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EMPLOYEE ABSENTEEISM AND ITS IMPACT: A LITERATURE REVIEW**M. K. INDUMATHI****ASST. PROFESSOR****BBA DEPARTMENT****MOHAMED SATHAK COLLEGE OF ARTS & SCIENCE****CHENNAI****Dr. R. AKILA****PROFESSOR****MBA DEPARTMENT****JEPPIAAR ENGINEERING COLLEGE****CHENNAI****ABSTRACT**

The purpose of this paper is to review the literature on employee absenteeism as a form of withdrawal behaviour apart from turnover. Absenteeism is one of the factors affecting optimum utilization of human resources. It is an industrial malady affecting productivity, profits, investments and absentee workers themselves. As such, increasing rate of absence adds very considerably to the cost of industry and hampers industrial progress. The absence of a few workmen is an imposition on others, affects work scheduling and adds to costs that push the price of absenteeism far beyond one day's salary. The economic and social losses occurring from absenteeism cannot be determined accurately. It is difficult to make even an approximate estimate of such losses because so many factors are involved which do not lend themselves to accurate measurements. In the first place, there is a lack of evidence concerning the seriousness of industrial absenteeism because records are inaccurate and incomplete. Only a small number of organizations attempt to understand this problem or make an effort to solve it. This paper presents the results of a study carried out by various authors to identify the reasons for absenteeism and its effect on productivity and it based on secondary data. Studies also examine the relationship between absenteeism and personal, attitudinal, and organizational variables. Throughout the paper, emphasis is placed on the indices used by investigators to measure absenteeism, and the problems that have arisen in the literature through the use of multiple indicators of absenteeism.

KEYWORDS

absenteeism, industrial, indicators, productivity.

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INTRODUCTION

Absenteeism is a significant problem in Ireland and one which costs businesses hundreds of millions of euro annually. As well as bringing a financial burden to most firms, absenteeism has severe and unnecessary repercussions for productivity. The most obvious cost is that of company sick pay schemes and disability benefit, it also brings with it many indirect costs. The missing worker must be replaced when absent, this may either be done through the hiring of an extra body or by existing staff working overtime. This disruption also brings with it consequences for customers who are subject to delays in the delivery of the product or service, www.ibec.ie. This thesis will investigate the current level of absenteeism within Company X. the first part of this thesis will look at the current literature available on the topic and delve into the causes of absenteeism as outlined by IBEC.

Absenteeism is a nuisance in the workplace and also represents a severe and unnecessary cost to productivity. The most obvious cost is that of company sick pay schemes, but there are many other quantifiable indirect costs. The absent worker must be replaced; there may be a need to employ a surplus of staff to maintain production and service levels. "The main causes of absenteeism are illness-related such as backache, stomach pains, and influenza. However, there are many other occasions when employees claim to be suffering from various illnesses, when in fact they have simply chosen to opt out of work rather than opting in. Job satisfaction or dissatisfaction is another cause of absenteeism, resulting from employees having to execute repetitive and monotonous tasks day-in-day-out. In addition to this, employees with low levels of responsibilities and little promotional prospects will have low levels of motivation. This will result in high levels of absenteeism. To overcome this, managers should change their thinking to encourage attendance rather than concentrating on reducing absenteeism. This will require an examination of the employees' environment and an exploration of the relationships that exists between them and their managers and also between employees and their colleagues. Very often what drives people away from their work is the sheer boredom of the job which is contributed to by the job itself and the environment in which they work. In many organisations there is an acceptable level of absenteeism, this level varies depending on the company. Often policies encourage absenteeism, such as only tackling the problem when it reaches a certain 'trigger point', such as, allowing people a certain amount of sick days per annum, paying attendance bonuses as part of their total salary, thereby acting as no strong incentive to attend work.

OBJECTIVES

1. To identify the causes of absenteeism
2. To suggest ways to reduce employee absenteeism
3. To find whether absenteeism has impact on regular work
4. To Check the satisfaction of employees regarding the management

METHODOLOGY

The data used for the study is secondary data. The input for the study is review of various literatures related to the topic. The paper relies on secondary data from published sources like books and journals.

WHAT EXACTLY IS "EMPLOYEE ABSENTEEISM"?

Dakely C.A. (1948) "Absenteeism is the ratio of the number of production man-days or shifts lost to the total number of production scheduled to work".

Employee Absenteeism can be defined as stress that leads to work exhaustion. Sadly, it is the most gifted and committed employees that tend to burn out first. Because of their high standards and tendency towards perfectionism, these employees end up burning the candle at both ends. It refers to workers absence from their regular task when he is normally schedule to work. According to Webster's dictionary, "Absenteeism is the practice or habit of being an absentee and an absentee is one who habitually stays away from work." According to Labour Bureau of Shimla: - Absenteeism is the total man shifts lost because of absence as

percentage of total number of man shifts scheduled to work. In other words, it signifies the absence of an employee from work when he is scheduled to be at work. Any employee may stay away from work if he has taken leave to which he is entitled or on ground of sickness or some accident or without any previous sanction of leave.

IDEAS FROM VARIOUS AUTHORS

Martocchio & Jimeno (2003) stated that "We propose a model of the personality types that have a higher likelihood of using absenteeism to their benefit (i.e. to recharge and change negative affect) and therefore have the absence be functional (i.e., positive affect and higher productivity upon returning to the job) rather than dysfunctional (i.e., negative affect and person is still unproductive or has less productivity than before the absence event)." It is clear from the above lines that every organisation should take necessary measures to motivate employees even if they come after long leave. This will definitely boost up employee and help in producing high profit.

Ruchi Sinha (2010) in her study reveals that there only 4% employees remain away from their work and that too due to personal reasons. There is very high level of job satisfaction among the employees. It is clear that every employee have personal problems related physical, mental level. In this situation absenteeism is common and the organisation should understand the pain of employees so that when they return back to work the same level of hard work continues.

Wolter H.J. Hassink & Pierre Koning (2009) find statistically significant differences in absence patterns across groups of workers with different eligibility statuses depending on their attendance records and whether they had previously won. One finding is that absenteeism rose among workers who, having won already, were ineligible for further participation. In this scenario, employees will be under stress, that they cannot win again so organisation should come out with certain strategies to involve in different activities and also to participate in events which he had won already.

Nisam (2010) stated that stress among employees, health problems, loneliness at workplace, non-cooperation of colleagues causes absenteeism at workplace.

SUGGESTIONS

Major suggestions can be helpful in reducing absenteeism like Employee welfare facilities should be improved, Salary should be increased, Leave policies should be revised, Supervisors' behavior should be modified, Present working conditions should be improved, Transportation facility should be provided and so on.

CONCLUSION

With the increasing pressure on firms to search for and maintain a competitive edge, management have to increasingly experiment with new strategies, structures and control systems. These alone compel a review of the methods used to control and manage absenteeism. Employee "commitment" is at the heart of employee involvement programmes. Although it is a different concept to "involvement", they are closely linked since both are concerned with how employers can encourage employees to identify with the firm's business interests. Absence control methods are many and varied. The use of the word control of the expression "controlling absence" sounds negative and implies the imposition of policies and procedures upon people. It has also been suggested that policies aimed purely at control can actually lead to higher absence, as they often undermine employee commitment. Today's managers must look at managing attendance. To achieve this, they must create an environment in which employees are more likely to what to attend work rather than stay at home. Before management decides upon a particular method, they must face facts. There is no significant difference in the perception of absenteeism by the young employees and aged employees. There is no significant difference in the perception of absenteeism by lower income employees and higher income employees. Therefore, disseminating absence information to department managers and supervisors as frequently as possible is essential. Computerized systems will have a pivotal role to play in generating information.

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GST IMPLICATION IN INDIA: BENEFITS, CHALLENGES AND WAY FORWARD

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ABSTRACT

GST will be a game changing reform for the Indian economy by creating 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 system. With the implementation of GST in India, the procedure for GST registration would be centralized and standardized similar to service tax registration. Under GST regime, business would no longer have to obtain multiple VAT registration – as a single GST registration would be applicable across India. The procedure for obtaining GST registration would also be standardized, thereby improving the ease of starting a new business in India.

KEYWORDS

GST implication, effects, benefits.

JEL CODES

K34, H20, H21.

INTRODUCTION

ST is a value-added tax levied at all the points in supply chain with credit allowed for any tax paid on input acquired for use in making the supply. It will apply to both goods and services in a comprehensive manner with the exemptions restricted to a minimum. Proposed GST will be levied concurrently by the Central GST and State GST. Both CGST and SGST will be levied on the basis of the destination principle. Thus exports would be zero rated and imports would attract tax in the same manner as domestic goods and services. Inter-state supplies within India would attract an Integrated GST aggregate of CGST and SGST of the destination State.

The Constitution Amendment Bill for Goods and Services Tax has been approved by The President of India posts its passage in the Parliament in Rajya Sabha on 3 August 2016 and in Lok Sabha on 8 August 2016. The Government of India is committed to replace all the indirect taxes levied on goods and services by the Centre and States and implement GST by April 2017. With GST, the tax base will be comprehensive, as virtually all goods and services will be taxable, with minimum exemptions.

GST will bring significant change in doing business in India. Tax payers need to be GST compliant and able to test system changes in times. The changes will be substantial and may require proactive planning with a time bound action plan. For the implementation of GST, companies need to understand GST policy development and its implications for scenario planning and transition roadmap preparation.

GST is defined as "Any tax on supply of goods and services other than on alcohol for human consumption". Central taxes such as Central Excise duty, Additional Excise duty, Service tax, Additional Custom duty and Special Additional duty as well as state-level taxes such as VAT or sales tax, Central Sales tax, Entertainment tax, Entry tax, Purchase tax, Luxury tax and Octroi will subsume in GST.

Petroleum and petroleum products, i.e., crude, high speed diesel, motor spirit, aviation turbine fuel and natural gas, shall be subject to GST - date to be notified by the GST Council. Provision will be made for removing imposition of entry tax /Octroi across India. Entertainment tax, imposed by states on movie, theatre, etc., will be subsumed in GST, but taxes on entertainment at panchayat, municipality or district level will continue.

GST may be levied on the sale of newspapers and advertisements. This would mean substantial incremental revenues for the Government. Stamp duties, typically imposed on legal agreements by states, will continue to be levied. Administration of GST will be the responsibility of the GST Council, which will be the apex policy making body for GST. Members of GST Council comprise Central and State ministers in charge of the finance portfolio.

OBJECTIVES

1. To analyse the effects of GST implications in India.
2. To review the changes required for the corporate to implement GST.
3. To analyse the benefits of GST implication on Indian Corporates.
4. To view the challenges faced by Indian Corporate to implement GST.

RESEARCH METHODOLOGY

Secondary data is used for this study and it is collected for this study from the published research papers and journals on GST.

LIMITATIONS OF THE STUDY

The study is limited to India only.

Data collected is historical in nature, which has its own limitations.

IMPACT OF GST ON BUSINESS ENTERPRISE

1. Advocacy
2. Indirect tax impact assessment
3. Supply chain
4. Accounting and reporting
5. Refreshment of Technology

6. Compliances
7. Programme Management
8. Changes in management and training

EFFECTS OF GST IMPLICATIONS ON ENTERPRISE

1. **Sourcing**
 - a. Inter-state procurement can prove viable
 - b. Open opportunities to consolidate suppliers and vendors
 - c. Custom duty to be replaced
2. **Distribution**
 - a. Changes in tax system can change in both procurement and distribution arrangements
 - b. Current network structure and product flow may need reviewed
3. **Pricing and profitability**
 - a. GST structure will require re-pricing of products
 - b. Margins will also need to be re-examined
4. **Cash Flow**
 - a. Removal of the concept of excise duty on manufacturing can result in improvement in cash flow and inventory costs as GST now be paid at the time of supply rather than at the time of removal of goods from the factory.
5. **System changes and transaction management**
 - a. Potential changes to accounting and IT system in areas of master data, supply chain transactions, system designs etc.
 - b. Existing open transactions and balances as on the cut-off date need to be migrated out to ensure smooth transition to GST
 - c. Change to supply chain reports, other tax reports and forms need to review
 - d. Appropriate measurements are needed to ensure smooth transition to the GST regime.

THE KEY IMPERATIVES FOR FIRMS IN GST IMPLEMENTATION

1. To understand key areas of impact in their business
2. To prepare different scenarios for the design and application of GST
3. Continuously track policy development regarding GST and update prepared scenarios
4. To identify any areas of adverse impact and prepare contingency measures
5. To identify issues and concerns requiring representation to authorities and develop strategy for effective advocacy.
6. Appoint policy advisory group consists of specialized team of experienced professionals including former government officials who advise business as well as governments on diverse policy issues.

ROADMAP FOR GST IMPLICATION

1. A GST Council consisting of representatives from the Central as well as State will be formed within 60 days of the enactment of the Bill. The Council will make the recommendations to the Union and the States on model Goods and Service Tax laws, rates including floor rates with bands of goods and service tax, Place of supply rules and any other matter relating to GST as the council may decide.
2. Reports of Joint Committee constituted by Empowered Committee of the State Finance Ministers on business processes of payment, registration refund and return under GST have been released and put in the public domain for suggestions.
3. The draft model GST Law was released and put in public domain in June 2016.
4. GST Network, an IT backbone of GST, which will facilitate online registration, tax payment and return filing, will be launched.
5. States will frame their respective GST Legislations to enable them to implement GST. It will be in line with the Central Legislation.

BENEFITS OF GST IMPLEMENTATION

1. GST has been envisaged as an efficient tax system, neutral in its application and distributionally attractive.
 2. Wider tax base, necessary for lowering tax rates and eliminating classification disputes
 3. Elimination of multiplicity of taxes and their cascading effects
 4. Rationalization of tax structure and simplification of compliance procedures
 5. Harmonization of Central and State tax administrations which would reduce duplication and compliance costs
 6. Automation of compliance procedures to reduce errors and increase efficiency
- The GST structure may follow the destination principle. Accordingly, imports will be subject to GST, while exports will be Zero-rated. In case of inter-state transactions within India, State Tax can be applied in the state of destinations as opposed to that of origin. GST will replace most indirect taxes currently in place such as:

TABLE 1

Central Taxes	State Taxes
Central Excise Duty [including additional excise duties, excise duty under the Medicinal and Toilet Preparations (Excise Duties) Act, 1955]	Value-added tax
Service tax	Octroi and Entry tax
Additional Customs Duty (CVD)	Purchase tax, Luxury tax
Special Additional Duty of Customs (SAD)	Taxes on lottery, betting and gambling
Central Sales Tax (levied by the Centre and collected by the States)	State cesses and surcharges, Entertainment tax (other than the tax levied by the local bodies)
Central surcharges and cesses (relating to supply of goods and services)	Central Sales tax (levied by the Centre and collected by states)

CHANGES IN THE LAW AND PROCEDURES REQUIRED FOR GST IMPLEMENTATION

1. MAJOR INDIRECT TAX REFORM

GST is a major indirect tax reform in the country. The entire indirect tax code will be a new set. Any comparison with the present laws will be inappropriate. Lot of time will be devoted in understanding new concepts and procedures.

2. CHANGE IN TAX RATES

Standard rate of 12% for CENVAT, 14.5% for Service tax, residuary rate of VAT at 12.5 % brings overall rate to 28%. But post GST, tax rate is likely to be between 18-20%, gain of 8-10%.

3. CHANGE IN TAX CREDIT SYSTEM

Currently, limited inter levy credits are allowed between excise duty and service tax. No cross credits are available across these taxes. When GST is introduced, it will facilitate seamless cross credit across the entire supply chain and across all states with a common tax base.

4. STOCK TRANSFERS FROM ONE STATE TO ANOTHER

Presently, it is free of tax against Form F. But under GST, it will be taxable even though the stock is transferred to one's branch or consignment agent in another state.

5. STOCK TRANSFERS TO BRANCHES / CONSIGNMENT AGENTS WITHIN THE STATE

Presently, treatment varies from state to state. But under GST, exemption will be given only when Business Identification Number of transferor and transferee is the same.

6. SALE / SERVICE

Presently, there are a number of cases where double taxation is in force. The most common example is transfer of intangible goods where VAT and Service tax both are levied, thus causing double taxation. Under GST, since there is no distinction between sale and service as far as levy of GST is concerned. Only one tax will be levied.

7. BASED ON HSN

When GST will be based on HSN, then interpretational issues will be reduced in respect of class of commodities.

8. SOFTWARE UPGRADATION

Continuous Upgradation of software is a big challenge for the software companies as well. Dealers and service providers will have to upgrade their respective accounting and tax software.

9. TRAINING

Not only staff of the business world, but also marketing personnel and common man need to be made aware of the basic working of GST for successful implementation.

10. PROFESSIONALS

Single consultant will be required in place of different consultants for Excise Duty, Service Tax and VAT. No more Hassels in running across various departments of tax. Only one common tax code will prevail.

ADVANTAGES OF GST IMPLICATIONS

Apart from full allowance of credit, there are several other advantages of introducing a GST in India:

POSSIBLE REDUCTION IN PRICES

Due to full and seamless credit, manufacturers or traders do not have to include taxes as a part of their cost of production, which is a very big reason to say that we can see a reduction in prices. However, if the government seeks to introduce GST with a higher rate, this might be lost.

INCREASE IN GOVERNMENT REVENUES

This might seem to be a little vague. However, even at the time of introduction of VAT, the public revenues actually went up instead of falling because many people resorted to paying taxes rather than evading the same. However, the government may wish to introduce GST at a Revenue Neutral Rate, in which case the revenues might not see a significant increase in the short run.

LESS COMPLIANCE AND PROCEDURAL COST

Instead of maintaining big records, returns and reporting under various different statutes, all assesses will find comfortable under GST as the compliance cost will be reduced. It should be noted that the assesses are, nevertheless, required to keep record of CGST, SGST and IGST separately.

CONCLUSION

Goods and Services Tax is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level. One of the biggest taxation reforms in India is the Goods and Service Tax. It is all set to integrate State economies and boost overall growth.

CENTRAL TAXES SUBSUMED UNDER GST

Central Excise Duty (including additional excise duties), Service tax, Additional customs duty (CVD), Special Additional Duty of Customs (SAD), Central surcharges and cesses.

STATE GOVERNMENT TAXES SUBSUMED UNDER GST

Value Added Tax, Central Sales Tax, Octroi and Entry Tax, Purchase Tax, Luxury Tax, Taxes on lottery, betting & gambling, State cesses and surcharges, Entertainment tax. Goods and Services Tax is a value added tax, levied at all points in the supply chain with credit allowed for any tax paid on inputs acquired for use in making the supply. Therefore, it is the end consumer who bears this tax as the last person or entity in the supply chain. The introduction of GST in India is expected to result in major simplification of indirect tax structure at both Centre and State levels replacing the multiple layers of complex taxation currently existing in India. GST will Improve Ease of Starting a Business in India.

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INTERROGATING DIVISION OF LABOUR IN BENGAL USING TIME USE METHOD

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ABSTRACT

The participation of women in productive uncounted activities has always been visibly lower than that of men, whether in rural or urban areas. However, in the view of gender researchers, also reiterated by the National Commission on Labour, the economic contributions made by women as a labour category are grossly underestimated. Undervaluation of women's work also manifests itself in persisting wage-disparity, differential access and control over resources, lack of equivalence in infrastructural support, and above all through disparity in gender work burdens. Nevertheless, despite its obvious productive and social worth, much of women's work remains invisible within national accounting and census frameworks, emphasising their urgent need for redesign. The methodology of Time Allocation Surveys [TAS], or time-use analysis as these are more popularly called, overcomes many of the lacunae in conventional labour data collection and research, which disfavour women. Such surveys capture the segmentation of the working day by men and women between paid and unpaid work activities. The paper examines the economics of rural work and gender divisions of labour between men and women within the rural households, based on a recent time allocation survey of poor rural households engaged in agriculture and allied activities in six villages located in Alipurdar and Darjeeling district in northern part of West Bengal.

KEYWORDS

system of national accounts, division of labour, time allocation, autonomous activities, paid and unpaid work.

JEL CODE

J22, J29.

1. INTRODUCTION: FOUNDATIONAL ISSUES

Economic work, by definition, is usually measured as the contribution of an individual worker, the division of labour that supports it arises from interrelated decisions made within a mutually-dependent labour group, such as a society or family. The household thus functions as the basic social unit that allocates labour time towards production and consumption, and household production thus involves the collective generation of goods and services by the household, combining capital assets such as land, tools & implements and skills held or controlled by certain members with the unpaid labour contributed directly and indirectly by other members to support the production process (Ironmonger 2001). The variety of gender-based activities that support household production indirectly thus include preparation of meals, cleaning & maintenance of homes, care for children and the elderly etc. Unlike rural households, those located in urban areas can also purchase the labour time to be expended on such support activities from the labour market, maximising their time-utility by choosing combinations of market-produced and home-produced goods and services, subject to availability and time constraints (Bryant 1995). The theory of the allocation of time by the family (Becker 1965) proves meaningful to this context, where household members are seen to make three decisions about where to allocate their time: i.e. to wage-work, household production or to leisure.

Despite the crucial responsibilities they undertake within the household, women are generally pushed into subordinate roles as agents of production, based on the perception that the labour time devoted by them to domestic work is not directly 'productive' (Patnaik & Debi 1991). In rural households, the economic contributions made by women are more visible, since they often assume earning roles besides functioning as home-makers. Even then, control over the resulting family income is generally surrendered to their partners because they lack autonomy. When unpaid women's work supports home-based production, the earnings that accrue from it are ultimately surrogated by the males. Additionally, in situations where such male earnings provide inadequate support the rural household, women are compelled to secure subsistence for their family by selling their wage-labour below its reproductive cost, i.e. by undertaking arduous work that lengthens their working day, sacrificing rest and leisure.

