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RELATIONSHIP BETWEEN CAPITAL STRUCTURE AND OWNERSHIP STRUCTURE WITH CONSERVATIVE ACCOUNTING

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ABSTRACT

First of all, this paper introduces the concepts of capital structure and ownership structure and then studies the relationship between these factors and conservative accounting approach. This paper lies inside descriptive projects with cross sectional correlation category in which data are analyzed through regression analysis method. Based on carried out tests it was revealed that correlation rate between operational accounting conservatism and capital structure is 0.28 and its significance factor is below 5%. Therefore, we can argue that there is an inverse and meaningful correlation between capital structure and operational conservatism. On the other hand, the significance factor of ownership structure and ownership concentration rate is more than 5%. Therefore, it could be argued that there is no significance correlation between these two variables and operational conservatism. By conducting the significance test of regression it was revealed that there is a linear relation between operational conservatism and capital structure as well as between ownership type and ownership concentration rate. But in the significance test of coefficients, capital structure does not affect operational conservatism and only ownership type and ownership concentration affect operational conservatism. Also, the significance factor of the three mentioned variables is higher than 5% in office conservatism approach. Therefore, there is no meaningful correlation between independent variables and office conservatism. In the significance test of regression however, there is no linear relation between office conservatism and ownership structure as well as between ownership type and ownership concentration. On the other hand, in the significance test of coefficients only the parameter of ownership type affects office conservatism.

KEYWORDS

capital structure, ownership structure, conservatism, ownership concentration, ownership type.

INTRODUCTION

Capital structure has been introduced as the most important parameter affecting rank of companies and directing companies in capital market. On the other hand, the ownership structure of companies affects as an important factor accounting approaches and financial reports. In today's continuous changing world, credit rank of companies depends to some extent on their capital structure. Obtaining an optimal capital structure is considered as an important and vital problem in companies. Different factors like internal and external decisions affect the capital structure of a company which makes it difficult and even impossible to predict how capital structure of a company is formed which is generally referred as the architecture of capital structure. Stockholders prefer to choose such a capital by which, in addition to enriching their wealth, *Agency Costs* is minimized through minimizing *Weighted Average Cost of Capital* and the conflicts between benefits of stockholders and ownership are minimized (Wang, 2010). As management and ownership were separated, this was managers who manage offices as the representatives of ownerships i.e. stockholders. Formation of representative relationship results in conflicts between benefits of managers and stockholders. This means that it makes an opportunity to managers to show opportunistic behaviors and make decisions which meet their benefits which are in contrast with stockholders benefits. This problem causes companies to pay special attention to accounting conservatism as one of the most important concepts in financial reporting.

Conservatism is an accounting technique supporting companies' owners and stockholders, who form the ownership structure of company, and inhibits managers from opportunistic decisions and excessive optimistic views in offering profit and basically inhibits additional payments to managers like additional awards [Mehrani et al, 2011;49].

RESEARCH LITERATURE

Izadnia and Rahimi Dastjedrdi (Izadnia & Rahimi Dastjedrdi, 2010) carried out a research with the title of "*the impacts of capital structure on rate of return equity and earning per share*" and concluded that there is a direct relation between debt than to stockholders' income ratio (independent variable) and rate of return and earning per share (dependant variable). Also, they concluded that there is meaningful relation between debt to assets ratio and earning per share. Mehrani, Morad and Eskandari [Mehrani, Moradi & Eskandari, 2011] carried out a research with the title of "*the relationship between type of institutional owner and conservative accounting*" and studied the effects of the existence of institutional owners on conservative accounting processes and concluded that institutional investors are not the same and affect accounting processes through different ways. Arbabian and Safari Graeili [Arbabian & Safari Graeili, 2010]

investigated the effects of capital structure on the profitability of the companies accepted in Tehran Stock Exchange and discovered that there is a relationship between short term debt to assets ratio and companies' profitability while there is an inverse relationship between debt to assets ratio and profitability.

Jaish Koomar [Jaish Koomar 2003] investigated in his study the relationship between ownership structure, corporate governance and corporate dividend policy and argued that ownership structure is one of the most important factors affecting corporate dividend policy although its effects differ from company to company and from layer to layer. Moorizolroka [Moorizolroka 2007] carried out a research under the title of "the impacts of company value on capital structure" and found that capital structure is considered as a system managing companies which could promote company's productivity and manage its works and create value for company. Chiao, Zhen and Zhang [Chiao, Zhen & Zhang, 2000] studied in their research the quality of conservative accounting which affects the relationship between accounting information and company value. The results of their study revealed that developed companies affect income and office values. Lee [Lee, 2009] investigated the capital structure and ownership structure of Chinese companies and concluded that there is a negative and direct relationship between company's performance and financial leverage and short term debts' ratio. For this, Chinese companies use short term debts. Kapopolo and Lazarito [Kapopolo & Lazarito 2007] investigated in their studies the effects of ownership structure on company performance by analyzing 175 Greece companies and concluded that there is a positive relation between more concentrated ownership structure and higher profitability. In other words, gaining more profit requires less spread ownership. Jozpedz [Jozpedz et al, 2010] studied the relationship between capital structure and ownership type in 7 countries of Latin America and found that there is a positive relationship between leverage and ownership concentration. Also, the results of this study indicate a positive relation between leverage and growth variable as well as a negative relation between leverage and profitability. For this, large scale companies have more tangible assets. Nadim Ahmad and Zhong wang [Nadim Ahmad & Zhong Wang, 2001] investigated critical factors determining capital structure in Pakistan production industries and discovered that there is a negative relation between profitability, liquidity, income oscillations and tangible assets structure and debt ratio while company size has positive relation with debt ratio. Ghangh Wang [Ghangh wangh et al, 2010] investigated through their study the relationship between accounting conservatism and debt managerial ownership and concluded that accounting conservatism, as a mechanism showing contrasts between stockholders and debtors, decreases representative costs.

