breadth of the country.
- In rural areas, the number of branches increased from 30,572 to 37,953 during March 2006 to March 2013. As compared with rural areas, number of branches in semi-urban areas increased more rapidly.
- Poor people usually avoid going to banks because of complicated forms, procedures, formalities etc. This simple structures and procedures will lead to higher savings in the banks.
- In rural areas, ATM Network accounted for only 10.1% of total ATMs network in the country as on March 31, 2013. So, banks should enhance their ATM network among the rural and un-banked areas so as to serve poor villagers. But while doing so, proper care should be taken regarding safety and security issues.
- Migrants are facing many difficulties in opening their bank accounts. So commercial banks should take care of the needs of the migrant population in their financial inclusion plans.
- To deal with poor villagers, banks should initiate training programmes to train the frontline staff and managers as well as BCs on the human side of banking.
- In rural areas, post offices (POs) are closest to the rural population as compared to bank branches. As on March 31, 2011, there are 1, 54,866 post offices in India, of which 1, 39,040 (89.8%) were in rural areas. Thus, more POs should be engaged to become BCs of banks due to well-known advantages.

CONCLUSION
The concept of financial inclusion has gained substantial importance in the Indian context. Financial Inclusion can be defined as the wide range of financial products and services to which everybody can have an access which allows them to efficiently manage their finances, regardless of their level of income or social status. For achieving the financial inclusion people need to have a minimum and, some basic financial literacy, financial skills, product knowledge and understanding. Bank nationalization was the first step towards financial inclusion in India. Regional rural banks are created to take the banking and financial services to the rural people.

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