Several conceptual difficulties in dealing with the household division of labour also arise because of the narrow economic definitions of work. Since economic work implies economically productive participation through activities that lead to the direct production of goods and services for consumption or exchange, activities undertaken by women within the household, such as cooking, laundering, childcare and livestock tending which do not result directly in the production of visible economic goods and services do not fall within the purview of this definition, and are therefore treated as optional or subsidiary activities for the purpose of national accounts. As can be surmised, this fallacy arises from treating work as a purely individual function, disregarding the interdependence of work within the family group. The contribution of women to unremunerated and therefore immeasurable work within the household is productive in the sense that it extends the opportunities for other members of the family to participate directly in productive and remunerated work.

In India, where three-fourths of the rural population still draws sustenance from agricultural livelihoods, rural women comprise half of the paid and unpaid labour force. More than 30 million women participate currently in the rural workforce, two-thirds of them as agricultural labourers, and one third in animal husbandry, in the production of craftwork and related activities (Census 2001). Rural women play an important role at virtually all stages of crop production, ranging from land preparation to harvest & post-harvest activities, while in animal husbandry, their activities range widely from care of livestock and grazing & fodder collection to the processing of all livestock products. Although generally unremunerated when performed within the household, such rural activities are also classified socially as women's work.

The present study documents the gender dimensions of work in rural West Bengal through an empirical survey of rural households. Since conventional survey methodologies are unable to measure and value invisible women's work, the alternative methodology of time use surveys is adopted. This also entails fundamental alterations in the definitions of women's work.

2. METHODOLOGY AND UTILITY OF TIME USE STUDIES

The methodology of time use studies originally evolved around the need for measuring the intra-household division of labour in developed Western countries, where workers are largely involved in market-based activities. Inadequacy of data on women's participation in unpaid household activities in India leads to gross underestimation of their role in the labour force. The Census and NSS definitions of work differ substantially. Census sources identify workers on the basis of engagement in 'any productive work for which remuneration is paid and which is market related' while the NSSO extends this to engagement in any 'economically meaningful activity', thus including women's household activities such as livestock rearing, fodder collection, and agricultural processing, etc., and unpaid services rendered by them during farm and home production within the sphere of economic work. NSS estimates of women's workforce participation are therefore consistently higher than Census enumerations of their work participation. Neither definition is however fully capable of capturing the nuanced nature and extent of women's work participation, since the vast range of activities through which women produce goods and services for family and home-consumption are excluded. Such activities which rest on the unpaid services of women lead to the reproduction of labour power within the household. Women's work within the informal and subsistence sectors and in domestic and voluntary activity is therefore subject to serious undercounting in Indian labour statistics (Hirway 1999). Besides

improving the overall accuracy of employment statistics, the alternative methodology of time allocation studies throws considerable light on the distribution of paid and unpaid work between men and women in different livelihood spheres, and is thus especially useful in estimating the value of household production. The logical apparatus employed by Gary Becker in his theory of the allocation of time (Becker 1965) is particularly useful for understanding the phenomenon of labour force participation. Under this, if more goods and services can be acquired by a household member through an extra hour of employment in market work than could be produced by her or him through an extra hour of unpaid home-based work, the individual will opt to join the labour force and use the income thus earned to purchase the required goods and services. This has now come to be known as the *production substitution effect* (Bryant 1995). However, since time allocation is a collective decision within the household, the decision of one household member to participate in market work may be accompanied by matching increase in participation of other household members in home-based work, as the household seeks to optimise time allocation between market and non-market work in order to secure the largest accessible bundle of goods and services. This reasoning in fact explains why the domestic work burden of women in the household increases continuously as its menfolk participate increasingly in market work. Marxist theoreticians have thus acknowledged that formal labour markets are supported significantly by the household production system which aids the reproduction of labour by the working class (Gibson-Graham 1993).

Time use surveys in India were first conducted on an experimental basis by the Central Statistical Organisation [CSO] in 1998-99 in six selected states, under a new activity classification where 154 activities were identified and categorised into three groups covering:

- activities under the narrow definition of economic work, which are included under the *System of National Accounts* [SNA];
- non-market activities extending beyond the narrow definition of remunerative work that support home consumption, which have been included since 1993 in the *Extended System of National Accounts* [XNA];
- all other activities excluded under SNA and XNA definitions that lead neither to production or household consumption, but are needed for reproduction of labour power by the household are known as *Non-System of National Account* (Non-SNA or NNA). The System of National Accounts classified the human activities as either economic or non-economic (Bhatia 2002).¹

The present study thus seeks to quantify the allocations of labour time by rural households between different forms of economic and non-economic activity and to determine the underlying gender divisions of labour, following the methodology of time use studies. Use of labour time as a numéraire attribute is particularly useful when workers are known to perform a combination of wage-work and unremunerated home-based household work, since the alternative valuation of work solely by means of the earnings derived would render the latter forms of activity invisible even if these involved significant outlays of labour time.

3. STUDY PROFILE AND PRELIMINARY RESULTS

In order to deepen the understanding of women's work within rural households in West Bengal, the present study sought to extend the time use methodology to identify the determinants of gender work profiles and the exercise of autonomy by women workers and to uncover the underlying gender division of labour within rural families. A stratified four-stage sampling design was adopted for the study, with districts as the first unit, blocks as the second stage unit, villages as the third stage unit and households as the fourth and ultimate survey unit. The study thus covered six sample villages located in Alipurduar 1 & 2 blocks in Alipurduar district and three villages in Kalimpong I block of Darjeeling district in northern West Bengal, which were chosen on the basis of

- agrarian characteristics*, where a vast proportion of the rural workforce drew its livelihoods from agriculture;
- rural location*, with the sample villages being selected from areas in the interior located at least 50 km away from urbanised settlements;
- gender work profiles*, with a significant proportion of rural women being engaged in agricultural activities.

The six locations thus chosen for the time allocation survey were the villages of Chaprarpar, Chandijhar and Salkumarhat in Alipurduar district; and Bong Khasmahal, Kalimpong Khasmahal and Samalpong Khasmahal in Darjeeling district from which a total sample of 250 rural households were surveyed during the study². The structured questionnaire designed for the study was administered to rural household heads and their spouses in order to collect information on daily time use by men and women in the study villages. The departure made here from the methodology of the preceding West Bengal study (Banerjee 1985) which had collected information on time allocations by all household males and females, was necessitated by the need to avoid unintentional gender biases within the small data sample arising from heterogeneities within the gender composition of the different families. Hence the survey collected time use information from 250 rural households, from individual women as well as their partners. Collection of qualitative information from both spouses ensured the intuitive capture of decision-making relationships within rural families that are important determinants of the intra-household division of labour.

As evident from Table 1, the study villages under Alipurduar district are agrarian in nature and are largely dependent on agriculture. The major agricultural crops raised there of rice and jute cultivation is mostly rain fed. The agrarian character of the study region is borne out by high rates of participation in agricultural activities. In all the three villages, the proportion of workers involved in cultivation and agricultural labour activities exceeded the corresponding district averages, except in Chaprarpar where few women cultivators exist and rural women participate largely in agricultural labour activities. Since labour demands in this rainfed region were highly seasonal, a large number of agricultural labourers were also drawn in from outside during the peak harvesting season. Rural women, therefore, participated in agricultural work in largely marginal capacities, and at other times, also engaged in subsidiary activities such as *beedi* binding, sewing and quilt-making to support family incomes during the season of agricultural slack. Such work are generally carried out informally in household groups, where girl children assisted older women by performing several unpaid tasks associated with such activities. Because of its seasonal nature, women's work of this kind went largely unrecorded. Main work opportunities in the study villages were few and were largely availed by men.

TABLE 1: SOCIO-DEMOGRAPHIC CHARACTERISTICS OF VILLAGES SELECTED FOR TIME ALLOCATION SURVEY VIDE CENSUS 2011

Attributes	Chaprarpar	Chandijhar	Salkumarhat	Alipurduar District
Total Households	957	1096	1393	868326
Total Population	4018	4615	5952	3872846
Total Males	2103	2393	3090	1983064
Total Females	1915	2222	2862	1889782
Gender Ratio (Females per 1000 males)	911	929	926	953
Average Household-size	4.2	4.2	4.3	4.5
Overall Literacy %	74.6	71.7	66.0	64.5
Male Literacy %	78.5	76.8	71.5	70.4
Female Literacy %	70.3	66.3	60.1	58.3
Work Participation Rate %	37.9	36.4	43.1	39.1
Male Cultivators %	25.5	26.0	30.4	18.1
Male Agricultural Labourers %	11.3	13.7	34.8	18.1
Female Cultivators %	8.8	8.5	22.8	6.0
Female Agricultural Labourers %	25.5	25.6	52.5	19.8

Source: Census 2011: Primary Census Abstract

Darjeeling district is famous for its tea industry but Kalimpong division is known for its agricultural activities including floriculture and horticulture. Majority of the people rely on perform agricultural activities and follow traditional method of cultivation. Most of the farmers reported that the season for the agricultural activity begins with the harvesting of paddy, usually during the month of November-December and lasts till late August of the next year. During this period both men and women have to work for six to seven hours in the field and during planting the paddy seedlings they have to work for nine to ten hours a day. For, weeding purposes of the crop they work for approximately six hours a day.

TABLE 2: SOCIO-DEMOGRAPHIC CHARACTERISTICS OF VILLAGES IN DARJEELING DISTRICT SELECTED FOR TIME ALLOCATION SURVEY VIDE CENSUS 2011

Attributes	Bong Khasmahal	Samalbong Khasmahal	Kalimpong Khasmahal	Darjeeling District
Total Households	818	393	1833	391234
Total Population	4220	2050	8881	1846823
Total Males	2096	1033	4340	937259
Total Females	2124	1017	4541	909564
Gender Ratio (Females per 1000 males)	1013	985	1046	970
Average Household-size	5.16	5.22	4.85	4.72
Overall Literacy %	78.6	75.4	79.4	71.2
Male Literacy %	82.35	81.80	84.01	76.57
Female Literacy %	75	68.83	74.98	65.74
Work Participation Rate %	41.94	43.37	38.04	37.02
Male Cultivators %	9.27	17.44	9.30	8.00
Male Agricultural Labourers %	16.61	33.86	13.17	5.90
Female Cultivators %	8.59	10.01	4.59	3.14
Female Agricultural Labourers %	17.01	22.05	14.06	3.75

Source: Census 2011: Primary Census Abstract

Most of the women are functionally literate and their status in the family as well as in the society as a whole is satisfactory to them. They do have some liberty in family decision making, in the pattern of expenditure, schooling of their children and attending social and religious ceremony as well. Majority of the women do not have any jobs and likewise no source of income of their own. Most of them are involved in their field as family helper. They also work as agricultural labour in their own land as well as on other peoples' fields. In exchange, some receive wages, alternatively, labour hours are also being exchanged because production system in this region is also depends on different modes of exchange of labour. Two types of labour exchange forms are discernible in Kalimpong; one is 'Hoori' and the other is 'Parma'.³

Along with the above two types of labour exchange, there is also another mode of labour exchange. In this type, the worker known as 'Pakhurey' or tenant who rents land from the landlord in certain terms and condition. Here the tenant is given the right to hold the land for a certain period of time and cultivate along with utilizing other resources of the land, such as, fire-woods, fodder, water etc. of the land. The tenant is entitled to have half of the total production of his cultivation i.e. an equal distribution of total yield between the tenant cultivator and the landlord. The above form of labour exchange ensures partial non monetisation of production and labour economy with cash exchanges being maintained at a minimum level. This mode of labour exchange in this district also gives the concept of women's income saving attributes in rural households of agriculture in the form of wage labour. However, marketable surplus is low on account of the subsistence agriculture, transactions in the market economy remain at its minimum.

4. ANALYTICAL FRAMEWORK: LABOUR TIME COMMITMENTS BY WORKERS TO SNA, EXTENDED-SNA AND NON-SNA WORK IN AGRICULTURE

The questionnaire designed for the present study of time allocation survey covered 27 forms of field and household activity usually performed by residents in the study region, comprising a mix of SNA, extended SNA and non-SNA activities listed in the table 3 and table 4. Since these includes activities performed on seasonal as well as regular daily basis, the survey captured time allocations made by respondents towards both primary and subsidiary occupations, as well to other home-based work and leisure-time activities.

TABLE 3: AVERAGE LABOUR TIME COMMITMENTS BY RURAL WORKERS TO SNA, EXTENDED SNA & NON-SNA ACTIVITIES

(Analysis of variational patterns (Alipurduar District))

Activity type	Activity	Weekly Mean hours spent by Rural Families	Weekly Mean hours spent by rural Women	Standard Deviation	Weekly Mean hours spent by Rural Men	Standard Deviation
SNA1	Land preparation	58.73	23.73	14.5	35	12.2
SNA2	Crop husbandry	6.95	0.51	5.61	6.44	3.46
SNA3	Post-harvest activities	9.47	8.26	7.48	1.21	16.1
SNA4	Crop protection	5.22	0.18	7.22	5.04	5.08
SNA5	Kitchen gardening	2.28	1.68	2.96	0.60	8.92
SNA6	Market sales & purchases	4.94	0	0	4.94	11.7
SNA7	Livestock tending	5.76	5.06	5.11	0.7	15.8
SNA8	Livestock grazing	1.91	0.91	4.03	1	2.06
SNA9	Making dungcakes	5.67	5.67	2.78	0	0
SNA10	Poultry rearing	1.54	1.54	3.20	0	0
SNA11	Water & fuel collection	3.08	2.89	9.58	0.18	12.5
SNA12	Processing & storage	3.29	0.7	3.80	2.59	4.12
SNA13	Dwelling construction	9.35	0.7	0	8.65	15.6
SNA14	Well/Irrigation construction	9.24	7.42	3.38	1.82	6.26
SNA15	Common infrastructure	11.71	2.87	5.89	8.84	6.03
SNA16	Making handicrafts	2.66	1.63	17	1.02	12.1
SNA17	Market purchases & sales	0.65	0.28	4.04	0.37	0
XNA1	Cooking & cleaning	21.21	21.21	8.79	0	0
XNA2	Childcare	11.7	10.38	8.19	1.4	0
XNA3	Care of elderly	5.29	5.29	4.75	0	0
XNA4	Community work	2.54	1.09	9.86	1.44	10.7
XNA5	Education & tutoring	1.63	1.07	3.65	0.56	4.21
XNA6	Training programmes	0.79	0.60	3.10	0.18	0
NNA1	Leisure	5.11	2.56	6.73	2.54	12.6
NNA2	Personal care	2.59	2.59	3.47	0	0
NNA3	Social conversation	5.83	4.25	6.77	1.58	5.33
NNA4	Rest & relaxation	83.2	41.16	8.55	42	9.76

Source: TAS Survey data

The SNA activities performed by members of the rural households included the usual activity set associated with crop agriculture, including pre and post-harvest activities as well as the market activities associated with crop cultivation. However, given the limited extent of landholding among families and their consequent economic dependence on wage-work, not all of these were necessarily performed by respondents as subsistence activities on their own account. Instead, the time

allocations made towards these activities included labour services rendered against wage payments as hired agricultural labour, as well as the same services performed by respondents on their own account on self-cultivated lands.

A second subset of SNA activities includes subsidiary livelihood activities usually associated with home production, including the time devoted to livestock husbandry and to the collection of domestic fuel, agricultural processing and storage for home consumption, and construction activities, as well as the production of artisanal craft items for home consumption and market sale.

Once again, these included enterprise activities as well as services rendered against payment to other households, for instance in the commissioned construction of wells and dwellings by workers with the requisite artisanal skills, and the construction and management of local irrigation systems and village infrastructure, including earthworks, embankments and minor roads. The listed XNA activities included time allocations towards several unpaid domestic activities in which women play a major part, including cooking, cleaning and care-giving, educational & tutoring services, as well as community-work in the villages by respondents working as part of a group. The NNA set includes activities which are personal in nature, including social contact hours, leisure, rest & recreation and personal care.

TABLE 4: AVERAGE LABOUR TIME COMMITMENTS BY RURAL WORKERS TO SNA, EXTENDED SNA & NON-SNA ACTIVITIES

Analysis of variational patterns (Darjeeling District)

Activity type	Activity	Weekly Mean hours spent by Rural Families	Weekly Mean hours spent by rural Women	Standard Deviation	Weekly Mean hours spent by Rural Men	Standard Deviation
SNA1	Land preparation	30.75	14.26	8.24	16.49	8.13
SNA2	Crop husbandry	20.26	10.01	5.71	10.25	6.23
SNA3	Post-harvest activities	13.16	6.86	4.44	6.3	4.63
SNA4	Crop protection	14.68	6.91	3.48	7.77	4.29
SNA5	Kitchen gardening	3.43	1.91	1.29	1.52	1.01
SNA6	Market sales & purchases	7.65	3.73	3.03	3.92	2.81
SNA7	Livestock tending	11.38	6.09	3.56	5.29	4.58
SNA8	Livestock grazing	3.41	2.3	8.83	1.11	10.17
SNA9	Making dungcakes	0	0	0	0	0
SNA10	Poultry rearing	1.83	1.09	1.71	0.74	1.01
SNA11	Water & fuel collection	4.7	2.69	1.45	2.01	1.59
SNA12	Processing & storage	1.57	0.94	1.10	0.63	0.87
SNA13	Dwelling construction	7.07	0.62	2.97	6.45	3.19
SNA14	Well/Irrigation construction	5.53	1.48	1.11	4.05	2.87
SNA15	Common infrastructure	7.45	2.16	1.74	5.29	1.48
SNA16	Making handicrafts	2.02	1.2	0.67	0.82	3.79
SNA17	Market purchases & sales	0.17	0.01	0	0.16	2.82
XNA1	Cooking & cleaning	23.47	22.01	4.53	1.46	4.21
XNA2	Childcare	10.45	7.83	4.98	2.62	2.94
XNA3	Care of elderly	5.31	3.43	3.29	1.88	1.87
XNA4	Community work	14.23	7.19	1.96	7.04	1.73
XNA5	Education & tutoring	5	2.4	2.10	2.6	2.64
XNA6	Training programmes	0.1	0	0	0.1	0
NNA1	Leisure	10.01	5.77	1.98	4.24	2.05
NNA2	Personal care	13.07	6.86	1.07	6.21	0.84
NNA3	Social conversation	10.45	5.69	2.20	4.76	1.97
NNA4	Rest & relaxation	11.24	5.81	1.99	5.43	2.23

Source: TAS Survey data

The patterns of time allocation by rural men and women from the respondent households across the 27 SNA, extended SNA and non-SNA activities that they routinely participate in over the standard reference week are represented in the tables 3 and 4⁴. Divergent work patterns were observed between women and men. Women's work spread over a much larger number of activities, compared to men's work which remained focused towards a few. Women's time commitments also showed greater variability across rural households in comparison to the time allocations to a few primary activities made by men where variability is less, except in a few widow-headed households and households where the spouses were absent for other reasons, and women bore the brunt of the work. Another broad pattern that emerges from the data which indicates that women's labour time commitments tend to be lower in rural households where the work involvement of menfolk is lower, and increase as men's time allocations increase. However since rural women participate in more diverse activities compared to men, such changes in time allocations tend to be interdependent rather than independent and the activity choices of rural men thus influence time allocation by women. As summarised in Table 5 and 6, which shows collective time allocations by all rural workers to different activity categories over the standard timeframe of a week, sharp divergence exists in gender-work profiles in the study region. The tasking patterns implied within the tables show that rural women workers in Alipurduar district participate in many more activities than male workers, 15 of which are activities in the SNA category and six in the XNA category. Male workers in comparison participate in 15 activities on the whole, whereas for Darjeeling district both men and women are participating in almost all the activities equally. Work participation by rural women is thus far more diversified in Alipurduar district than that of rural men. However, much more time on the whole is committed by male workers to the ten SNA activities they are principally involved in, the bulk being allocated to land preparation. However, it may also be noted that not all activities are undertaken simultaneously by all respondent families in the course of a day⁵. Several of them are seasonal in nature while many others are skilled or specialised in nature which is undertaken by fewer numbers of rural households..

TABLE 5: WEEKLY TIME COMMITMENTS TO DIFFERENT ACTIVITY CATEGORIES IN RURAL ALIPURDUAR

SUMMARY RESULTS

Activity-type	Weekly hours committed by Rural Women	Total Women's Activities	Weekly hours committed by Rural Men	Total Men's Activities	Weekly hours committed by all Rural Workers	Total Activity
SNA Activities	57.11	15	78.44	10	130.48	17
Extended SNA Activities	37.19	6	6.40	2	43.59	6
Non SNA Activities	12.77	4	6.41	3	19.18	4

Source: TAS Survey data

TABLE 6: WEEKLY TIME COMMITMENTS TO DIFFERENT ACTIVITY CATEGORIES IN RURAL DARJEELING

SUMMARY RESULTS

Activity-type	Weekly hours committed by Rural Women	Total Women's Activities	Weekly hours committed by Rural Men	Total Men's Activities	Weekly hours committed by all Rural Workers	Total Activity
SNA Activities	62.25	16	72.8	16	135.05	17
Extended SNA Activities	42.88	6	15.7	6	58.58	6
Non SNA Activities	24.13	4	20.64	4	44.77	4

Source: TAS Survey data

Although women workers do not participate actively in crop husbandry, primary market activities and construction activities in which male workers specialise, they share responsibilities for all other SNA activities and even work independently in some. Of these, the most important in terms of daily time commitments by women include livestock rearing, water & fuel collection, and production of handcrafted items for home consumption as well as sale. Such SNA activities which are independently carried out by women may be termed *autonomous*, since they are accomplished irrespective of whether they are shared by men, and without being affected by the participation of women workers in other activities. These independent activities are largely of an income saving or supplementing nature. Although the autonomous participation of women in these diversified SNA activities limits the time they can freely commit to other economic forms of wage-work, women's time commitments to these are of an essential nature and important to the basic survival needs of rural households. Thus it can be said from the division of work pattern that women's 'committed time' in rural households are much higher than their 'contracted time' or 'necessary time' or 'free time'⁶

Following Ester Boserup's analysis (Boserup 1970), these SNA activities in which rural women participate autonomously could conceivably be classified as market-oriented home production rather than as domestic work, since they facilitate subsistence production by rural households. Skill-based activities autonomously undertaken by women, such as the production of craftwork, also directly embody the value of women's work which enhances the intrinsic valuation of the finished products, whether made for home consumption or market sale. When these are sold, such products directly supplement the incomes of rural households. Men's autonomous SNA activities, in contrast, are polarised around a more limited set of field activities, construction skills and market trade. However, since all these are core economic activities in rural regions, they place men in a dominant economic role. This also effectively reinforces the proposition encountered elsewhere in the literature that rural women's work remains invisible and is largely unpaid, although women participate and contribute substantially to the rural production process, for instance in surveys on women in agriculture and productive work undertaken in northern and western India, where rural women were seen to do a vast amount of the work necessary for supplementary income generation through the growing of vegetables, food preservation etc. (Bardhan, 1983).

Within the extended SNA group of activities, household cooking & cleaning, childcare and care of elderly are activities solely undertaken by women, some women also participate in rural training programmes. Although participation in community work and in the education and tutoring of children is shared, rural women on an average devote much more time to the latter activity compared to their partners. In the NNA group, rural women report approximately the same amount of rest and free leisure time as rural men. However, they also allocate a certain amount of time every day to leisure-time activities such as personal care and social interaction, which most men do not report separately. Aggregate time allocations by rural women are thus weighted towards home production activities in the SNA group, as well as to XNA and NNA activities. However, a point that is significant to this context is that women's domestic XNA activities have to be undertaken without fail everyday on a continuing basis, unlike several SNA activities of men which are periodic or seasonal. Thus the diversity of women's work and the variety of autonomous tasks they are required to perform each day invariably limit the time they can afford to spend in rest and relaxation throughout the year.

Analysis of cumulative time allocations by rural households in the study region is equally revealing. Although the aggregate number of hours per week expended on SNA activities by rural women is slightly short of similar time commitment by rural men, the time cumulatively devoted to SNA and XNA activities by women greatly surpasses the aggregate time committed to these activities by men. This is primarily due to the extra time that women commit to XNA activities, within which the largest single unit is the performance of daily domestic chores like cooking and cleaning. Rural women thus shoulder the heaviest part of the work burden within the home, while rural men engage primarily in large-scale field activities that require the periodic application of physical strength, e.g. earthwork, construction and land preparation, crop husbandry and crop protection etc. However, other field activities that require sustained effort and endurance, like fetching fuel and water, livestock and poultry rearing, and post-harvest activities like threshing, winnowing, etc. are assigned mainly to women. Other activities that involve direct economic transactions, e.g., market sales & purchases of primary agricultural items and other produce, are largely monopolised by men folk in rural households.

Significantly, the autonomous activities carried out by rural women include a large proportion of home production activities which produce visible inputs for household consumption or market sale. These include post-harvest and craft activity in the marketable segment, and livestock and poultry rearing, fuel & water collection and the making of dung-cakes in the activity segment that generates substantial savings and home consumption benefits for the rural household. In terms of women's time allocations, livestock tending and dung-cake manufacture require significant time commitment every day. Daily cooking & cleaning and childcare are autonomous household activities to which every rural woman has to devote a substantial part of her day. Rural women spend time on personal care autonomously, very often; this is accompanied by the washing of utensils and clothes, which is not recorded separately among women's activities. It would also appear that the large number of unpaid and household activities to which rural women have to allocate time autonomously limits the time they can commit autonomously to economic activities in paid group. Work-sharing by men is limited to unpaid activities, and by and large does not extend into the rural household.

5. CONVERGENCE AND DIVERGENCE IN SPOUSES' PERSPECTIVES ON WOMEN'S AUTONOMY IN VILLAGES

In the present study region, depending on their structure of assets holding and skills, the principal livelihoods of the rural households comprising the sample depended on a variety of land-based and non land-based economic activities. Most households cultivated at least a small amount of land, either on ownership or tenancy basis, while the relatively assetless and land-poor households depended more on wage-based activities. A certain proportion of rural households also practices artisanal or agricultural trade, which increased their relative involvement in market-based activities. Although activities like livestock and poultry rearing and artisanal work supplemented income and consumption in most rural households, their economic importance was relatively higher among the poorer households where these activities gave women a supplementary economic role. Thus women's labour time allocations were at least partially conditioned by the economic status of the households, and therefore by the livelihood choices made by rural men. However, regardless of the amount of time they were able to commit towards such SNA activities, all rural women also made extensive time commitments to XNA activities within the household. It was not visible immediately from the data whether the time women devoted towards these activities which they usually performed autonomously led to the displacement of their labour time from other economic activities. Another potential form in which labour substitution could affect the participation of rural women in economic activities adversely would occur if the activity choices and time allocations made by rural men directly determined the labour time commitments of women to SNA and XNA activities. While in the first instance, the participation of women in economic work would be determined by the autonomous time allocations to other XNA activities, it would be determined cross-dependently in the second instance by the activity choices made by their male partners resulting in strong gender divisions among labour.

Stress was therefore laid during the analysis of survey data on evaluating the impact resulting from men's activity choices and time allocations upon the time spent by women in household and economic activities. This was based on the reasoning that the livelihood choices made by menfolk as the heads of rural households have a more primary role in determining women's work activities, rather than vice-versa. Interdependencies between the activity choices and time allocations of men and women respondents were extracted in the form of the cross-correlation coefficients in the Women-Men cross-correlation matrix in Tables 7 and 8, which summarises the gender dependency characteristics between rural men's and women's labour time allocation. The tables however excludes three of the 27 SNA, XNA and NNA activities, where men's activity choices and time allocations have no impact whatsoever on the labour time committed by rural women, though other nine activities of men also have very less or negligible impact on labour time commitments of women. The group of autonomous rural women's activities, comprising seven in the SNA category, four in the XNA category and one in the NNA category for which cross-correlation between men's and women's time allocations is either zero or insignificant are listed separately in Table 9 below.

Three orders of interdependency between men's and women's activities and time allocations may be discerned in the cross-correlation tables, which are analysed below, citing appropriate examples of each:

- In the first case, the order of interdependency is direct and higher time allocations by rural men in core activities like land preparation expectedly increase the time that has to be committed by women to post-harvest, processing & storage activities, as a consequence of greater cropping activity by the rural household. However, this reduces the time that can be expended by women on care of the elderly, community activities and their own rest and relaxation. Despite such exigencies, rural women still have to allocate substantial time towards other supplementary SNA activities like livestock tending and poultry rearing. Time allocation towards autonomous women's activities like cooking & cleaning and other household work nevertheless remains high. Increased time expended by rural men on primary market trade in agricultural inputs and produce similarly increases the time expended by rural women on market-oriented SNA activities like post-harvest, processing & storage, as well as livestock & poultry rearing and kitchen gardening. However, since these women must autonomously expend a considerable part of their time on domestic XNA activities, the time available to them for rest and recreation is limited.
- In the second case, the order of interdependency between rural men's and women's activities is inverse in nature. Increasing time allocations towards certain men's activities like dwelling construction substantially reduce the time that rural women can devote to other group activities like the development of common infrastructure and community work, but increases the time consequently available for rest and relaxation.
- In the third case, where increasing time commitments to certain activities by rural men are gender neutral and have limited impact on women's time allocations, the activity choices made by men and women are largely autonomous rather than interdependent. This applies, for instance, to the time committed by rural men towards the construction of wells and irrigation systems, which are essentially periodic activities in which rural women play no part.

TABLE 7: INTERDEPENDENCE PATTERNS BETWEEN RURAL MEN'S AND WOMEN'S ACTIVITIES W-M CROSS-CORRELATION MATRIX: GENDER-INTERDEPENDENT ACTIVITIES (ALIPURDUAR)

	SNA1	SNA2	SNA3	SNA4	SNA5	SNA7	SNA8	SNA9	SNA10	SNA11	SNA12	SNA13	SNA14	SNA15	SNA16	SNA17	XNA1	XNA2	XNA3	XNA4	XNA5	XNA6	NNA1	NNA2	NNA3	NNA4
SNA1	0.401	-0.185	0.505	-0.155	0.004	0.136	-0.060	0.438	0.043	-0.090	-0.111	0.090	0.222	0.048	0.012	-0.044	-0.064	0.055	0.079	0.119	0.043	-0.082	-0.020	0.109	0.045	0.033
SNA2	0.165	-0.171	0.657	-0.111	0.102	0.315	0.056	0.355	0.018	-0.046	-0.037	0.130	0.079	-0.110	0.039	-0.041	-0.027	0.151	0.118	0.182	0.115	0.001	-0.065	0.123	0.101	-0.043
SNA3	-0.188	0.094	-0.086	-0.023	0.141	-0.122	0.190	0.193	0.005	-0.060	0.568	-0.023	-0.077	-0.046	0.058	0.087	-0.141	-0.108	0.118	-0.048	-0.073	-0.045	0.092	-0.134	-0.048	-0.090
SNA4	-0.014	-0.162	0.506	-0.085	0.106	0.323	-0.129	0.424	0.064	0.085	0.141	-0.085	0.016	-0.172	-0.013	-0.012	-0.005	-0.033	0.108	0.000	-0.042	-0.115	-0.001	0.065	0.038	0.103
SNA5	-0.093	0.224	-0.063	-0.022	-0.035	0.045	0.031	0.200	-0.094	-0.080	-0.056	-0.022	-0.074	-0.045	0.014	-0.030	0.174	-0.099	0.162	-0.046	-0.071	-0.044	-0.085	-0.115	-0.014	-0.110
SNA6	-0.055	0.083	0.214	-0.060	0.192	0.049	-0.085	0.156	0.158	0.041	0.399	-0.060	0.000	-0.122	0.222	0.047	-0.220	-0.071	0.036	-0.072	0.068	0.017	0.102	-0.045	-0.050	-0.352
SNA7	-0.118	-0.037	0.062	-0.019	-0.002	-0.141	0.506	-0.014	0.246	0.045	-0.049	-0.019	-0.065	-0.039	0.038	-0.026	-0.073	-0.120	-0.136	-0.040	0.033	-0.038	0.021	-0.126	0.028	-0.179
SNA8	-0.013	-0.115	0.314	-0.060	0.043	0.083	-0.034	0.287	0.095	-0.095	-0.046	-0.060	0.161	0.030	0.069	0.013	0.060	0.039	0.026	-0.070	-0.061	-0.070	-0.033	0.177	0.070	0.085
SNA9	-0.081	0.231	-0.065	-0.010	-0.042	0.027	-0.028	-0.047	0.052	0.007	0.219	-0.010	-0.032	-0.019	0.021	-0.013	0.046	0.030	0.111	-0.020	-0.030	-0.019	-0.037	-0.062	-0.010	-0.067
SNA11	-0.081	-0.018	-0.065	-0.010	-0.042	-0.070	0.187	0.029	0.144	0.386	-0.024	-0.010	-0.032	-0.019	-0.019	-0.013	0.141	-0.085	0.111	-0.020	-0.030	-0.019	-0.037	-0.062	-0.054	0.006
SNA12	0.022	-0.002	0.527	-0.065	0.036	0.312	0.021	0.494	0.278	-0.118	0.208	-0.065	-0.124	-0.132	0.250	0.070	-0.036	0.156	0.099	0.127	0.079	-0.002	0.039	0.289	0.180	0.069
SNA13	0.246	-0.097	0.088	-0.050	-0.145	0.028	-0.148	0.053	-0.172	-0.052	-0.129	-0.050	0.148	0.225	-0.028	0.079	-0.023	-0.029	0.165	-0.106	-0.071	0.058	-0.066	-0.030	0.084	-0.012
SNA14	0.332	-0.104	0.034	-0.054	-0.131	-0.113	-0.113	-0.089	-0.186	-0.090	-0.138	0.216	0.195	0.257	-0.105	-0.073	-0.279	0.104	0.014	-0.113	0.046	0.050	-0.149	0.137	0.094	0.029
SNA15	0.318	-0.101	0.043	-0.053	-0.125	-0.103	-0.110	-0.071	-0.181	-0.122	-0.135	0.219	0.201	0.261	-0.103	-0.071	-0.259	0.116	0.024	-0.111	0.051	0.053	-0.144	0.146	0.090	0.017
SNA16	-0.157	-0.036	0.075	-0.019	-0.082	0.137	-0.055	0.002	0.051	-0.068	-0.047	-0.019	0.237	-0.038	-0.036	0.373	0.090	-0.125	0.011	-0.039	-0.059	-0.037	-0.072	0.041	-0.106	-0.034
SNA17	-0.013	-0.026	0.101	-0.014	0.313	0.106	0.113	-0.066	-0.057	-0.049	-0.035	-0.014	-0.046	-0.027	-0.026	-0.018	0.015	0.123	0.158	-0.028	-0.043	-0.027	0.090	-0.089	-0.077	0.138
XNA2	-0.006	-0.010	0.112	-0.058	-0.096	-0.004	-0.018	-0.016	0.034	0.002	-0.099	-0.058	-0.005	-0.046	-0.040	-0.078	-0.081	0.041	0.005	-0.096	0.036	-0.071	0.020	-0.005	0.138	-0.031
XNA4	-0.099	-0.061	-0.028	-0.032	0.170	0.216	-0.093	0.119	-0.051	-0.098	-0.048	-0.032	0.052	-0.064	-0.019	-0.043	0.050	0.071	0.072	0.115	-0.102	0.497	-0.036	0.061	0.069	0.073
XNA5	-0.226	-0.058	-0.117	-0.030	-0.018	0.124	-0.061	-0.250	0.115	-0.111	-0.078	-0.030	-0.034	-0.062	-0.049	-0.041	0.008	0.041	-0.091	-0.064	-0.071	-0.060	-0.091	0.045	-0.108	-0.059
XNA6	0.029	-0.037	-0.022	-0.019	0.092	0.005	-0.057	0.134	-0.082	0.142	-0.049	-0.019	0.455	-0.039	-0.038	-0.026	-0.111	-0.142	-0.137	-0.040	-0.062	-0.038	-0.075	0.042	-0.110	0.012
NNA1	-0.204	-0.077	0.022	-0.040	-0.065	0.082	-0.077	0.010	-0.129	-0.028	-0.102	0.014	0.137	-0.081	-0.078	-0.054	-0.179	-0.118	-0.087	-0.075	0.380	-0.079	0.479	0.154	-0.042	0.081
NNA3	0.108	-0.087	-0.085	-0.045	-0.150	0.019	-0.132	0.088	0.001	-0.129	-0.115	0.154	0.324	-0.091	-0.088	0.029	-0.040	0.001	-0.236	-0.095	-0.144	-0.089	-0.175	0.006	-0.152	-0.033
NNA4	-0.074	0.117	0.139	0.115	0.066	0.040	-0.059	0.079	-0.133	-0.058	-0.117	-0.043	-0.128	0.040	0.240	0.120	0.006	-0.171	0.063	0.014	0.104	-0.098	0.156	0.053	-0.010	0.344

Source: TAS Survey data for Jalpaiguri

Note: Interdependencies between men's and women's labour time commitments are indicated by cross-correlation coefficients in the matrix. Vertical relationships represent the influence of men's time allocation to an activity on women's time allocations to different activities. Negative coefficient values imply that increasing time commitment by men to a given activity have a displacing effect on labour time allocation by women for the given activity-pair. Positive coefficient values indicate that men's time allocations enhance women's labour time commitments for the given activities. Activities with zero cross-correlation coefficients in which rural men and women participate autonomously are excluded from the matrix and listed separately in Table 9.. Since the column-wise impact of men's activity choices on women's time allocations diverges from the converse row-wise impact of women's activity choices on men's labour time commitments, the cross-correlation matrix, by definition, is asymmetric.

TABLE 8: INTERDEPENDENCE PATTERNS BETWEEN RURAL MEN'S AND WOMEN'S ACTIVITIES W-M CROSS-CORRELATION MATRIX: GENDER-INTERDEPENDENT

ACTIVITIES (DARJEELING)																									
	SNA1	SNA2	SNA3	SNA4	SNA5	SNA6	SNA7	SNA8	SNA10	SNA11	SNA12	SNA13	SNA14	SNA15	SNA16	SNA17	XNA1	XNA2	XNA3	XNA4	XNA5	NNA1	NNA2	NNA3	NNA4
SNA1	0.825	0.704	0.616	0.309	-0.078	0.572	0.228	0.193	0.148	-0.008	0.309	0.005	-0.004	-0.255	0.256	-0.077	0.336	0.388	-0.023	0.173	0.141	-0.163	0.168	0.511	0.718
SNA2	0.719	0.784	0.753	0.352	-0.074	0.537	0.184	0.165	0.202	0.057	0.233	-0.017	-0.111	-0.180	0.288	-0.067	0.272	0.280	-0.141	0.109	-0.031	-0.153	0.168	0.536	0.612
SNA3	0.654	0.706	0.832	0.406	-0.025	0.538	0.185	0.192	0.342	0.174	0.323	-0.007	-0.139	-0.204	0.292	-0.070	0.258	0.324	-0.148	0.190	-0.005	-0.061	0.258	0.556	0.550
SNA4	0.236	0.282	0.449	0.701	0.004	0.267	0.286	-0.008	0.366	0.336	0.165	0.107	-0.059	-0.020	-0.106	-0.085	0.161	0.183	-0.094	0.331	-0.013	0.114	0.198	0.328	0.340
SNA5	-0.104	-0.106	-0.035	0.018	0.787	0.069	-0.007	0.039	0.162	-0.023	-0.052	-0.200	-0.146	0.037	-0.133	0.033	0.091	0.006	-0.141	-0.037	0.015	0.064	0.091	-0.069	-0.014
SNA6	0.550	0.477	0.424	0.262	0.008	0.576	0.268	0.172	0.160	0.153	0.271	0.003	-0.062	-0.193	0.010	-0.107	0.404	0.529	0.001	0.257	0.164	-0.120	0.272	0.320	0.557
SNA7	0.327	0.139	0.181	0.258	-0.113	0.350	0.709	-0.022	-0.011	0.379	0.121	0.093	-0.114	-0.056	0.041	0.037	0.253	0.415	0.063	0.256	0.315	0.095	0.064	0.285	0.384
SNA8	0.288	0.259	0.366	0.250	-0.098	0.302	0.240	0.087	0.194	0.336	0.088	0.079	-0.174	-0.107	0.268	-0.024	0.094	0.264	-0.003	0.293	0.232	0.181	0.106	0.503	0.198
SNA10	-0.115	-0.145	-0.023	0.013	0.240	-0.124	-0.125	-0.087	0.559	-0.073	-0.072	0.014	-0.059	-0.064	-0.119	-0.066	0.083	-0.078	-0.115	-0.073	0.005	0.000	-0.029	0.016	0.013
SNA11	0.061	0.044	0.197	0.085	-0.041	-0.004	0.317	-0.075	-0.080	0.581	0.023	-0.253	-0.197	-0.086	-0.120	-0.001	0.149	0.310	0.021	0.048	-0.102	0.054	0.013	0.035	0.024
SNA12	0.313	0.268	0.309	0.217	0.042	0.233	0.026	0.109	-0.024	0.106	0.885	0.034	0.088	-0.158	0.183	-0.053	0.057	0.294	0.022	0.091	0.006	-0.093	-0.036	0.250	0.320
SNA13	0.170	0.022	0.007	0.037	0.055	0.213	0.171	0.073	0.271	-0.053	0.146	0.181	0.118	-0.015	0.062	-0.013	0.085	0.221	-0.019	0.317	0.452	0.423	0.333	0.165	0.293
SNA14	0.514	0.547	0.616	0.464	-0.203	0.458	0.312	0.069	0.387	0.255	0.246	0.218	0.065	-0.105	0.221	-0.036	0.191	0.286	-0.133	0.498	0.213	0.228	0.367	0.638	0.529
SNA15	0.133	0.094	0.157	0.038	0.035	0.131	0.150	0.023	0.307	0.085	0.165	-0.066	-0.098	-0.010	0.026	0.032	0.031	0.165	-0.167	0.357	0.265	0.418	0.277	0.225	0.270
SNA16	0.116	0.008	0.050	0.025	-0.023	0.285	0.104	-0.004	0.143	0.150	0.175	-0.109	0.007	-0.064	-0.105	-0.035	0.193	0.205	0.012	0.087	0.002	-0.115	0.185	0.066	0.190
SNA17	-0.050	-0.073	-0.043	-0.073	-0.041	0.057	0.043	-0.056	0.030	0.170	0.118	0.056	-0.093	-0.084	0.146	-0.017	0.051	0.047	-0.068	0.143	0.154	0.121	0.017	0.206	0.047
XNA1	0.226	0.190	0.153	-0.015	0.010	0.194	0.021	-0.067	0.000	0.131	0.176	-0.094	0.003	-0.148	0.027	-0.042	-0.070	0.200	-0.011	-0.150	0.044	-0.064	-0.056	0.174	0.240
XNA2	0.049	0.056	0.081	-0.036	-0.053	-0.119	-0.015	-0.064	0.062	-0.040	0.073	-0.203	-0.097	-0.264	-0.031	-0.070	-0.045	0.498	0.113	-0.031	0.270	-0.083	0.042	0.131	0.121
XNA3	-0.021	-0.153	-0.085	-0.057	-0.124	-0.104	-0.054	0.010	-0.103	0.034	0.045	-0.197	-0.069	-0.154	-0.102	0.103	-0.015	0.116	0.751	-0.163	0.169	-0.116	-0.043	-0.052	0.089
XNA4	0.217	0.151	0.209	0.083	0.029	0.211	0.166	0.023	0.229	0.184	0.044	-0.018	-0.028	-0.124	0.028	0.036	0.152	0.326	-0.041	0.600	0.286	0.252	0.503	0.325	0.286
XNA5	0.130	-0.011	0.038	0.030	-0.056	0.153	0.078	-0.045	0.014	0.083	-0.124	-0.021	-0.318	-0.178	0.032	-0.022	0.098	0.263	0.189	0.069	0.577	0.170	0.116	0.078	0.132
XNA6	0.118	0.070	0.071	0.079	-0.112	0.215	0.108	-0.032	-0.066	0.297	0.262	0.226	-0.094	-0.075	0.306	-0.010	0.110	0.101	-0.075	0.312	0.323	0.295	0.010	0.549	0.204
NNA1	-0.158	-0.202	-0.083	-0.079	0.076	-0.045	0.154	-0.111	0.073	0.201	-0.058	-0.051	-0.122	0.003	-0.103	-0.010	-0.031	0.098	0.046	0.290	0.394	0.548	0.215	0.092	-0.053
NNA2	0.139	0.160	0.216	-0.033	-0.023	0.111	-0.014	-0.050	0.072	-0.021	-0.010	-0.058	-0.068	-0.082	0.053	0.045	0.029	0.203	-0.007	0.394	0.221	0.122	0.490	0.267	0.151
NNA3	0.516	0.546	0.522	0.243	-0.241	0.346	0.232	0.034	0.278	0.167	0.168	-0.012	-0.087	-0.166	0.203	-0.035	0.231	0.334	-0.126	0.442	0.251	0.136	0.327	0.786	0.583
NNA4	0.728	0.640	0.486	0.283	-0.126	0.486	0.189	0.181	0.252	-0.065	0.285	-0.014	0.034	-0.109	0.149	-0.058	0.363	0.388	-0.039	0.253	0.387	-0.089	0.222	0.594	0.885

Source: TAS Survey data for Darjeeling

Note: Interdependencies between men's and women's labour time commitments are indicated by cross-correlation coefficients in the matrix. Vertical relationships represent the influence of men's time allocation to an activity on women's time allocations to different activities. Negative coefficient values imply that increasing time commitment by men to a given activity have a displacing effect on labour time allocation by women for the given activity-pair. Positive coefficient values indicate that men's time allocations enhance women's labour time commitments for the given activities. Activities with zero cross-correlation coefficients in which rural men and women participate autonomously are excluded from the matrix and listed separately in Table 9. Since the column-wise impact of men's activity choices on women's time allocations diverges from the converse row-wise impact of women's activity choices on men's labour time commitments, the cross-correlation matrix, by definition, is asymmetric.

As cross-correlation analysis shows, such activity by rural men to extend the reach of irrigation, for obvious reasons, has a mildly positive impact in increasing the time committed by women towards land preparation and kitchen gardening but is essentially neutral in most other respects.

TABLE 9: W-M ZERO/ INSIGNIFICANT CROSS-CORRELATIONS: AUTONOMOUS WOMEN'S ACTIVITIES

SNA3	Post-harvest activities
SNA7	Livestock tending
SNA9	Making dungcakes
SNA10	Poultry rearing
SNA11	Water & fuel collection
SNA16	Making handicrafts
SNA17	Market purchases & sales
XNA1	Cooking & cleaning
XNA2	Childcare
XNA3	Care of elderly
XNA6	Training programmes
NNA2	Personal care

Source: TAS Survey data

6. CONCLUSION

The study established that division of labour within a rural household has created a hierarchy of paid and unpaid work, pushing rural women into subordinate social and economic positions by making their work invisible. The time use methodology proved particularly effective in capturing the working roles of rural women and making their dual labour contributions to economic and subsidiary household activities strongly visible. The study further confirms that women's contribution is larger than men in terms of time allocation for both Alipurduar and Darjeeling from household's maintenance to various agricultural activities and women participate mostly in unpaid Extended SNA activities or SNA activities which are non-remunerative while men labour force participate in remunerative SNA activities.

Alternative methodologies based solely on the quantification of rural women's earnings have been unable to perceive these roles, and therefore relegated rural women to the subordinate position of unpaid domestic workers, and this shows the dominance of gender ideologies. However, such undervaluation of women's contributions to the rural household is not merely ideological alone. Both Census and NSSO definitions of year round work, as currently applied in India are unable to recognise the full extent of rural women's workforce participation which, like agriculture, is seasonal by nature. The study also bears out the main conclusions of rural research based on the food chain, which show that labour application by men and women in agricultural households is often sequential rather than simultaneous. While the labour contributed by rural men towards land preparation and crop protection & husbandry initiates the agricultural production chain, women's labour contributions to post-harvest activities and processing & storage enter the production chain at a later point, and do not secure equivalent recognition or economic rewards despite contributing significantly to the value of the agricultural product (Kabeer, 1990).

Besides their foundation in gender specialisation within the agricultural production chain, existing gender divisions of labour in rural areas are also determined by rural property rights systems, particularly land-holding, and by differential access of rural men and women to other productive resources (Holmboe-Ottesen *et al.*, 1989). Rural landlessness further restricts women's resource access and makes them especially vulnerable to seasonalities in rural labour demand. While rural men can compensate for landlessness by increasing the time they expend on wage-work, rural women cannot make similar adjustments because of the additional burden of domestic work that they carry within their homes. Rural poverty, therefore, pushes women disproportionately by increasing their workload without expanding their reward.

The acceptance of gender structures by rural women reflects the livelihood insecurities they have to confront with, despite contributing substantial amounts of labour time to the survival of poor rural families. More complex issues arise, however, when such problems have to be redressed. In theory, agricultural growth would appear to offer a solution because it increases rural labour demands and wage-rewards. In practice however, the relation between agricultural progress and women's economic rewards is not so direct. The new economic opportunities generated by agricultural progress are more easily availed by men who do not have to carry an additional domestic workload. In this case, the rural gender structures can become further entrenched if increased participation by men in wage-based activities requires that their labour contributions to livestock rearing, processing and other home-based production activities be substituted by equivalent labour contributions from women, as is often the case. New cropping practices that replace subsistence crops by cash crops can fundamentally alter the rural production chain by doing away with the post-harvest and processing activities in which rural women had specialised. Such problematic issues also emphasise that the transformation of social and economic situations of rural women cannot be accomplished solely by economic means. More fundamental transformations in gender structures through socio-legal means, for example, through fundamental changes in land-titling and inheritance systems must also be initiated to induce more equitable distribution of economic and gender rights.

NOTES

1. Prior to the surveys, researcher identified categorized and coded 27 types of activities from the list of activities of Indian Time Use Survey carried out by CSO in 1999. Activities were chosen on the basis of importance or structure of agricultural houses and the existing work patterns in the rural areas of Bengal.
2. According to the Census of 2011, in the six villages under consideration, 90 percent of the total families were found to depend wholly or partly on agriculture.
3. Hoori, Parma and Pakhurey are special form of labour exchange, which is common in the hills of Darjeeling. During peak season, certain number of households of the same locality or sometimes from the nearby village forms a group and works alternatively within the group during the whole season. This form of labour exchange is known as 'Hoori'. A band of workers comes together with one another (either male or female) from each participating household and they use to work simultaneously in the farmland of members' household only. Here nobody is paid in terms of money but a barter system follows through exchange of labour. The literary meaning of 'Hoori' is storm. 'Parma' is another form of labour exchange, in place of wage payment. But in this case, no group is formed, here individual household use to help each other during cultivation. But in this form of exchange of labour, total time commitments are handled as one working day. The owner of any farmland (where a person has worked as a labour) have to send one or two labourer or sometimes even they themselves have to go to other person's farmland to work for a day or two depending upon the number of days that the person have worked earlier in their field. This type of labour exchange is done between two households only.
4. Husbands' and wives' mean weekly hours in SNA, Extended-SNA and Non-SNA activities are derived from primary respondent's and spouse's answers to a question on the researcher self-enumerated questionnaire asking for the approximate number of hours per week normally spent on 27 predetermined activities. In rural households, some of activities are done only once a week and to maintain the parity between daily task and weekly task, mean weekly hours has been taken as a standard.
5. In order to reduce missing data, the mean was substituted for missing values on weekly hours, education, and income.
6. Harvey and Mukhopadhyay (2007) make use of a more meaningful term, that of "committed" time, which refers to total time undertaken to maintain one's home and one's family. They identify "four main time categories: contracted time, committed time, necessary time, and free time." Contracted time is time that, by agreement, has been set aside to undertake paid work or education. One is obligated by the nature of the employment or educational contract to allocate time to these activities as appropriate. Committed time refers to time undertaken to maintain the family. Necessary time is time required to maintain oneself in terms of eating, sleeping, bathing, etc. Free time refers to the remaining time that is left when contracted, committed, and necessary time is subtracted from 24-hours of the day.

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IMPACTS OF DEMONETIZATION ON ECONOMY, INVESTMENT & MUTUAL FUND

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ABSTRACT

The demonetization of Rs. 500 and Rs. 1000 bank notes was a sudden and swift process that took the nation by surprise. In a move that has been lauded majorly by most of the sections of society, Prime Minister Narendra Modi on an unscheduled live TV address to the Nation on November 8 announced that the notes of Rs. 500 and Rs. 1000 would not be considered as legal tender from the midnight of November 9, 2016. The move had been an outcome of an extensive amount of confidential, research-backed work dating back to six months, as a part of a strategy to crack a whip on black money. The demonetization of the rupee can manifest in the form of varied set of repercussions on the economy. The mutual fund industry is likely to be a beneficiary of the demonetisation of Rs 500 and Rs 1,000 notes as the funds thus unlocked may find way to their schemes. This paper is all about unfolding the effects of demonetisation and the market jitters created by it as a value buying opportunity.

KEYWORDS

demonetisation, impact of demonetisation on Indian economy, mutual Funds.

JEL CODE

G38

1. INTRODUCTION

The demonetization of Rs. 500 and Rs. 1000 bank notes was a transformational decision of the government and it actually lead to two schools of thoughts, those who totally supported the idea and those who were against this decision. The government offered two main reasons behind its decision: one, to curb the corruption or to eliminate the black money and second, to control counterfeit notes that could be contributing to terrorism. According to some academicians and researchers, the decision to demonetize Rs 500 and Rs 1000 notes is misconceived and will not address the problem of black money or corruption and it is not a big disaster like global banking sector crises of 2007; but at the same time, it would act as a liquidity shock that disturbs economic activities.

2. STATEMENT OF PROBLEM

It is imperative to evaluate the expected impact of this surprising decision of the government in short run or in long run. The Indian Economy which is considered as the "fastest growing economy" in the world seems to have slowed down with shock therapy" of "demonetization". So, an attempt has been made to examine the effect of demonetization on the Indian economy, investments & mutual funds.

3. OBJECTIVES OF THE STUDY

1. To understand the meaning and reasons behind the demonetization in India.
2. To analyze the expected impact of demonetization on various sectors on the Indian economy.

4. RESEARCH METHODOLOGY

I have tried to estimate the effect of the demonetization on the various sectors such as GDP, inflation rate, unemployment, balance of trade, and exchange rate, which are the key indicators of the performance of the growth and performance of the Indian economy. The impact period considered is approximately 5 months (from the date of demonetization announcement on November 8, 2016 till now). In order to analyze the positive and negative impact of demonetization on the Indian economy, a comparative study has been made for pre and post period.

5. ARGUMENTS IN FAVOUR OF DEMONETIZATION

1. India is rapidly increasing in terms of growth and it has become the seventh largest economy in the world and third largest economy in the Asia but at the same time India is ranked 76 in global Corruption Perception ranking. It clearly shows that corruption and black money have spread their tentacles and they are the biggest obstacles in the way of removing the poverty.
2. RBI data showed that as of March 2016, 632,926 currency notes were counterfeit- shown as an FICN (Fake Indian Currency Note). As a proportion of NIC (Notes in Circulation), the 1000 rupee and 500 rupee notes were the highest and these fake notes are used by the terrorist to sponsor terror- this was proven many times. So, nullifying this fake currency was also the part of demonetization.

6. ARGUMENTS AGAINST OF DEMONETIZATION

Former Prime Minister, Manmohan Singh calling it a "monumental mismanagement" and he said that the demonetization of high value currency notes has caused great distress to the common man of the country. He remarked that the GDP of our country could shrink by 2% due to the way it has been implemented. Expert including a former RBI Governor and the current Chief Economist of the World Bank have spoken against demonetization. Even some noted economists and advocates including Prof. Prabhat Patnaik, Prashant Bhusan also gave their opinion against the demonetization. According to them-

1. Only about 30% of the Indian population has access to the banking system as per data compiled by the banking division of the finance ministry. Moreover, the distribution of banks is highly skewed with a third of all bank branches in only 60 Tier 1 and Tier 2 cities/towns. Consequently, people in rural India have become the worst victims of demonetization due to lack of proper information.
2. 86% of currency in circulation is in Rs 500 and Rs 1000 notes. 97% of all transactions by volume are done in cash. This has created chaos all over the country with people unable to purchase daily essentials. In many cases, life-saving goods and services.
3. As per The Indian Statistical Institute, Kolkata study done on behalf of the National Investigation Agency (NIA), Rs 400 crores worth of fake currency is in circulation in the Indian economy, which is only 0.028% of Rs 14,180 billion worth currency that had been demonetised.
4. In the last 5 years, IT raids have found that only 5-6% of black money is kept in hard cash, rest is converted to bullion, gold jewellery, real estate and foreign currencies through brokers and middle-men.
5. Black money is generated through evasion of taxes on income from lawful activities and money generated from illegal activities. In the absence of steps to curb the generation of black money, demonetization is a futile exercise, as it proved to be in 1978.

6. If it is the Government's case that high-value denomination currency is used to hoard black money, then the decision to reissue new Rs 500 and Rs 1000 notes does not make sense. Issuing even higher value Rs 2000 note is completely inexplicable and puzzling.
7. Reports have started coming in of digital payment systems unable to keep up with the new volume of transactions with credit and debit card servers also going down.

All currency has value only because of the inherent trust in the banking system. Demonetization has shaken this trust and created chaos in India's economy.

7. EFFECTS ON VARIOUS SECTORS

Here's a study on the impact of demonetisation on the top 10 sectors of the economy.

7.1 AUTO

In the two-wheeler industry, around 35-45% purchases are made via financing, while the rest are through banked cash, or are simply "unaccounted".

But in the passenger vehicles segment, close to 75%-80% of sales are either through financing, or even down payments are made mostly by cheques -so this segment faced heat but not at an alarming level.

FIGURE 1: INDIA CAR SALES



Car sales were reduced after the demonetisation from nearly 27,000 units to below 24,000 units. The position seems to be improved by January 2017 and in March, 2017, sales have reached the same level as of October 2016 i.e. before demonetization.

FIGURE 2: INDIA CAR PRODUCTION (Nov 2016 - Mar 2017)



Car Production in India decreased to 20,804 Units in December from 25,771 Units in November of 2016. But, decrease in production was also for a very short time and assumed normal level by beginning of January 2017.

7.2 CEMENT

Companies and dealers indicated that volumes may get impacted in the near-term as real estate demand (which is 55-60% of overall demand), especially in tier 2 and 3 cities, may get affected in the interim.

FIGURE 3: INDIA CEMENT PRODUCTION



Cement production lowered down significantly in November and recorded the lowest in year 2016. Though, recovery was made from December only.

7.3 BUILDING MATERIAL

Building material stocks would come under pressure due to a sudden slowdown. Renovation work, which drives this sector, was impacted as most of the demand is serviced through cash. Dealer sales in certain projects too were affected.

7.4 BANKS

The move towards a cashless economy will boost savings in financial assets. With any sharp infusion of deposits and relatively limited avenues to lend, the credit deposit ratio for banks would become unfavourable, and thus impact margins.

In case of a spike in capital adequacy, it would be positive for margins. While in the event of a higher rise in deposits, the immediate avenue to deploy would be G-Secs, and this could create a temporary downward blip in bond yields.

FIGURE 4: INDIA 10Y GOVERNMENT YIELD**7.5 CONSUMER STAPLES / JEWELLERY**

The move is good for the organised industry. But in the short term, it may impact the working capital in FMCG distribution. Anecdotally, there's always a huge panic among distributors -business may be impacted in the short term with liquidity choking up, thereby impacting FMCG revenue growth. There will be a shift from unorganised to organised sector in the jewellery industry.

7.6 PAINTS

Paint companies which are into big project sales, deal in cash component worth 30-40% of sales, while for shops which have higher retail sales, cash component could be 70-80%. Therefore, paint companies could face fall in sales in the short term.

7.7 PHARMA

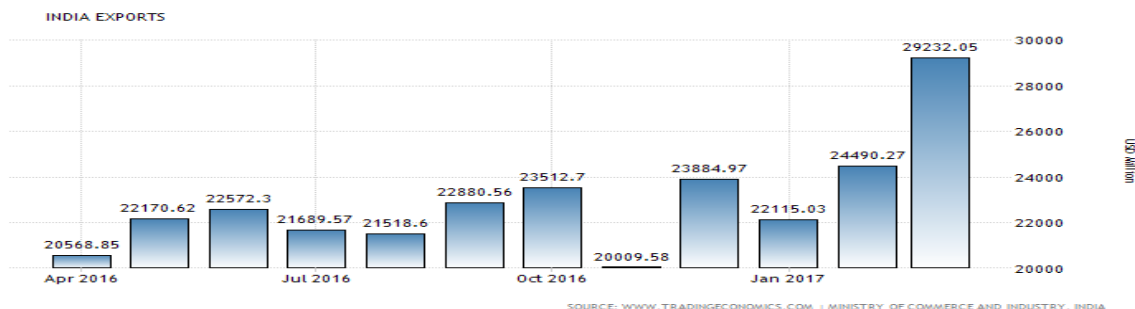
Demonetisation is not expected to have any major impact on the Indian pharma market and demand is not expected to get impacted in a big way. However, luxury hospitals may see some impact due to spending cuts.

7.8 POWER & COAL

A possible fall in the interest rate will be positive for yield players. Coal prices have risen recently, with China cutting domestic production. With Trump focusing on US competitiveness, there's a good chance that China will reciprocate allowing coal prices to fall again.

7.9 EXPORT-IMPORT TRADE

"Limited availability of new currency in the hands of people will impact exports in sectors like agriculture due to high number of cash transactions," said Maersk Line Managing Director Franck Dedenis. The effect to demonetisation can be seen in November 2017, when exports touched a new low of 20.009 Billion, the lowest this year. But since in most sectors, cash transactions are very low, from December the exports again shoot up and touched a new high.

FIGURE 5: INDIA EXPORTS

Exports from India jumped 5.7 percent year-on-year to USD 23.88 billion in December of 2016, reaching the highest value since March of 2015.. Considering April to December, exports rose 0.75 percent.

FIGURE 6: INDIA IMPORTS

Imports to India increased 0.5 percent to USD 34.25 billion in December of 2016, reaching the highest figure since July of 2015. There was a bit fall in November. Thus, imports were not affected by demonetization.

7.10 CONSUMER PRODUCTS

Kotak analysts have assessed the impact on this sector at three levels: (1) shortage of cash in the hands of the consumer, forced her to consume less and at some level, consume only the most basic necessities; (2) shortage of lower denomination currency notes creating a 'change' problem in the cash economy and hurted transaction volumes and, (3) shortage of cash at the retail and wholesale level leading to de-stocking across the chain; this factor means that the primary sales impact across most categories is disproportionately higher than the 'off-take' impact, at this point.

7.11 INFLATION

Demonetisation leads to deflation in the market. People who have earned money through illegal ways were afraid to declare the money as they may be prosecuted by the Income tax authorities on the legitimacy of their income. The RBI has CPI growth targets to adhere to while deciding its monetary policy stance. By January 2016, it was supposed to keep inflation below a target of 6%, which it was able to do. Demonetization leads to decrease in the rate of inflation because of less demand due to less supply of currency in the market.

FIGURE 7: INDIA INFLATION RATE

Consumer prices in India increased 3.41 percent year-on-year in December of 2016, following a 3.63 percent rise in November and below market expectations of 3.57 percent. It is the lowest inflation rate since November of 2014 as food prices cooled. The slowdown in inflation intensified in the last two months of 2016 after a demonetization campaign slumped currency in circulation, hurting consumption.

7.12 INTEREST RATE

High liquidity in banking sector will result in central bank cutting down interest rate. Since the banks are expected to generate huge deposits growth, the borrowing cost for bank will come down and due to that customers would be able to get loan at reducing rate. However, as so far, the RBI has maintained the same interest rate of 6.25 percent during the meeting held on December 7th despite wide expectations of a rate cut. In future, it may definitely come down. On the other hand, banks have started to reduce the rate on deposits after seeing that huge inflow of deposits, it is not beneficial for the customers.

FIGURE 8: INDIA INTEREST RATE

The bank has seen huge inflow of deposits after demonetisation but lending rates have fallen due to slow demand for credit.

FIGURE 9: INDIA PRIME LENDING RATE (5Y)

The Reserve Bank of India unexpectedly left its benchmark repo rate unchanged at a six-year low of 6.25 percent during the meeting held on December 7th despite wide expectations of a rate cut, following a severe cash crisis. Interest Rate in India averaged 6.70 percent from 2000 until 2016, reaching an all time high of 14.50 percent in August of 2000 and a record low of 4.25 percent in April of 2009.

7.13 FDI's

Post demonetisation, Foreign Direct Investment in India increased by 2043 USD Million in November of 2016. Foreign Direct Investment in India averaged 1211.71 USD Million from 1995 until 2016.

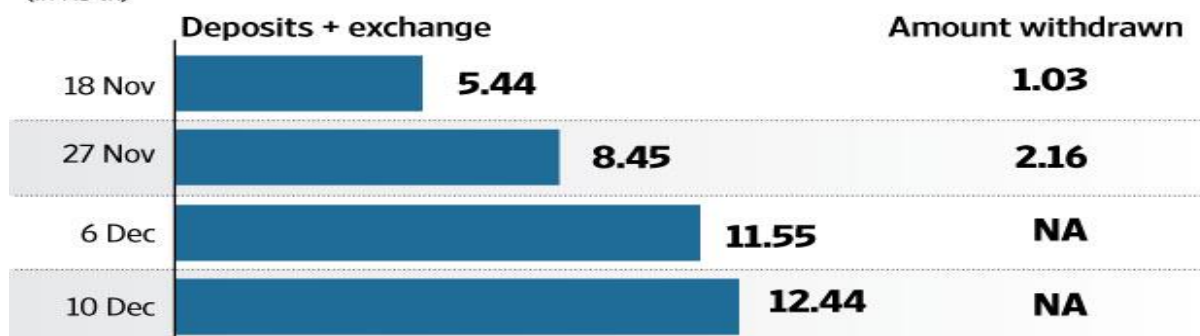
FIGURE 10: INDIA FOREIGN DIRECT INVESTMENT**7.14 CASH DEPOSITS IN BANKS**

With more customers and money, banks were in good situation and it further increased the cash flows in the economy that is beneficial for economic growth and development.

FIG. 11: BANK BALANCE**BANK BALANCE**

Since the demonetization announcement on 8 November, banks have received deposits of old notes worth Rs12.44 trillion

(in Rs tn)



The Reserve Bank of India (RBI) said on Tuesday the banking system had received deposits worth Rs. 12.4 trillion in the month till 10 December, after the government invalidated high-value currency notes.

7.15 RBI BALANCE SHEET

Central Bank Balance Sheet in India decreased to 18800.61 INR Billions in March from 20766.24 INR Billions in February of 2017. Central Bank Balance Sheet in India averaged 7415.71 INR Billion from 2001 until 2017, reaching an all-time high of 23419.03 INR Billions in December of 2016

FIGURE 12: CENTRAL BANK BALANCE SHEET

Exchange in currency happened in 2 ways. One is the direct exchange and another is deposits via the banking system. The cycle is likely to be this:

1. People came to bank.
2. Some choose to exchange. This gets reflected in RBI liabilities straight away with some lag.
3. Others choose to deposit first and then take out money when needed.
4. So first the deposits with banks go up. This lead to rise in so called CASA balances of the bank. Thus, banks may not need to go for deposits etc for some time.
5. Banks parked 4% of proceeds (increase in CASA) as CRR with RBI.

7.16 REDUCTION IN MONETARY CIRCULATION

According to Forbes, approximately 3 trillion rupees were withdrawn from the circulation. The total cash in circulation in the Indian economy which was some 18 trillion Rs. Demonetization reduced the money supply, which further lead to inflation slowly but not overnight.

FIG. 13

M1 is a metric for the money supply of a country and includes physical money — both paper and coin. The most liquid portions of the money supply are measured by M1 because it contains currency and assets that can be converted to cash quickly.

FIG. 14

M2 is a broader money classification than M1, because it includes assets that are highly liquid but are not cash.

8. MUTUAL FUNDS

The country's mutual fund (MF) assets logged the highest growth in seven years to reach a total corpus of around Rs. 17 trillion, despite lacklustre equity markets and challenging economic conditions due to demonetisation and a surge in global oil prices.

During the year ended December 2016, asset management companies, or AMCs, grew their average assets by around 30% by adding investments worth at least Rs. 3.71 trillion to their MF portfolios—the highest ever in absolute terms and the highest since December 2009 in percentage terms. According to AMC officials, increasing number of investor accounts, steadily growing monthly investments into equity MF schemes from retail customers and a surge in inflows to exchange traded funds (ETFs) contributed the most to the asset growth of the country's 42 AMCs.

Fund houses said while the folio count was going up during the year, the average monthly retail investments, which typically come through systematic investment plans (SIPs), shot up to Rs. 4,000 crore a month this year as compared to around Rs1800- 2000 crore during the calendar year 2015. "The sharp jump in SIPs came as a surprise during the year which definitely contributed to the AUM growth," said Vikaas Sachdeva, chief executive officer, Edelweiss Asset Management Ltd. But the flip side is that if the numbers are broken down, it shows that a lot of money has also come through ETFs and arbitrage funds. During the year, around Rs. 40,000-45,000 crore would have come from these two types of funds, which means around 10% the money may have come from these two categories alone and we feel ETFs are likely to grow much faster in the coming days and beat equity schemes as more and more investors learn the benefits of ETF investments.

However, the most heartening part is that SIPs are growing steadily and during the past year; often they made up for the outflows or lower investments made through lumpsum payments in equity schemes. People have started moving from the concept of lumpsum investments to SIPs, which means this growth is sustainable. In fact, it will not be surprising if the average SIP flows grow to Rs10,000 crore a month in the next two years.

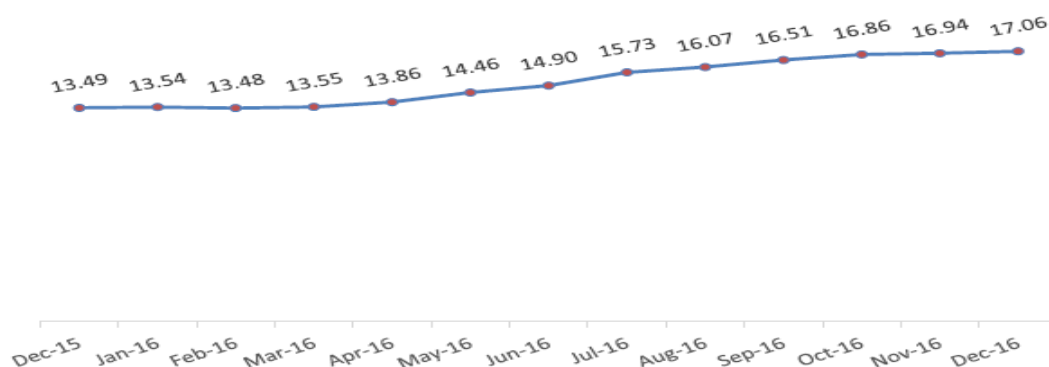
A data by industry body Association of Mutual Funds in India, or Amfi, showed that between December of 2015 and September end of 2016 alone (the latest quarterly data available), at least 4.7 million investors opened MF accounts.

According to R. S. Srinivas Jain, chief marketing officer at SBI Funds Management Pvt. Ltd., which managed assets worth around Rs. 1.4 trillion during the December quarter, the equity market's performance in the short term is secondary for investors.

What is more important for the investor is the opportunity he has to make money from the available channels. Now, the interest rates are coming down which means fixed income is no longer so attractive. Real estate and gold are no longer fetching returns like earlier. So from relative point of view mutual funds look more attractive as an investment opportunity at present. Secondly, we clearly saw a shift in investor perception during the year. The culture of equity as an investment class is clearly growing among investors. They have learnt to overlook the market's short term movement, which means people are bullish about the economic prospects in the long term. Investors have started looking at MFs as a serious long term investment rather than a quick money making route.

According to an Amfi presentation, the value of assets held by individual investors in mutual funds increased from Rs. 6.14 trillion in November 2015 to Rs 7.56 trillion in November 2016, an absolute increase of 23%. On the other hand, the assets held by institutional investors grew 29% from Rs 7.28 trillion to Rs 9.39 trillion during the same period.

FIGURE 115: ASSETS OF INDIAN MUTUAL FUND INDUSTRY
Total Assets (Rs. Trillion)



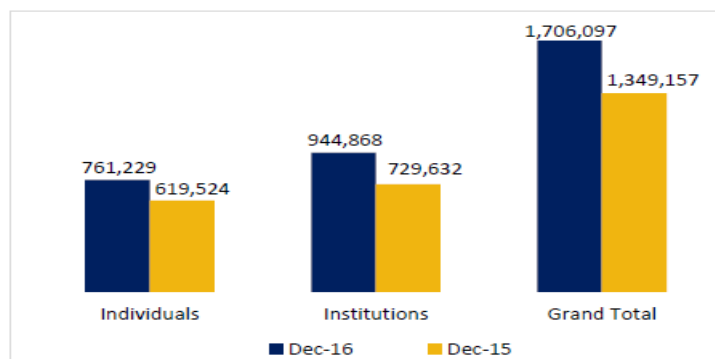
Assets managed by the Indian mutual fund industry have grown from Rs. 13.49 trillion in December 2015 to Rs. 17.06 trillion in December 2016. That represents a 26% growth in assets over December 2015.

Source: AMFI

FIGURE 16: GROWTH IN ASSETS (Dec 2015 - Dec 2016)

The value of assets held by individual investors in mutual funds increased from Rs. 6.20 lakh cr in December 2015 to Rs. 7.61 lakh cr in December 2016, an absolute increase of 23%.

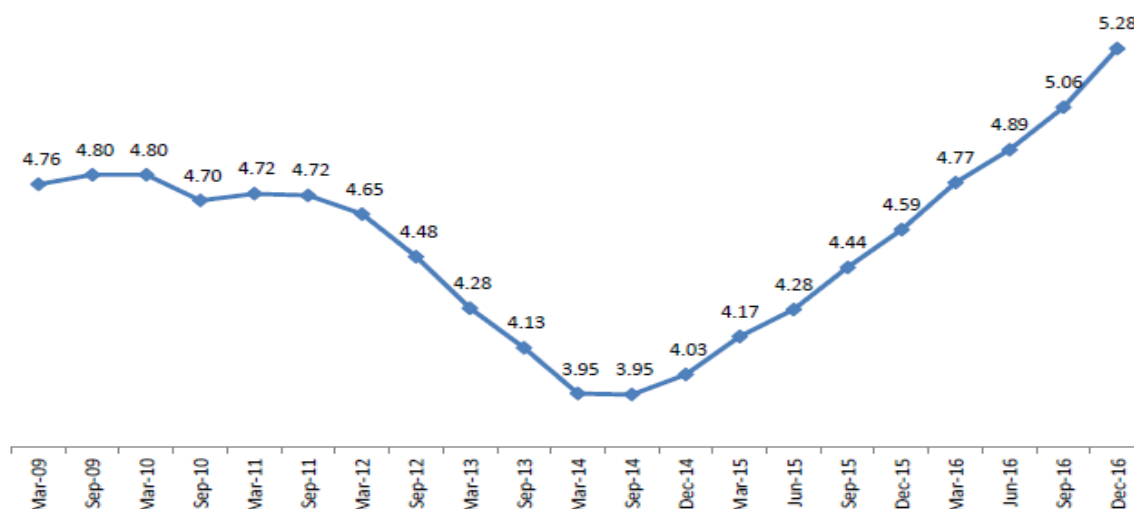
The growth in Institutional assets from Rs. 7.30 lakh cr to Rs. 9.45 lakh cr, an absolute growth of 29%.



Source: AMFI

Rs crores

FIGURE 17: INCREASE IN INVESTOR ACCOUNTS (5Y)



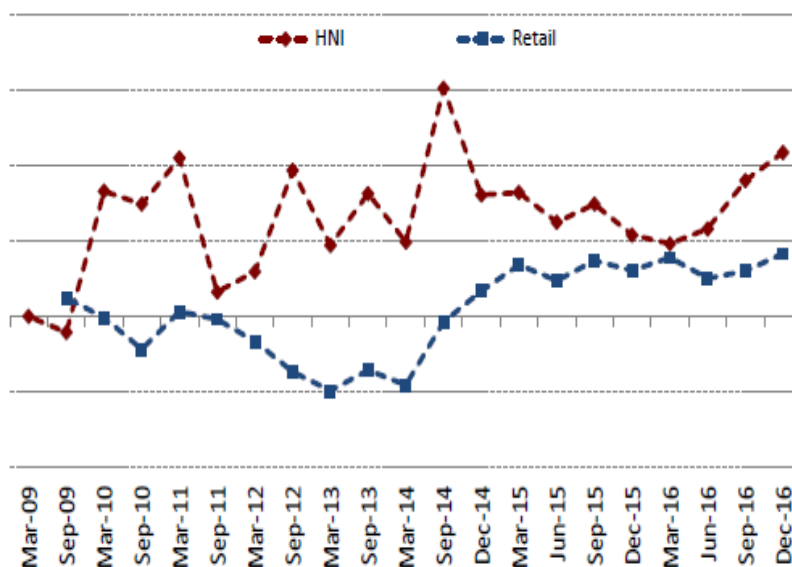
Since September 2014, there is an increase in investor accounts from 3.95 cr to 5.28 cr in December 2016.

Source: AMFI

FIGURE 18: INVESTOR-WISE RATE OF GROWTH IN INVESTOR ACCOUNTS

Retail investor accounts have shown a positive rate of growth since September 2014.

HNI accounts have shown positive growth to peak at 15% in Sep 2014 and moderate to 11% in December 2016.

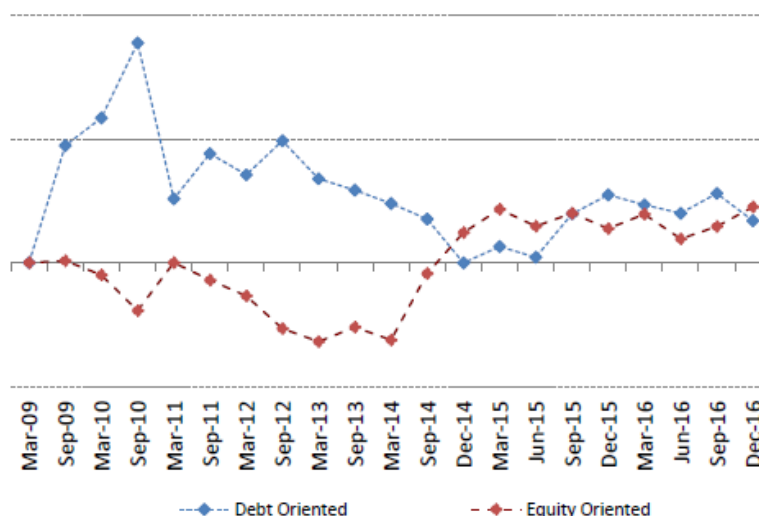


Source: AMFI

FIGURE 19: SCHEME-WISE RATE OF GROWTH IN INVESTOR ACCOUNTS

There was a sharp rise in the number of equity accounts in 2015-16.

For debt oriented schemes, the rate of growth was positive but declining because of the shift in investor preference towards equity. However, debt accounts show a rising trend again since September 2015.

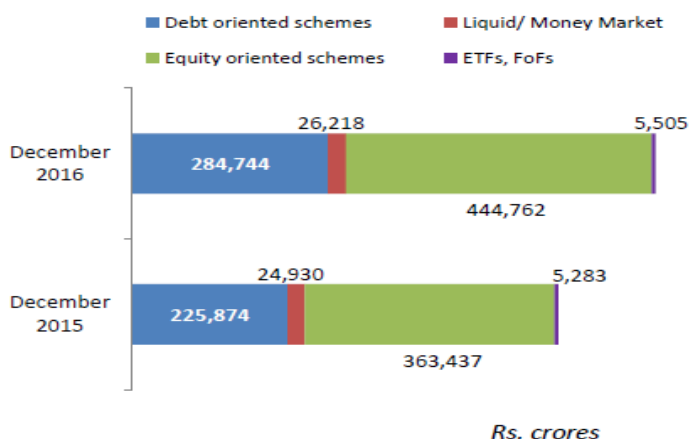


Source: AMFI

FIGURE 20: INDIVIDUAL-INVESTOR ASSETS COMPOSITION

Individual investors held Rs.7.61 lakh crore in mutual funds as of December 2016, an increase of 23% over December 2015.

Investments of individual investors in equity schemes increased by 22% over December 2015.



Source: AMFI

9. CREDIT CARD USERS - POST DEMONETISATION

SBI card, the second largest card issuer in the country has seen a significant rise in new card issuances post demonetization. In the month of the December alone SBI added 1.15 lakh new credit card users and its total card issuance tally has now reached 47.5 lakh. "Demonetisation has given a major thrust to card business as the increase in transactions has been exponential". "After 9th November we are aware that there has been a change in the way people do their financial transactions more and more transactions are happening on the digital platform."

According to RBI data till October, HDFC Bank had issued 8.3 million credit cards, while SBI Card had issued 4.1 million credit cards. Likewise ICICI Bank which is the third largest player in the credit card market had issued 4.06 million credit cards; Axis Bank had issued 2.89 million credit cards.

Before demonetization SBI which holds 15% of the total credit card market added 85000 credit card users on a monthly basis this number was around 65000 card additions per month in 2015. The average spends on SBI cards have also increased by 25-30 per cent post demonetization.

TABLE 1

BANK	DECEMBER 2016	NOVEMBER 2016
Yes Bank	7199690	5164465
Standard Chartered	2818775	2583653
State Bank of Bikaner and Jaipur	4915624	4493876
State Bank of Hyderabad	3539408	2020281
State Bank of India	23709612	14340240
State Bank of Mysore	649803	476103
State Bank of Patiala	955651	713754
State Bank of Travancore	1147543	825552

Source: Reserve Bank of India

10. INDIA BANK LOAN GROWTH

The value of loans in India has increased 5.5 percent in April 2017. Loan Growth in India averaged 12.29 percent from 2012 until 2017, reaching a record low of 4.10 percent in March of 2017.

FIGURE 21: INDIA BANK LOAN GROWTH



FIGURE 22: INDIA BANK LOAN GROWTH (5Y)



11. DEMONETISATION & MFI PROFITABILITY

Collection was dropped to 75-80% in November-December after demonetisation. Due to demonetisation, toll on recoveries can be clearly observed during November and December; micro finance institutions (MFIs) might report a substantial dip in profit for 2017-18.

Internal credit generation may be impacted due to cash shortage leading to credit losses. According to ICRA entities which are highly leveraged would be impacted more leading to increase in credit costs.

Due to Demonetisation, certain longstanding concerns of MFI sector can be clearly noted. Micro finance institutions are grappling with a high pace of growth, concerns over the quality of growth and over-leveraging of borrowers. According to ICRA, MFIs face a challenge associated with micro lending due to potential dilution in the rigour and the possibility of more loans being used for consumption than for income generation.

TABLE 2



MACRO PICTURE OF MICROFINANCE

Amount due to be collected by MFIs between November 9-18	2,100
Amount collected by MFIs between November 9-18	1,100
Average daily disbursements by MFIs	250
Average daily collections by MFIs	200
Gross loan portfolio of MFIs as on June 30	60,165

Figures in ₹ crore

Source: Microfinance Institutions Network

After the announcement of demonetization, the proportion of centers with zero collections has declined to 0.8% from 4.2%. The central bank has given an additional 90-day dispensation for NBFC-MFIs for classifying accounts as non-performing. This may provide a temporary relief in asset classification, but according to ICRA, it would be difficult for lenders at micro level to recover multiple installments from borrowers in one go.

12. CONCLUSION

Demonetization is in the long term interest of our country, comfortably outweighing the disadvantages. It may make a massive change in our economy. It is a historical step and should be supported by all. One should look at the bigger picture which will definitely fetch results in the long term.

The value of bank loans have significantly fallen down after Demonetization and has started showing bit increase from April 2017. Monetary circulation reached a new low in December- January 2016, though approximately 90% of the total cash in circulation has come back into the banking system. Lending rates have fallen due to slow demand for credit. Exports were affected drastically in December 2016 and so but seems to have recovered by end of April 2017. Demonetization leads to decrease in the rate of inflation because of less demand due to less supply of currency in the market, though the same seems to be normalised with time. A temporary downward blip in bond yields can be seen till December 2016. Mutual fund investments have not been affected at all after the demonetization shock. Due to Currency shortage, disruption in day-to-day business and political interference, collections from MFIs have been impacted putting a brake on the dream run enjoyed by such institutions.

The Indian Economy which is considered as the "fastest growing economy" in the world seems to have slowed down with shock therapy" of "demonetization". Indeed a noticeable slowdown in the economy can be noticed for a "quarter or two". Thus, most of the falling variables have bounced back and once can say that Indian economy has started regaining its momentum.

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IMPACT OF GREEN SCEPTICISM AND HEALTH CONSCIOUSNESS ON GREEN PURCHASE INTENTION

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ABSTRACT

The present-day markets are turning green; there is a growing tendency to shift to green products among consumers and marketers equally. This trend is widely studied across the globe. Green Marketing techniques are gaining a greater momentum in the modern market. Green marketing is widely taken up by today's marketers as it gives them a Green Image, which is considered as a competitive advantage for market penetration. This is also due to the increase in the level of Green Consciousness and Green Preferences among the consumers. There is, however, an element of scepticism among the consumers, on the green claims of the marketers. This study focuses on understanding the level of Green Scepticism among consumers and to identify its impact on their purchase intentions.

KEYWORDS

green product, green marketing, green image, green consciousness, green preference, green scepticism.

JEL CODE

M31

INTRODUCTION

There is a growing tendency to go green. Consumers around the world have more trust in "green" product labels these days than they did a few decades back. They are more inclined towards the ecological benefits of products and a greater awareness of the consequences of the consumption and production of the ecology. This trend has brought in a lot of changes in the customer and manufacturer attitudes. There is, however, a lack of trust in many of the green claims of the manufacturers. This study focuses on the level of scepticism and its impact on the green purchase intentions of consumers. There is also a trend of a higher level of health consciousness among the youth. The study also intends to identify the level of health consciousness among consumers and the impact of health consciousness on green purchase intentions.

The significance of green marketing activities was increasing during the past few decades, however, there was also growing concern on the actual implication of the green claims of the marketers among the consumers. This phenomenon, in which customers doubt or disbelieve environmental claims made by the firms, is referred to as 'green scepticism'. There have been several pieces of evidence of the adverse effect of scepticism on the purchase intentions among the consumers. This study is conducted to identify the level of green scepticism and health consciousness among the teenagers in Ernakulam district and to understand the effect of these factors on the purchase intentions. The category of teenagers is specifically chosen as they form a major portion of the market and the consumption pattern of this segment would have serious implications for the marketers of tomorrow.

REVIEW OF LITERATURE**GREEN SCEPTICISM**

The cutthroat competition of the modern markets has compelled companies to demonstrate more and more that their products are of the highest quality. Unfortunately, there are some commercial advertising regulations that allow marketers to exaggerate their product's characteristics. The free market system increases the consumer's level of scepticism.

There is a general tendency among consumers to distrust the green claims of manufacturers. Scepticism is the overall tendency or inclination of an individual to distrust or doubt others (Obermiller, et al 1998). In business management, scepticism has been examined in the context of advertising, organic products, corporate social responsibility, environmental claims, and marketing.

Research reviews show that the majority of the consumers from different countries, such as the United States of America and the People's Republic of China are sceptical about companies' environmental claims (Chan et al, 2004). Studies also reveal that the consumers who are by nature sceptical about the environmental claims can only be persuaded if evidence that contradicts their beliefs is demonstrated (Calfee et al 1988). The intersection of two firm behaviors: poor environmental performance and positive communication about environmental performance, is referred to as greenwashing (Delmas et.al. 2011)

HEALTH CONSCIOUSNESS

Health consciousness assesses the readiness to undertake health actions (Becker et al., 1977). Health conscious persons are concerned about the safety of the food consumed and about their physical fitness. Such individuals tend to be aware of, and involved with, nutrition and physical fitness (Kraft, F.B. et al, 1993). Previous research has identified interest in health as a primary motive for the purchase of organic food (Grankvist, G. et al 2001; Lockie, S. et al., 2002).

PURCHASE INTENTION

Purchase intention refers to the evaluation or attitude of consumers to the related products, with the stimulation of the external factors, constitutes a consumer's willingness to buy. While consumers are willing to buy some production, the higher purchase intention, the greater the probability of purchase (Dodds, Monroe & Grewal, 1991). The link between advertisement and purchase intention does not exist when consumers are sceptical about the advertisements (Obermiller et al. 2005).

SIGNIFICANCE OF THE STUDY

The present-day marketing provides a greater emphasis on green products and green methods of production and distribution. This can be attributed to the increasing level of green consciousness among the consumers. This green tendency has made the marketers to take up green marketing activities; this has led the marketers to think of green marketing as a technique of profit generation rather than a concept of sustainability. There happened to be many instances of false claims made by marketers about their green value. This has also created a sense of scepticism among consumers about the green claims of the marketers. There is a need for a better understanding of the level of green scepticism and the impact of green scepticism on purchase intention of consumers.

STATEMENT OF THE PROBLEM

The study focuses on understanding the level of green scepticism and health consciousness among teenagers and to understand their individual effect on the green purchase intentions among teenagers in Ernakulam district, Kerala with regard to FMCG products.

OBJECTIVES

1. To understand the level of green scepticism among teenagers.
2. To understand the level of health consciousness among teenagers.
3. To understand the impact of green scepticism on purchase intentions.
4. To understand the impact of health consciousness on purchase intentions.

RESEARCH METHODOLOGY

The study is focused on identifying the level of green scepticism and health consciousness and to understand its impact on purchase intentions of customers in Ernakulam district, Kerala, with regard to FMCG products. The study is purely based on primary data. The population of the study includes the teenage group of consumers in Ernakulam. Data collection is done through a structured questionnaire. The technique of convenience sampling was used as the method of sample selection. The sample comprised of 60 respondents including 30 girls and 30 boys.

The questionnaire consisted of three sections. The first section consisted of demographic information such as gender, age, income, and education levels. This section was followed by questions related to green scepticism and green purchase intentions.

All constructs were measured using a multi-item scale adapted from the literature. Four items adopted from (Mohr, L. A. 1998) were used to measure green scepticism, Four items adopted from (Zaichkowsky, J. L. 1986), is used to measure green purchase intention. The dimension of health consciousness is measured using the (Ling-Yu, M. et al 2013) as a reference. The measurement scales for all the three constructs were anchored on endpoints '1' strongly disagree and '5' strongly agree.

The tools used for analyzing the data are correlation analysis; percentage analysis and a total of five items were used

TABLE 1: CONSTRUCTS USED

Constructs	Items
Green Scepticism	<ol style="list-style-type: none"> 1. Most environmental claims made on package labels or in advertising are true. 2. Because environmental claims are exaggerated, consumers would be better off if such claims on package labels or in advertising were eliminated. 3. Most environmental claims on package labels or in advertising are intended to mislead rather than to inform consumers. 4. I do not believe most environmental claims made on package labels or in advertising.
Health consciousness	<ol style="list-style-type: none"> 1. I pay attention to any changes in my body 2. I think to know how to eat healthily is a very important event. 3. I am very concerned about the quality and safety of food. 4. I eat a balanced diet. 5. I think I have the sense of health consciousness.
Purchase Intention	<ol style="list-style-type: none"> 1. I am willing to buy green production. 2. I am willing to spend a little more money to buy green production 3. I will continue to buy green production. 4. I recommend the green production to others.

RESULT AND DISCUSSION

The study intended to understand the level of green scepticism and health consciousness among teenagers and to understand its impact on their purchase intention. Four items adopted from (Mohr, E. et. al 1998) were used to measure green scepticism. The average level of green scepticism of girls measured on a Five Point Likert Scale is 2.70, with a standard deviation of 0.74. The green scepticism among the boys of the teenage group, measured on a Five Point Likert Scale is 3.00, with a standard deviation of 0.60.

The level of purchase intention is measured using four items adapted from (Zaichkowsky, J. L. 1986) on a Five Point Likert Scale. The level of purchase intention among the girls is 3.04, with a standard deviation of 0.70 and the level of purchase intention among boys is 2.95, with a standard deviation of 0.63. The level of green scepticism among girls are slightly higher than the level of green scepticism among boys of the study group, whereas the level of purchase intention is slightly higher in girls than that of boys. The following table 2. and table 3. shows the mean values of green scepticism, health consciousness and purchase intentions for girls and boys respectively. The table also shows the standard deviation of the observed values.

The level of health consciousness was measured using four items adapted from (Ling-Yu, M. et al 2013). the items were measured on a Five Point Likert Scale. The level of health consciousness among girls was 3.72 with a standard deviation of 0.50 and the level of health consciousness among the boys was 2.57 with a standard deviation of 0.73.

TABLE 2: DESCRIPTIVE ANALYSIS OF THE CONSTRUCTS FOR GIRLS

Construct	Mean	Standard deviation
Green Scepticism	2.70	0.74
Health Consciousness	3.72	0.50
Purchase intention	3.04	0.70

TABLE 3: DESCRIPTIVE ANALYSIS OF THE CONSTRUCTS FOR BOYS

Construct	Mean	Standard deviation
Green Scepticism	3.00	0.60
Health consciousness	2.57	0.73
Purchase intention	2.95	0.63

IMPACT OF GREEN SCEPTICISM ON PURCHASE INTENTION

The relation of the green scepticism on purchase intention was studied using correlation analysis, the value of the coefficient of correlation between green scepticism and purchase intention of the girls was 0.59 and the value of the coefficient of correlation between green consciousness and purchase intention for the boys was 0.35. There is a negative impact of green scepticism on the purchase intentions in both categories.

TABLE 4: CORRELATION BETWEEN GREEN CONSCIOUSNESS AND PURCHASE INTENTIONS

Coefficient of correlation	Purchase intention of girls	Purchase intention of boys
Green scepticism of girls	0.35	
Green Consciousness of boys		0.33

IMPACT OF HEALTH CONSCIOUSNESS ON PURCHASE INTENTION

The relation of health consciousness on purchase intention was studied using correlation analysis, the value of the coefficient of correlation between health consciousness and purchase intention of the girls was 0.59 and the value of the coefficient of correlation between green consciousness and purchase intention for the boys was 0.35. There is a positive correlation between the constructs health consciousness and purchase intentions in both the categories.

TABLE 5: CORRELATION BETWEEN HEALTH CONSCIOUSNESS AND PURCHASE INTENTIONS

Coefficient of correlation	Purchase intention of girls	Purchase intention of boys
Health consciousness of girls	0.35	
Health consciousness of boys		0.45

FINDINGS

The study was focused on understanding the level of green scepticism and health consciousness and to understand its impact on purchase intention among teenage boys and girls of Ernakulam, Kerala. It was observed that the level of green scepticism is above moderate level in boys and girls of the teenage group. The level of green scepticism among boys was slightly higher than that of the girls. There is a negative impact of green scepticism on Purchase Intentions.

The level of health consciousness among the girls is higher than the level of health consciousness. There is a positive relationship between health consciousness and green purchase intention among the girls and boys in the teenage group. The level of green purchase intention is observed to be slightly higher among the girls than the level of purchase intention among the boy.

SUGGESTIONS

1. The level of green scepticism among consumers is to be reduced by taking measures to better inform the consumers about the green features offered by the producers.
2. The availability of green products is to be further increased and expanded in such a way that green products are available in all sectors.
3. There is a need for strict measures from the side of the Government to reduce greenwashing practices adopted by producers in order to reap the benefits of green purchase intentions.
4. A greater emphasis on green marketing is suggested as it leads to a sustainable growth of the economy.

CONCLUSION

There is a growing concern about the harmful effects of production and consumption among the producers and consumers across the globe. This has led to a greater emphasis on the concept of green marketing. Green marketing practices were widely adopted by producers and the number of green consumers also began to increase. This opportunity was utilized by the marketers and there was a general trend of going green in the market. This study focused on the level of scepticism among the consumers of the teenage group and its impact on purchase intentions. The study also focused on the impact of health consciousness on purchase intentions. The study reveals that there is an inverse relation between the green scepticism and green purchase intentions among teenage boys and girls. The level of scepticism was slightly higher for the boys of this category. The study also implies that the level of health consciousness was higher among girls. There is a positive relationship between health consciousness and purchase intentions. There is a strong need to improve the information provided to the consumers about the green value of the products; this can create a greater trust in the green claims of the marketers.

LIMITATIONS

All possible measures were taken in order to ensure the reliability of the study, the study, however, has few limitations, which are;

1. The focuses only on the effect of green scepticism and health consciousness on purchase intentions and does not explore the existence of other mediating factors influencing purchase intentions.
2. The study is conducted on a limited sample of the population.
3. The study does not consider the significance of other factors such as availability and level of income, which can influence the purchase intention of customers.
4. The period of study was only four months hence there may be seasonal variation, which is not, reflected in this study.

SCOPE FOR FURTHER RESEARCH

There is a need for greater understanding of the causes of green scepticism among various categories of customers. The factors contributing to the green scepticism among consumers are to be studied in depth so as to reduce green scepticism and thereby promote a more sustainable model of marketing. The presence of mediating factors is also to be analyzed in the relation between green scepticism and purchase intention and in the relation between health consciousness and purchase intentions.

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AN ANALYSIS OF PMJDY IN RELATION TO FINANCIAL INCLUSION

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ABSTRACT

Financial inclusion is the delivery of financial services at an affordable cost to vast sections of the disadvantaged and low-income groups. The Pradhan Mantri Jan Dhan Yojana (PMJDY) is one of the step taken by Government of India which was announced by our Hon'ble Prime Minister Narendra Modi on 28th August 2014. Which proved to one of the major step towards financial inclusion as the majority of the rural population is still not included in the inclusive growth, the concept of financial inclusion becomes a challenge for the Indian economy. Since 2005, many concerted measures are initiated by the Reserve Bank of India and Government of India in favour of financial inclusion but the impact of these did not yield satisfactory results.

KEYWORDS

PMJDY, financial inclusion.

JEL CODE

E59

INTRODUCTION

The Prime Minister launched the National Mission on financial inclusion known as Pradhan Mantri Jan Dhan Yojana on August 28, 2014. The prime objective of the PMJDY is to ensure financial inclusion of the poor and rural population giving them dignity, financial freedom and financial stability. Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely Banking Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. This scheme is a landmark initiative to bring the poor people into economic mainstream through linking the hitherto neglected poor strata with the banking system. Under this scheme, every household with a bank account gets access to banking and credit facilities. This scheme will help the poor to come out of the grip of moneylenders, manage emerging financial needs, and get benefits from a range of financial services.

REVIEW OF LITERATURE

Harpreet Kaur & Kawal Nain Singh (2015), studied the recent trends in financial inclusion in India with special reference to Pradhan Mantri Jan Dhan Yojana (PMJDY), highlighting its key areas and suggests strategies to ensure maximum financial inclusion for the underprivileged and unbanked areas. Divyesh Kumar (2014), discussed the overview of financial inclusion using PMJDY in India. It is revealed that, it is the greatest steps ever taken to eradicate poverty is financial inclusion through PMJDY. It is suggested that, the success of this scheme constant review and regular check is very much essential.

OBJECTIVES OF THE STUDY

1. To analyse the performance and progress of Pradhan Mantri Jan-Dhan Yojan.
2. To know the impact of PMJDY.

RESEARCH METHODOLOGY

The study is based on secondary data which is collected from different sources such as web sources, Research articles published in Journal and available in websites the collected information is arranged in the tabular form.

SPECIAL BENEFITS UNDER PMJDY SCHEME

1. Interest on deposit.
2. Accidental insurance cover of Rs. 1 lac.
3. No minimum balance required.
4. The scheme provide life cover of Rs. 30,000/- payable on death of the beneficiary, subject to fulfilment of the eligibility condition.
5. Easy Transfer of money across India.
6. Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
7. After satisfactory operation of the account for 6 months, an overdraft facility will be permitted.
8. Access to Pension, insurance products.
9. The Claim under Personal Accidental Insurance under PMJDY shall be payable if the Rupay Card holder have performed minimum one successful financial or non-financial customer induced transaction at any Bank Branch, Bank Mitra, ATM, POS, E-COM etc. Channel both Intra and Inter-bank i.e. on-us (Bank Customer/rupay card holder transacting at same Bank channels) and off-us (Bank Customer/Rupay card holder transacting at other Bank Channels) within 90 days prior to date of accident including accident date will be included as eligible transactions under the Rupay Insurance Program 2016-2017.
10. Overdraft facility upto Rs. 5000/- is available in only one account per household, preferably lady of the household.

TABLE 1: PROGRESS OF PRADHAN MANTRI JAN-DHAN YOJANA (Rs in Crore)

Bank Name / Type	Number of Beneficiaries at rural/semi-urban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	Number of Total Beneficiaries	Deposits in Accounts(In Crore)	Number of Rupay Debit Cards issued to beneficiaries
Public Sector Banks	13.39	11.59	24.97	58600.95	18.75
Regional Rural Banks	4.20	0.77	4.97	12453.26	3.64
Private Sector Banks	0.60	0.39	0.99	2204.28	0.92
Grand Total	18.18	12.75	30.93	73258.49	23.32

Source: www.pmjdy.gov.in

The table shows that, the total number of savings bank accounts opened in rural and urban areas under PMJDY scheme, Number of RuPay debit card issued, and balance in accounts. It is found that, 30.93 crores accounts were opened under the scheme, amongst Public sector banks had opened 24.97 crores accounts, Regional Rural banks had opened 4.97 crores accounts & Private sector banks had opened 0.99 crores accounts as on 10.01.2018. It revealed that, total of 23.32 Crores RuPay debit card issued by banks under PMJDY as of 10th January, 2018 Out of 30.93 crores, 18.75 Crores RuPay debit card issued by Public Sector banks, 3.64 Crores RuPay debit card issued by Regional Rural banks, & 0.92 Crores RuPay debit card issued by Private Sector banks.

It is found that, total of 30.93 Crores bank accounts have been opened with deposits totalling ₹ 73,258.49 lakhs as of January 10, 2018. Out of which, Balance in Public sector banks ₹ 58600.95 lakhs, Balance in Private sector banks ₹12,453.26 lakhs, & Balance in Regional Rural banks ₹2204.28 lakhs.

SUGGESTIONS

1. Setting of Biometric ATMs in rural areas for catering to illiterate customers: Biometric authentication systems are especially effective in rural areas with low literacy rates. Customers no longer have to rely on signatures or filling out documents - they can simply provide their fingerprints to authenticate themselves and access their accounts through specialized biometric teller machines (BTMs).
2. Removing usage fee on ATMs for use of other Bank ATMs: Charges for using an ATM of another bank generally discouraged the customer from using the ATMs of other banks. Now there is more utilization of the installed ATMs and it has also helped the customers from frequent unavailability of the ATMs. Given the economic level of rural people and given the density of the population, conventional banking methods (brick and mortar) cannot cover all people in a cost effective manner. The customers cannot be expected to come to branches in view of opportunity cost and time.
3. Customized products: The rural poor have irregular/volatile income streams and expenditure needs, and therefore, prefer to borrow frequently, and repay in small instalments.
4. The whole scheme is generally financial literacy oriented therefore there should be a proper training camp sessions for the Bank Correspondents (Bank Mitra) as they are the middlemen of the scheme as well as one of the crucial factors too. A financially illiterate person shall be in need of a guide whom with he can discuss and ask things related to the scheme. Great dedication and involvement of Bank Correspondents will definitely take the programme to some great heights.

CONCLUSION

The PMJDY is superior financial inclusion programme because it had focus on individual households. Further, there was no emphasis given on financial inclusion in rural, semi - urban and urban areas. Overall, the PMJDY is a big step towards financial inclusion. The provision of basic accounts with linked insurance coverage, debit card facilities, overdraft facility, zero account facilities etc., to the poor households' welfare, economic activity, stability, and the ability to absorb shocks. The PMJDY scheme can meet the challenges, improving banking infrastructure (bank branches, ATMs, good and reliable BCs) and overall monitoring for effective financial inclusion. The mission of the PMJDY is to eradicate poverty through the financial inclusion programme. The poor and the underprivileged people in rural, semi-urban and urban areas are expected to get all the benefits such as financial inclusion, financial stability and financial freedom through the PMJDY scheme. It concludes that, the performance of the Public sector banks are good as compared to the Regional rural banks and Private sector banks to carry PMJDY scheme. It found that, total 30.93 crores accounts were opened with total deposits of ₹73258.49 lakhs. This scheme ensured access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner to poor people in rural, semi-urban and urban area.

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IMPACT ON SMALL TRADERS THROUGH COMPOSITION SCHEME – A STUDY**GAYATHRI NM****FACULTY****DEPARTMENT OF POST GRADUATE STUDIES & RESEARCH IN COMMERCE****KUVEMPU UNIVERSITY****SHANKARAGATTA****MANJULA BAI****FACULTY****DEPARTMENT OF POST GRADUATE STUDIES & RESEARCH IN COMMERCE****KUVEMPU UNIVERSITY****SHANKARAGATTA****ABSTRACT**

The present paper provides a platform to understand the Role and Performance of Composition Scheme and its operation process towards Assesses, so in order to collect this information A Researcher has selected 100 Assesseees who are paying GST under Composition scheme, Shivamogga. It particularly focused on Benefits of Composition Assesseees about reduced cascading effect and removal of double taxation facilities and also collects information about how this particular Composition Scheme contributes towards Assessee's Business growth and development through normal GST and how it acts as Direct Tax system basis, Finally the detail information about composition scheme and rates offered by the Government towards Assesseees has explained. Therefore, small attempt have been made to understand the benefits to composition scheme Assesseees through Composition scheme and how Composition Scheme plays an important role in economic development today through generating revenue. The structured questionnaire method conducted to the Assesseees in Shivamogga who are paying GST under Composition Scheme and the data collected will be arranged properly for the findings. It concentrates on the new emerging challenges, opportunities and issues in the field of Taxation. Finally, it attempts to offer suggestions to analyse the improvement of Composition Scheme.

KEYWORDS

Shivamogga, Composition scheme.

JEL CODES

H20, H21, H25.

1.1 INTRODUCTION

Taxes are conventionally broadly classified as Direct taxes and Indirect taxes. As the name suggests, Direct taxes are paid directly and Indirect taxes are paid indirectly. The direct taxes are paid directly by the person concerned. In case of indirect taxes, they are paid by one person, but he recovers the same from another person. Thus, the person who actually bears the tax burden (the ultimate consumer) pays it indirectly through some other person.

Direct taxes are those, which the taxpayer pays directly from his income, wealth, estate etc. while indirect taxes are those, which the taxpayer pays indirectly i.e. while purchasing goods and commodities, paying for services etc.

Direct taxes are those, which are paid after the income reaches hands of taxpayer, while indirect taxes are paid before the goods or services reach the taxpayer. Direct taxes are Income tax, corporate tax and wealth tax (abolished), Indirect Taxes are Excise duty, Customs duty, Service Tax, CENVAT and other local taxes are Sales Tax, Octroi, Entry tax, Expenditure Tax, Entertainment Tax etc.

Since July 1st 2017 GST has implement, It is destination based tax system; all Indirect taxes are subsumed under GST. In Indirect tax, Tax or duty imposed on production or manufacturing of goods and services now in GST Tax imposed on supply of goods and services

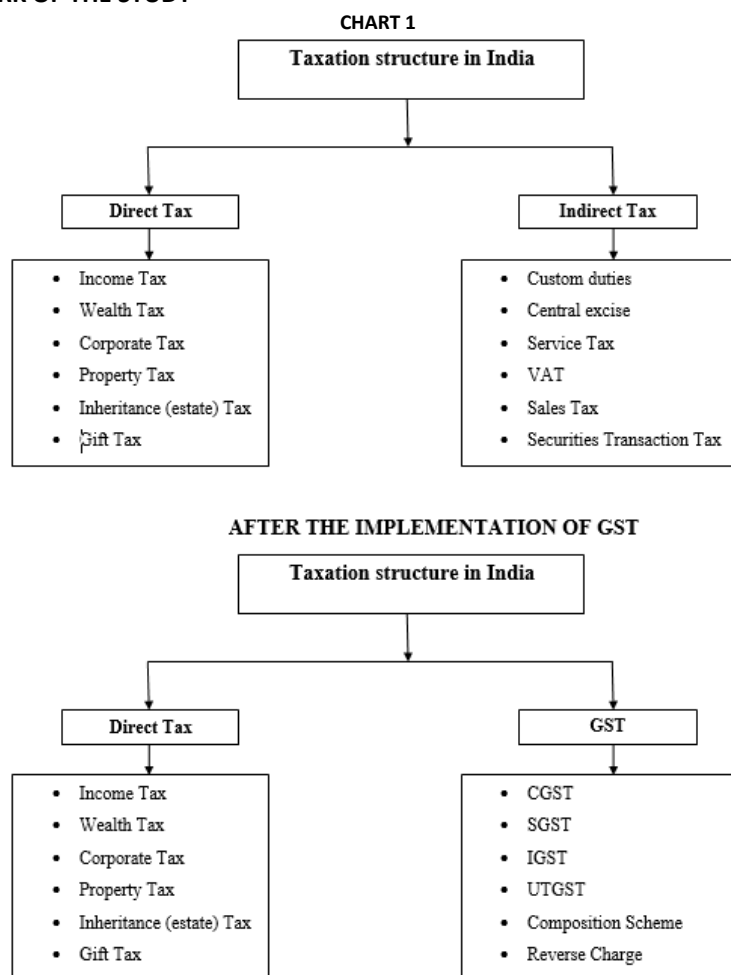
Mainly 5 rates have fixed, 0%, 5%, 12%, 18% and 28%

India has adopted dual GST i.e. Central GST and State GST; Mainly 4 GSTs are there namely CGST, SGST, IGST and UTGST. For Interstate supply of goods and services IGST should be paid, for Intrastate supply of goods and services CGST and SGST should be payable, For transaction within Union territories UTGST and CGST should be payable, For transaction between Union territories and State IGST should be payable.

1.2 OBJECTIVES

1. To outline the Tax system procedure in India
2. To Make a detailed note on Direct Tax
3. To Make a detailed note on Indirect Tax
4. To Make a detailed note on GST
5. To make comparative analysis between Indirect Tax and GST
6. To study about the composition scheme
7. To analyse Assessee's perception towards Composition scheme
8. To suggest suggestions in the light of findings

1.3 CONCEPTUAL FRAMEWORK OF THE STUDY



1.3.1 INTRODUCTION TO DIRECT TAX

Direct taxes are those, which are paid directly to the government by the taxpayer. These taxes are not paid deducted and paid on behalf of the taxpayer. It's imposed on the people and organizations directly by the government. This tax liability has to be paid by the taxpayer in question and cannot be transferred to any other entity for payment.

DIRECT TAXES IN INDIA

1. Income tax
2. Corporation tax

INCOME TAX

Income tax is the most common and most important tax that an Indian must pay. It is charged directly on the income of a person. The rate at which it is charged varies, depending on the level of income. It's charged to individuals, co-operative societies, firms, companies, Hindu Undivided Families (HUFs), trusts and any artificial judicial person. Income tax is charged on an income known as "taxable income", which is:

Taxable income = (total income) – (applicable deductions and exemptions).

The different heads of income under which income tax is chargeable are:

1. Income from house and property.
2. Income from business or profession.
3. Income from salaries.
4. Income in the form of capital gains.
5. Income from other sources.

It is levied differently for different people depending on their residency status.

Corporate Tax

Levied on companies who exist as separate entities from their shareholders. Foreign companies are taxed on income that arises, or is deemed to arise, in India. It is charged on royalties, interest, gains from sale of capital assets located in India, fees for technical services and dividends.

Some of the important taxes which come under corporate tax are as per following:

6. Minimum Alternative Tax (MAT), which was introduced to bring Zero Tax companies under the income tax net, whose accounts were made in accordance with the Companies Act.
7. Fringe Benefit Tax (FBT) which is a tax that companies pay on the fringe benefits provided (or deemed to have been provided) to Assessses'.
8. Dividend Distribution Tax (DDT), which is a tax, levied on any amount declared distributed or paid as dividend by any domestic company. International companies are exempt from this tax.
9. Securities Transaction Tax (STT), which is a tax, levied on taxable securities transactions. There is not surcharge applicable on this.

1.3.2 INTRODUCTION TO INDIRECT TAX

Indirect tax is a **type of tax collected by the government** from an intermediary such as manufacturer or retailer. The eventual burden of the tax falls on to consumers who buy goods and services from the intermediary, as the intermediary applies indirect taxes on the product in the form of Value Added Tax (VAT), service tax, sales tax etc.

➤ **FEATURES OF INDIRECT TAXES**

- Levied on goods and services sold by an intermediary to final consumers. Consumers than pay the tax in the form of higher price of items.
- Broadly divided into categories such as sale of goods, imported/exported goods, offering of services and manufacture of goods.

- Indirect taxes are levied on clearance of goods and services from the origin, instead of actual sale of the products to the customers. What this means is that the intermediary will pay excise duties irrespective of whether they could sell the good or service to consumers.
- Indirect taxes fall under both the central and state governments according to specific type of indirect tax. For instance, VAT is levied by the state governments whereas CST is levied by the central government.

KINDS OF INDIRECT TAX

The following are some of the most widely applicable Indirect Taxes in India.

1. EXCISE DUTY

An excise or excise tax (sometimes called an excise duty) is a type of tax charged on goods produced within the country (as opposed to customs duties, charged on goods from outside the country). It is a tax on the production or sale of a good. This tax is now known as the Central Value Added Tax (CENVAT).

➤ Types of excise duty

There are three different types of central excise duties, which exist in India which are as follows:

- **Basic** - Excise Duty, imposed under section 3 of the 'Central Excises and Salt Act' of 1944 on all excisable goods other than salt produced or manufactured in India, at the rates set forth in the schedule to the Central Excise tariff Act, 1985, falls under the category of basic excise duty in India.
- **Additional** - Section 3 of the 'Additional Duties of Excise Act' of 1957 permits the charge and collection of excise duty in respect of the goods as listed in the schedule of this act. This tax is shared between the central and state governments and charged instead of sales tax.
- **Special** - According to Section 37 of the Finance Act, 1978, Special Excise Duty is levied on all excisable goods that come under taxation, in line with the Basic Excise Duty under the Central Excises and Salt Act of 1944.

Therefore, each year the Finance Act spells out that whether the Special Excise Duty shall or shall not be charged, and eventually collected during the relevant financial year.

➤ Excisable goods

The term 'excisable goods' means the goods which are specified in the first schedule and the second schedule to the Central Excise Tariff Act, 1985, as being subject to a duty of excise and includes salt.

VAT

VAT is basically a state subject derived from entry 54 of the state list, for which the states are sovereign in taking decisions. The State Government, through Taxation Departments, is carrying out the responsibility of levying and collecting VAT in the respective states.

VAT is a kind of tax levied on sale of goods and services when these commodities are ultimately sold to the consumer. While **VAT is levied on sale of goods and services and paid by producers to the government**, the actual tax is levied from customers or end users who purchase these. Thus, it is an indirect form of tax, which is paid to the government by customers but via producers of goods and services.

➤ CEN VAT

Central Value Added Tax (CENVAT) is a tax levied on the manufacture or production of movable and marketable goods in India. The tax is generally levied on a % basis, either expressed as a percentage of the transaction value or the maximum retail price of the goods. The rate at which excise duty is applied to these goods depends on the classification of the goods under the Excise Tariff. The Excise Tariff is primarily based on the eight-digit HSN classification code, so as to achieve conformity with the Customs Tariff. Manufacturers are permitted to claim input tax credit of specified taxes, i.e. service tax, excise duty, a portion of the Customs Duty, etc., paid on capital goods, inputs and services procured and used in the manufacture of dutiable goods. The current standard CENVAT rate is 12.36%. There are lower rates of 0% and 4%. There is also a higher rate of 27% on luxury items.

CUSTOMS DUTY

Customs duty is a variant of Indirect Tax and is applicable on all goods imported and a few goods exported out of the country. Duties levied on import of goods are termed as import duty while duties levied on exported goods are termed as export duty. Countries around the world levy customs duties on import/export of goods as a means to raise revenue and/or shield domestic institutions from predatory or efficient competitors from other countries.

Customs duty is levied as per the value of goods or dimensions, weight and other such criteria according to the goods in question. If duties are based on the value of goods, then they are called as ad valorem duties, while quantity/weight based duties are called specific duties. Compound duties on goods are a combination of value as well as various other factors.

➤ Customs Duty in India

Customs duty in India is defined under the Customs Act, 1962 and enables the government to levy duty on exports and imports, prohibit export and import of goods, procedures for importing/exporting and offences, penalties etc. All matters related to customs duty fall under the Central Board of Excise & Customs (CBEC). The CBE, in turn, is a division of the Department of Revenue of the Ministry of Finance. CBE formulates policies that concern collection or levying of customs duties, customs duty evasion, smuggling prevention and administrative decisions related to customs formations.

CBEC has various divisions that take care of the fieldwork including Commissionerate of Customs, Customs, Customs (preventive and Central Excise Zones, Central Revenues Control Laboratory and Directorates etc. CBE also oversees proper tax administration for foreign and inland travel.

➤ TYPES OF CUSTOMS DUTY

Customs duties are levied almost universally on all goods imported into the country. Export duties are levied on a few goods as specified under the Second Schedule. Import duties are not levied on a few items including lifesaving drugs/equipment, fertilizers, food grains etc. Import duties are further divided into basic duty, additional customs duty, true countervailing duty, protective duty, education cess and anti-dumping duty or safeguard duty.

• Basic Customs Duty

Basic customs duty is applicable on imported items that fall under the ambit of Section 12 of the Customs Act, 1962. These duties are levied at the rates prescribed in First Schedule to Customs Tariff Act, 1975, under the terms specified in Section 2 of the act. The levied rates may be standard or preferential as per the country of import.

• Additional Customs Duty [Countervailing Duty (CVD)]

This duty is levied on imported items under Section 3 of Customs Tariff Act, 1975. It is equal to the Central Excise Duty that is levied on similar goods produced within India. This duty is calculated on the aggregate value of goods including BDC and landing charges.

• Protective Duty

Protective duty may be imposed to shield the domestic industry against imports at a rate recommended by the Tariff Commissioner.

• Education Cess

This duty is levied at 2% and higher education cess at another 1% of aggregate of customs duties.

• Anti-dumping Duty

Anti-dumping duty may be imposed if the good being imported is at below fair market price, and is limited to the difference between export and normal price (dumping margin).

• Safeguard Duty

Safeguard duty is levied if the government feels that a sudden increase in exports can potentially damage the domestic industry.

SERVICE TAX

Service tax is a tax levied by Central Government of India on services provided or to be provided excluding services covered under negative list and considering the Place of Provision of Services Rules, 2012 and collected as per Point of Taxation Rules, 2011 from the person liable to pay service tax. Person liable to pay service tax is governed by Service Tax Rules, 1994 he may be service provider or service receiver or any other person made so liable. It is an indirect tax wherein the service provider collects the tax on services from service receiver and pays the same to government of India. From 15 November 2015, the effective rate of

service tax plus Swachh Bharat Cess, post introduction of Swachh Bharat Cess, was 14.5%. Currently, Swachh Bharat Cess and Krishi Kalyan Cess would also be levied on all services on which Service Tax is being levied and therefore, the Service Tax (including Swachh Bharat Cess and Krishi Kalyan Cess) applicable from 1 June 2016 has become 15%.

1.4 INTRODUCTION TO GST

Goods and Services tax is a regime undertaken by the central Government to reduce tax burden, cascading effect and multiple tax system. GST means amalgamation of large number of central taxes and state taxes into single tax.

GST levied on supply of goods and services except for alcohol for human consumption. Tax levied as dual GST concurrently by the union and states i.e. Central Goods and Services Tax and State Goods and Services Tax. Parliament has a power to levy Integrated Goods and Services Tax (IGST) for interstate supply of goods and services and inter union territory supply of goods and services and transaction between state and union territory, UTGST should be payable by the Assessee on transaction within Union territories.

Input Tax credit means when any supply of Goods and services are supplied to a taxable person, the GST charged is known as Input Tax, Assessee will get ITC from which he has already paid tax indirectly while purchasing goods.

ITC means set off against one type of GST payable with another type of GST. ITC can be possible between CGST and CGST, SGST and SGST, CGST and IGST, SGST and IGST, IGST and IGST, UTGST and UTGST and IGST and UTGST but it is not possible between CGST and SGST and CGST and UTGST.

5 Rates have fixed in GST, 0%, 5%, 12%, 18%, and 28%

1.5 COMPOSITION SCHEME

Composition scheme is one kind of Direct tax because here the tax burden cannot be shifted to another person. It is a simple and easy scheme under GST for only small traders can opt this scheme

Any Assessee's whose turnover does not exceeds 1 crore can opt composition scheme and for the North-eastern state assesses threshold limit of exemption should be 75 lakh.

Turnover of all business registered with the same PAN should take into consideration to calculate total turnover, if the total turnover exceeds 1 crore then he cannot opt composition scheme

Tax payer supplying exempt supplies, supplier of service other than restaurant related services, Manufacturer of ice cream pan masala or tobacco, casual taxable person or a non-resident taxable person and a business which supply goods through an E-commerce operator cannot opt composition scheme.

Some of the conditions are there in composition scheme

- No input tax credit can be claimed
- Cannot make any interstate supply
- Cannot supply GST exempted goods
- Tax payer has to pay normal rate for transaction of reverse charge mechanism
- If an Assessee has more than one business registered under same PAN, Total turnover is considered
- Tax payer has to mention the words Composition Taxable person on every notice or signboard displayed prominently
- Tax payer has to mention the words Composition Taxable person on every bill of supply issued by him

To Register, An Assessee has to file GST CMP-02 with Government, This can be done online by logging into the GST portal, and Composition dealer cannot shift his tax burden to the customer.

The GST rates for composition scheme are 1% for Manufacturer and 5% for Restaurant not serving alcohol.

A composition dealer is required to file a quarterly return GSTR-4 by 18th of the month after the end of quarter and also an annual return GSTR-9A has to be filed by 31st December of next financial year.

1.6 HYPOTHESIS

Ho: There is no relationship between Composition scheme and Normal GST.

H1: There is a relationship between Composition scheme and Normal GST.

1.7 METHODOLOGY

The data collected from the both the primary and secondary source are used for the present Study. Primary Data - The data have gathered through field investigation and by administering questionnaires to Assesses who are paying tax under composition scheme. Secondary data - Secondary data are collected from published source like books, journals, reports of the company etc. relevant has also been collected from the different website.

1.8 STATISTICAL TOOLS AND TECHNIQUES

In order to extract meaningful information from the data collected, data analysis was carried out. The collected data were edited, coded and tabulated. For the purpose of analysing them, the following statistical tools and test were used.

1.9 ANALYSIS AND INTERPRETATION

TESTING OF THE HYPOTHESIS

HYPOTHESIS TEST

Ho: There is no significant relationship between Composition scheme and Normal GST

TABLE 1.1

Particulars	Beneficiaries	Non beneficiaries	Total
Composition trader	32	08	40
GST payer	06	04	10
Total	38	12	50

Source: Survey Data, Shivamogga, (January 2018)

The table value X^2 for 1 degree of freedom at 5 % level of significance is 3.841. The calculated value of X^2 is 1.754. The calculated value of X^2 is much lesser than the table value and hence we accept the null hypothesis and strongly agreed that there is no Composition scheme and Normal GST

TABLE 1.2: ASSESSES VIEWS ON COMPOSITION SCHEME

Views	No. of Assesses'	Percentage (%)
1. Familiarity with Scheme		
Yes	68	68
No	32	32
Total	100	100
2. Willingness to accept Composition scheme		
Yes	68	68
No	32	32
Total	100	100
A. Reason for Yes		
Easy Competition	17	25
Less tax burden	14	21
Company Growth	37	54
Total	68	100
B. Reason for No		
Should follow different rules	18	56
Not having good relationship GST payers	10	31
Lack of Awareness	4	13
Total	32	100
Opinion of the beneficiaries of Composition scheme		
Comfortable	57	57
Uncomfortable	34	34
Not known	9	9
Total	100	100

Sources: Survey Data, January, 2018

Interpretation

From the above table it is clear that out of 100 Assesses in Shivamogga 68 Assesses' are willing to accept the Composition scheme and only 32 Assesses' are not willing to accept composition scheme because they have given the reason that the Assesses' should follow different rules, and 10 Assesses' said that General GST payers are not cooperate with the composition scheme Assesses' and 4 Assesses' replied that there is a lack of awareness about the composition scheme. Out of 68 Assesses', 38 Assesses' replied that they have already accepted composition scheme because composition scheme helps to increase the growth of the company due to paying less tax than the original and 14 Assesses' agreed that composition scheme helps to reduce the tax burden of the company and only 17 Assesses' replied that due to composition scheme it is very easy for the company to compete with the competitive company.

1.10 FINDINGS

- Majority of the Assesses are familiar with composition scheme
- Assesses' feel that the composition strongly helps in improving the competition with other rivals
- Threshold limit for payment of GST is 20 lakh
- After implementing GST, Assesses' whose turnover is less than 1crore should pay tax under composition scheme
- Composition scheme rates are
- Service providers are not come under composition scheme
- Restaurant service provider can pay tax under composition scheme
- Input Tax credit is not applicable to composition scheme tax payers
- It is one kind of Direct Tax because tax cannot be shifted to another person
- Assesses' opinion that due to composition scheme tax burden have reduced and it helps to increase the growth of the company

1.11 SUGGESTIONS

- Assesses' should participate with their supervisors in the creation of their own performance goals and development plans.
- Assesses' should go through GSTN(Goods and Services Tax Network) where the Registration procedure is available
- Assesses' should get knowledge about the GSTR(Goods and Services Tax Returns) to pay timely payment of Tax
- Government should provide awareness programme about the GST to all composition scheme Assesses
- GST Council is a governing body of GST, It provides all the detailed information about GST regime

1.12 CONCLUSION

GST is an essential aspect Tax. It is a destination based tax system where the tax imposed on supply of goods and services or on Transaction value, GST subsumed all Indirect taxes so now all the manufacturers, wholesalers, retailers, dealers and traders should follow GST rules.

GST has implemented to reduce the tax burden, remove the cascading effect and Multiple Taxation system and increase the growth of the company and also to provide essential help for Assesses' in order to know their duty for payment of tax and make them timely payment of Tax.

The role of objectives of this study has been analysing the problems and prospectus to the composition scheme taxpayers. In this study it is clear that the Assesses' opined that after implementing GST cascading effects have removed and also it is very familiar for the composition scheme tax payer to pay tax under composition scheme which is very low rate of tax than the other tax payer and also they opined that due to Composition scheme most of the other non-composition scheme assesses are not having good relationship with them and also it increased the competition.

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STRUCTURE OF AGRICULTURAL CREDIT SYSTEM IN INDIA

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ABSTRACT

The purpose of this study is to investigate the significance of agricultural finance on agricultural and rural development in India. The study was based on Secondary data only. It reflects the various sources of agricultural finance & its advantages to the farmer for the development in agricultural growth. As we know that, the major sources of income in India are coming from primary sector. Therefore, it is necessary to aware about the norms & policies for the development in rural sector. It also reviews & compares the institutional and non-institutional source of agriculture finance. It is because of the fact that the availability of capital, the farmers who borrowing agricultural finance and providing inputs on time and in proper were getting better production. Most of the farmers agreed that agricultural finance was helpful for improving living standard useful for household and rural development; it facilitates farmers in use of agricultural inputs on time and getting best agricultural production.

KEYWORDS

agricultural finance, rural development, borrowers and non borrowers, total revenue, total cost, variable costs, capital.

JEL CODES

A10, A20, C15, C83, D21, D22, E66, G28, Q10, Q28, Q58.

1. INTRODUCTION

Agriculture credit system plays an important role for the development in agricultural sector. In India, agricultural credit is being advanced by various sources. The short term and medium term loan requirements of Indian farmers are usually met by Government, co-operative credit societies and moneylenders. For the long-term loan requirements, farmers can seek help from moneylenders, the Government and land development banks.

Agricultural policies have been reviewed from time to time to provide adequate and timely availability of finance to this sector. Rural credit system assumes importance because for most of the Indian rural families, savings are inadequate to finance farming and other economic activities. In India, a multi-agency approach comprising co-operative banks, scheduled commercial banks and regional rural banks (RRBs) has been followed to allow credit to agricultural sector. In present scenario, the long term and short term credit needs of Indian farmers are also being sufficed by National Bank for Agricultural and Rural Development (NABARD).

2. REVIEW OF LITERATURE

Nimbkar (1968) has lucidly analyzed different types of difficulties which institutional credit agencies have to face, while delivering agricultural finance to the farmers, especially in terms of sanctioning and recovery of loan. To him, commercial banks can run successfully if they provide extension services and train their staff accordingly. He suggests that before sanctioning loan to the farmers the trained staff will assess the credit worthiness of the farmers. But he has not mentioned any mechanism by which the credit worthiness of a farmer seeking loan can be tested.

Ghosal (1972) has mentioned that he finds very few works on the long term loan to the farmers. His study is confined to the discussion on long term loan to the farmer only. He says that if short-term credit is given to the farmers, they have to repay the same within a very short period and renew the same. As a result, the total amount of interest for the short term loan becomes much higher than what is to be paid in case of long-term loan and on the other hand, the transaction cost of the financial institutions in issuing short term loan increases.

Menon (1961) in his book deals with the problems of Indian rural credit as multidimensional and dynamic. According to him, the question of providing loans for agriculture and its allied activities is not merely a financial one, but has a longer economic aspect and also political, sociological and humanitarian aspects. He explores that in India agriculture and other rural activities suffer from financial anemia at present. The injection of sufficient quantities of finance into them could accelerate their pace and increase the volume and value of their production. But his work lacks the mention of the types of sources of rural credit. It is true that if the sufficient amount of loan to the rural people come from informal credit market. It may or may not increase the volume and values of their production as because, in most cases informal credit market is more interested in delivering loan for their purpose other than production. So, the sufficient flow of finance to the rural poor cannot be treated as the only way of improving their fate and also of the country.

Hazari (1976) in his article he has tried to identify the area in which the Regional Rural Banks can participate in rural development. He introduced the concept of "Command Area Development". He argued that instead of solely depending on individual farmer to increase output, it is necessary to channelises the amenities to the groups of farmers for the integrated development or the region.

Kurulkar and Deogirikar (1980) have shown that major proportion of the beneficiaries belonged to landless category, followed by small and marginal farmers in the Marathawada Regional Rural Bank. The percentages of flow of credit to these weaker sections has shown a declining trend and the study recommended for reconsideration of the loaning policies of the bank.

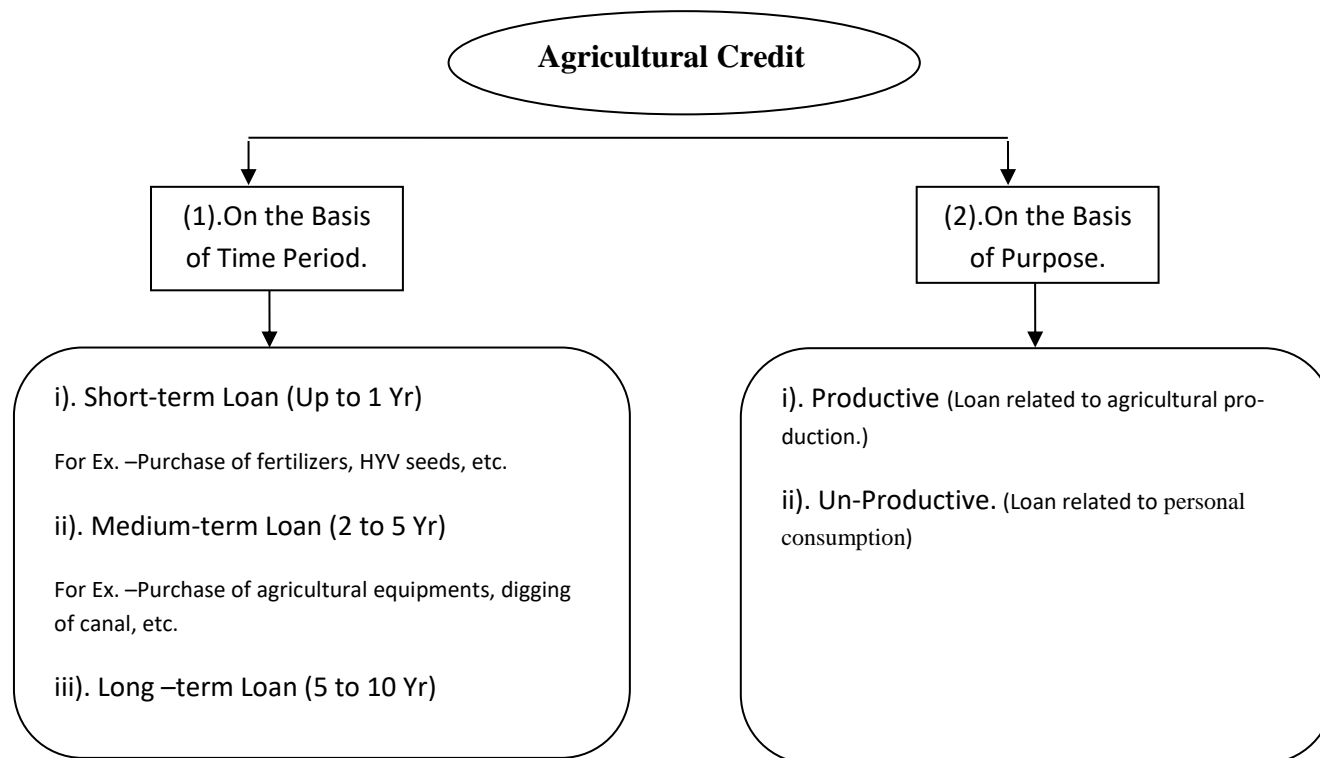
3. OBJECTIVES OF THE STUDY

1. To analyze the reasons that necessitates agriculture credit.
2. To find out whether there have been any misutilisation and/or diversion of funds.
3. To examine the various kinds of agriculture credit in India..
4. To review & compare the institutional and non-institutional source of agriculture finance.
5. To find out the causes of overdue with the institutional credit agencies.
6. To examine the major sources of institutional agriculture credit in India.

4. KINDS OF AGRICULTURE CREDIT

The agriculture credit can be classified on the basis of the following chart:

CHART 1



5. RESEARCH METHODOLOGY OF THE STUDY

The present research article is based on the basis of Secondary data only. The secondary sources used for internet, websites, are various research journals, and various books etc. The secondary data collected from **(NSSO) National Sampling Survey Organization** in last ten years just like 2002 to 2012 concerned. The method of research provide in the library research is undertaken for the purpose of taking a survey of both theoretical and empirical evidence of works. This research methodology adopted by previous researchers and the collection of secondary data for analyses are also inclusion.

ANALYTICAL APPROACH

According to population census of 2001, 58.4% of the total main and marginal workers in India were engaged in agriculture. Besides, a large number earn their living by working in occupations dependent on agriculture; like storage, processing, trade and transport of agricultural products. In villages, about 80% of the people earn their livelihood from cultivation and allied Agro industries. A large part of the labour force in towns and cities also finds job in agro-based industries and other activities related with agriculture. Thus, the share of agriculture in offering employment is higher in the process of economic development of the country.

TABLE 1: SHARE OF MAJOR SECTORS IN TOTAL EMPLOYMENT

Sectors	1999-2000	2004-05	2011-12
Agricultural sector	59.9%	58.5%	48.9%
Manufacturing	16.4 %	18.2%	24.3%
Services	23.7%	23.3%	26.9%

Source: Dr. V. Rajarajeswari (2016)

A trend observed across countries in the course of the development process. However, despite the heavy dependence of Indian agriculture on the monsoon with almost 53% of the gross cropped area rain fed, the production of various crops has grown at a recent rate.

6. SOURCE OF AGRICULTURAL CREDIT IN INDIA

There are two broad sources of agricultural credit **(Figure No. 1.2)** in India:

(1) NON-INSTITUTIONAL SOURCES

The non-institutional finance forms an important source of rural credit in India, constituting around 40 percent of total credit in India. The interest charged by the non-institutional lenders is usually very high. The important sources of non-institutional credit are as follows:

(i) Money-Lenders: Money-lending has been the widely prevalent profession in the rural areas. The money-lenders charge huge rate of interest and mortgage the property of the cultivators and in some cases even the peasants and members of his family are kept as collateral.

(ii) Other Private Sources:

(a) Traders, landlords and commission agents: The agents give credit on the hypothecation of crops which when harvested is used to repay loans.

(b) Credit from relatives: These credits are generally used for meeting personal expenditure.

(2) INSTITUTIONAL SOURCES

The general policy on agricultural credit has been one of progressive institutionalization aimed at providing timely and adequate credit to farmers for increasing agricultural production and productivity. Providing better access to institutional credit for the small and marginal farmers and other weaker sections to enable them to adopt modern technology and improved agricultural practices has been a major thrust of the policy. **National Bank for Agriculture and Rural Development (NABARD)** is an apex institution established in 1982 for rural credit in India. It does not directly finance farmers and other rural people. It grants assistance to them through the institutions described as follows:

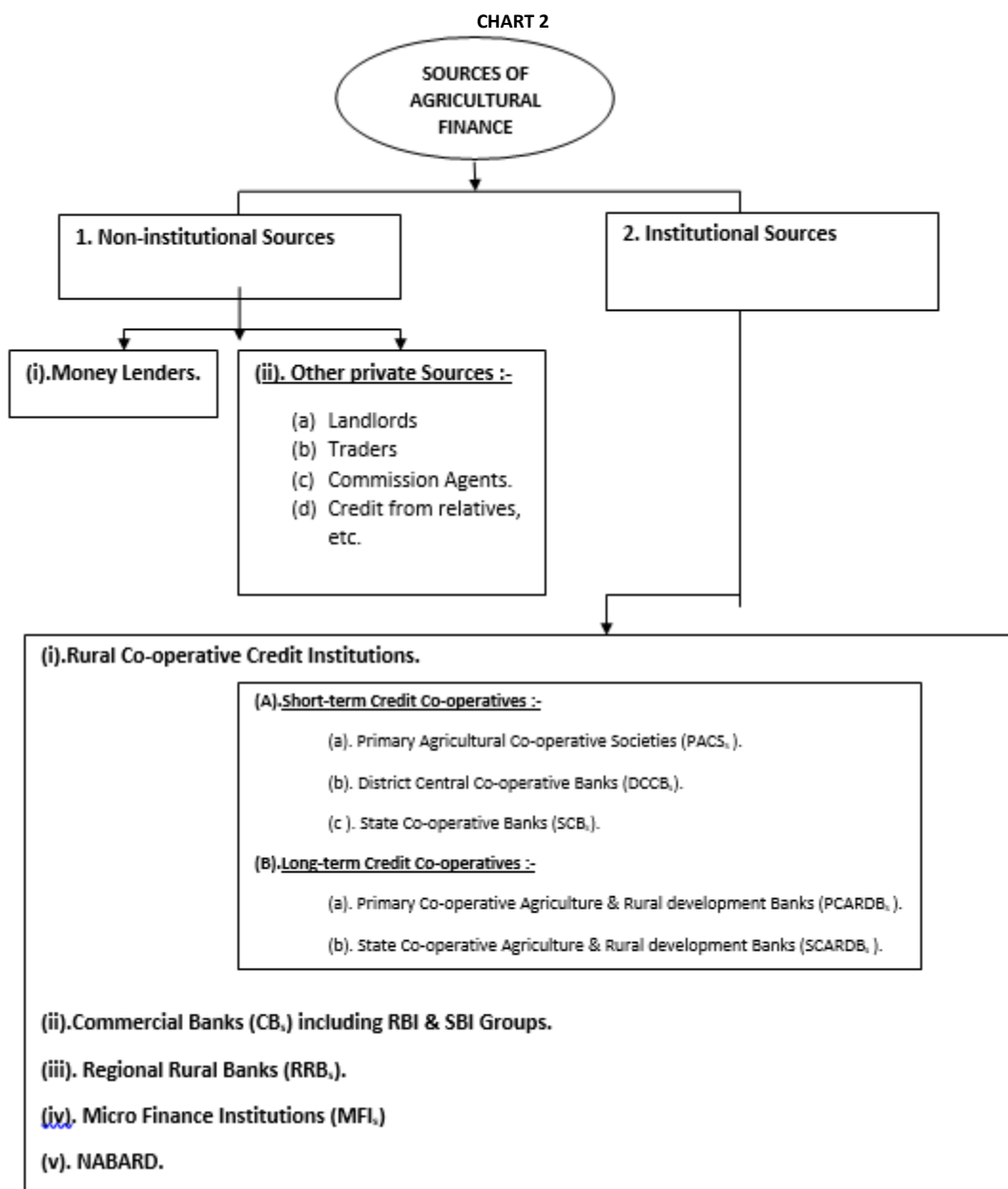
1. RURAL CO-OPERATIVE CREDIT INSTITUTIONS (RCCIs)

Rural Credit cooperatives are the oldest and most extensive form of rural institutional financing in India. The major thrust of these cooperatives in the area of agricultural credit is the prevention of exploitation of the peasants by moneylenders. The rural credit cooperatives may be further divided into short-term credit cooperatives and long-term credit cooperatives.

(A). **Short-term credit Cooperatives:** it provides short-term rural credit and are based on a three-tier structure as follows:

- (i) **Primary Agricultural Credit Societies (PACs):** These are organized at the village level. These societies generally advance loans only for productive purposes. The main objective of a PACS is to raise capital for giving loans and supporting the essential activities of the members such as supply of agricultural inputs at cheap price, improving irrigation on land owned by members, encourage various income-augmenting activities such as horticulture, animal husbandry, poultry etc. In India, around 99.5 percent of villages are covered by PACs.
- (ii) **District Central Cooperative Banks:** These cooperatives are organized at the district level. The PACs are affiliated to the District Central Co-operative Banks (DCCBs). DCCBs coordinate the activities of district central financing agencies, organize credit for PACs and carry out banking business.
- (iii) **State Co-Operative Banks:** The DCCBs are affiliated to State Co-operative Banks (SCBs), which coordinate the activities of DCCBs, organize provision of finance for credit worthy farmers, carry out banking business and act as leader of the Co-operatives in the States.

STRUCTURAL FRAMEWORK OF THE SOURCES OF AGRICULTURAL FINANCE



(B). **Long-term credit Cooperatives:** These cooperatives meet long-term credit of the farmers and are organized at two levels:

- (i) **Primary Co-Operative Agriculture and Rural Development Banks:** These banks operate at the village level as an independent unit.
- (ii) **State Co-Operative Agriculture and Rural Development Banks:** These banks operate at state level through their branches in different villages.

2. COMMERCIAL BANKS

Commercial Banks (CBs) provide rural credit by establishing their branches in the rural areas. The share of commercial banks in rural credit was very meager till 1969. The All India Rural Credit Review Committee (1969) recommended multi agency approach to the rural and especially agricultural credit. It suggested the increasing role of the CBs in providing agricultural credit. Further, under the Social Control Policy introduced in 1967 and subsequently the nationalization of 14 major CBs in 1969 (followed by another six banks in 1980), CBs have been given a special responsibility to set up their advances for agricultural and allied activities in the country. The major expansion of rural branches took place and CBs introduced Lead Bank scheme and district credit plans for rural areas. Banks were asked to lend 18 percent of their total advances to agriculture within the quota of 40 percent of priority sector lending. This expansion of rural credit remained till the late 1980s. However, during late 80's, CBs suffered huge losses due to waiving of agricultural loans by the government. The financial liberalization process with the adoption of **Narasimham Committee** report in 1993 has necessitated the banks to focus on profitability and adopt prudential norms. The proportion of bank credit to rural areas especially small borrowers has come down steadily.

3. REGIONAL RURAL BANKS (RRBs)

RRBs are the specialized banks established under RRB Act, 1976 to cater to the needs of the rural poor. RRBs are set-up as rural-oriented commercial banks with the low cost profile of cooperatives but with the professional discipline and modern outlook of commercial banks. Between 1975 and 1987, 196 RRBs were established with over 14,000 branches. As a result of the amalgamation, the number of RRBs was reduced from 196 to 133 as on 31 March, 2006 and to 96 as on 30 April 2007. RRBs covered 525 out of 605 districts as on 31 March 2006. After amalgamation, RRBs have become quite large covering most parts of the State. Increased coverage of districts by RRBs makes them an important segment of the Rural Financial Institutions (RFI). The branch network of RRBs in the rural area from around 43 per cent of the total rural branches of commercial banks. A large number of branches of RRBs were opened in the un-banked or under-banked areas providing services to the interior and far-flung areas of the country. RRBs primarily cover small and marginal farmers, landless laborers, rural artisans, small traders and other weaker sections of the rural community. However, even after so many years, the market share of RRBs in rural credit remained low and has suffered huge losses. In recent years Government has initiated reform process to improve the functioning of RRBs.

4. MICRO FINANCE INSTITUTIONS (MFIs)

Banks offer concessional interest rates for the rural credit. However, small farmers are unable to access them because of borrower-unfriendly products and procedures, inflexibility and delay, and high transaction costs, both legitimate and illegal. Thus, Non-Government Organisations (NGOs) are providing alternative means to enhance access to credit by the poor since mid-70's. After pioneering efforts by organizations like SEWA, MYRADA, PRADAN and CDF, in 1992 the RBI and NABARD encouraged commercial banks to link up with NGOs to establish and finance self-help groups (SHGs) of the poor. The RBI has included financing of SHGs under priority sector lending. At present, there are three groups of SHGs viz. SHGs formed and financed by the banks (20 percent); SHGs formed by other formal agencies but financed by banks; SHGs financed by banks using NGOs and other agencies (8 percent). These institutions provide small loans to the poor at low interest rates without collateral.

The experience of micro-finance scheme in India suggests that i) It is the cost effective way of financing the rural poor; ii) The repayment rate of SHGs is more than 95 percent due to peer pressure; iii) It reduces transaction costs of borrowers as well as lenders; iv) It inculcates the habit of thrift among members and provide timely credit.

7. MAJOR FINDINGS IN RURAL CREDIT STRUCTURE

- ❖ **Lack of Motivation:** In order to fill the gap that occurred due to the failure of rural cooperative societies Government gave increasing role to the commercial banks. However, commercial banks lack the desired skills and expertise in the agro-credit. The banks have enough financial resources but the service consultancy is not available. Thus, there is a failure to provide complete package of assistance to the farmers. Further, financial sector reforms have put pressure on banks to improve their financial position and so these banks are now concentrating on selected clientele of large borrowers.
- ❖ **Overemphasis of Monetary Credit:** The rural credit institutions have given overemphasis on the financial assistance to the cultivators. While the finance is very important factor but it should be complemented with the extension of services in form of guidance, expertise and counseling on agricultural issues.
- ❖ **Multiplicity of Institutions:** The rural credit structure is based on multi agency credit system whereby there exist numerous organizations providing similar kind of financial services. There is a lack of coordination in the system and the commercial viability is adversely affected in this scenario.
- ❖ **Lack of Motivation:** In order to fill the gap that occurred due to the failure of rural cooperative societies Government gave increasing role to the commercial banks. However, commercial banks lack the desired skills and expertise in the agro-credit. The banks have enough financial resources but the service consultancy is not available. Thus, there is a failure to provide complete package of assistance to the farmers. Further, financial sector reforms have put pressure on banks to improve their financial position and so these banks are now concentrating on selected clientele of large borrowers.
- ❖ **Financial Exclusion:** Despite of a large network of the institutional credit system, it has not been able to adequately penetrate the informal rural financial markets and the non-institutional sources continue to play a dominant role in purveying the credit needs of the people residing in rural areas. The results of the All-India Debt and Investment Survey (AIDIS, 2002) also indicate that the share of the non-institutional sources, in the total credit of the cultivator households, had increased from 30.6 percent in 1991 to 38.9 percent in 2002.
- ❖ **High Interest Rates:** The rate of interest charged by rural financial institutions (RFIs) from farmers continues to be considerably higher than those charged by financial institutions from urban consumers. The owners of small or marginal farms, which are non-viable or viable at the margin, and self-employed in the informal sector, cannot afford to bear the level of interest charged by RFIs.
- ❖ **Procedural Delays:** There is a problem of considerable delays in processing of loan applications and collaterals. Thus, farmers shy away from institutional financing and increase their dependency upon non-institutional sources.
- ❖ **Poor Recoveries:** Banks are shying away from rural financing mainly because of poor recoveries, which is inflicting the system. It is ironical that the recoveries position is adverse amongst rich farmers than amongst the small farmers. The political decisions of waiving off loans are further putting pressures on the financial system.

8. SUGGESTIONS FOR IMPROVING INSTITUTIONAL RURAL CREDIT SYSTEM

- **Financial Discipline to Improve Recovery:** A national consensus among political parties should be evolved for not politicizing the RFIs and resist from announcement of loan or interest waiver schemes and giving calls for not repaying the institutional loans. However, given the risk involved in the agriculture credit the recovery system should be flexible and humane.
- **Revamping the Cooperative Credit Structure:** The Cooperative Credit Structure should be strengthened to make use of its wider reach. These have to be recapitalised so as to provide funds for improving their financial positions. There is a need of capacity building, human resource development, institutional restructuring to ensure democratic functioning, and improving the regulatory regime to empower the Reserve Bank of India (RBI) to enforce prudent financial management.
- **Better Physical, Social and Economic Infrastructure:** The long-term policy framework needs to be designed to improve infrastructure facilities so as to boost rural economic growth. This requires increased public expenditure on social infrastructure (like education, availability of drinking water, health facilities), physical infrastructure (like roads, power) and economic infrastructure like (irrigation, modern agricultural techniques). These measures would help to improve the debt paying capacity of rural poor and provide greater opportunities to RFIs.
- **Financial cum Consultancy Approach:** RFIs needs to provide extension services like consultancy about seeds, availability and use of modern inputs, marketing strategies etc to the cultivators so that a holistic package of assistance can be provided to them.
- **Group Approach to Lending:** The lending to homogenous farmer's groups needs to be organized to improve credit delivery. This would help to improve recovery because of peer pressure. Further, group lending tends to be cost-effective. Involving NGOs or rural educated youths in organizing farmers or rural families in groups, scrutinizing applications, disbursement of loan and effecting recoveries would help RFIs in reducing lending costs.
- **Autonomy to RRBs:** RRBs should be given more autonomy and flexibility in planning and lending policies, so that their comparative advantage in rural lending is restored.
- **Greater involvement of Micro Finance Organizations:** The banks need to involve micro-finance agencies like SHGs, NGOs etc. and other grass root level financial intermediaries who have better understanding of the credit needs and recovery situations.
- **Technological Up-Gradation:** Technological improvements like computerization can be critical in building up a reliable credit information system and database on customers, reducing transaction costs and facilitating better pricing of risk, improving the efficiency of the financial system, and thereby increasing the access of un-banked rural people in an efficient manner.
- **Information Dissemination to Rural Poor:** Credit counseling, awareness and financial education regarding the benefits of institutional financing are important for effective expansion of financial services in rural areas. To do this, banks may utilize the services of non-governmental organizations, village youth clubs, village panchayats, farmer clubs and self-help groups into confidence.

9. CONCLUSION OF THE STUDY

From the above elaboration, it is concluded that day-by-day the size of the landholding has constantly been fragmented due to excess pressure of population on land. It is clear from the study that PACS is not protecting and uplifting the weaker section of the farming population. In most cases, it has become an institution of some financially sound people who mislead and exploit the weaker section. The office-bearers of PACS are not expanding the membership for the fear of being defeated in the election of the office-bearers of PACS. It was gathered that most of the loanee farmers are devoid of banking behaviour as a result of their illiteracy. As a consequence, the repayment attitude is not good. Here loanee farmers are sometimes influenced by political leaders who advise them not to repay institutional credit, as there are the chances of the loan being written off by the government.

It may also be concluded that the informal lenders still have much importance in rural credit market and they contribute considerably to the growth of agriculture in spite of having a lot of allegations leveled against them.

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