Moham [Moham et al, 2009] investigated the relationship between the flow cash dispersion of controller stockholders and accounting conservatism and argued that there is a positive relation between cash flow dispersion among several main stockholders and accounting conservatism. Sanchez [sanchez et al, 2009] investigated the relationship between loss on time recognition and the main ownership structure and concluded that minority interest decreases as the ownership of main stockholders increases. Amotla [Amotla, 2009] investigated the effects of leverage on investment in new emerged markets. He argues that the effects of leverage on investment is a very important parameter as company value is determined through the expected cash flow generating due to investments while the channels by which leverage affects investment are not clear.

Sunde and Zhang [Sunder & Zhang, 2009] studied the effects of conservatism on debt contracts. Their results revealed that there is a direct relation between conservatism and debt rate. Hasan [Hasan et al, 2009] showed that there is a considerable negative relation between the size of director board and family control and debt to stockholders equity ratio.

SUBJECT IMPORTANCE

The overall results of the carried out studies indicate that capital structure is the most important factor affecting company values. On the other hand, the ownership structure of companies has been recognized as an important factor affecting accounting as well as financial reporting procedures. Board of directors needs reliable information in order to supervise their managers. Accounting conservatism is one of the most vital sources provide directors with such reliable information which is very beneficial for supervising managers and evaluating their strategies and decisions.

STATEMENT OF PROBLEM

The quality of obtaining optimal capital structure is as one of important and vital issues companies involve with. Various internal and external parameters affect financial structure of companies and make it difficult and even impossible to predict how capital structure of a company, which is referred as architecture of capital structure, is formed. Regarding diversity of factors affecting capital structure of companies typical questions always arise including: how an idealistic capital structure could be obtained? How companies could approach towards such an idealistic structure?

Regarding the fact that conservatism supports both ownerships and stockholders, it seems that it is the answer of the problem of this paper.

STUDY OBJECT

The main object of this study is to evaluate the relationship between capital and ownership structures and conservative accounting values. In order to reach to this object the following three hypotheses have been employed.

HYPOTHESES

- 1- there is a meaningful and positive relation between company's capital structure and accounting conservatism
- 2- there is a meaningful and positive relation between company's ownership type and accounting conservatism
- 3- there is a meaningful and positive relation between company's ownership concentration rate and accounting conservatism

METHODOLOGY

Definition of study variables and measuring them

Independent variables:

- 1- Capital structure: capital structure is considered as the ratio of total liability to total assets in the considered year: $TOTAL\ LIABILITY / TOTAL\ ASSETS$
- 2- Type of ownership: this means that whether the considered company is a state company or a private company. Based on the related rules if government is considered directly or indirectly as the ownership of the company it is considered as a state company, and the assigned value to this company is one, otherwise it is a private company.
- 3- The rank of ownership concentration

In order to define the rank of ownership concentration, Hirschman-Herfindal index is used. This index is the ratio of the sum of the squares of shares percentage to the number of company's stockholders. This index increases as ownership concentration increases. In the case where all shares of a company belong to one person this index gains the maximum value i.e. 1000 units. In the case where the ownership is dispersed and all stockholders have the same number of shares, the HHI index would gain the minimum value i.e. 1000/??

$$HHI = \left[\sum \left(\frac{P_i}{P} \right)^2 \right] * [100]$$

In which HHI is the index of the ownership concentration of each company, P_i is the total number of main stockholders of each company and P is the total number of whole stockholders of each company.

DEPENDANT VARIABLES

Conservatism is considered as dependant variable. In order to calculate conservatism, Hayn-Givoly model [Hayn & Givoly, 2000] is employed.

This model calculates conservative index as follows:

$$TOTAL\ ACCURAL * (-1) / TOTAL\ ASSET = Conservative\ Index$$

Operating accruals is net profit minus net cash flow of operation plus the value of depreciations of assets.

According to this model, there is a negative relation between conservatism and operating accruals. For this, the relation is multiplied by -1.

CONTROLLING VARIABLES

Relevant adjustments ratio, rate of sales growth, on assets return and P/E ratio and price to profit cash share are introduced to model respectively in order to evaluate the main variable in the presence and without the presence of these factors.

Among 108 companies accepted in Tehran Stock Exchange, 50 investors and financial intermediate companies were omitted and 73 companies also were omitted due to the fact that the due date of their financial time period was not ended to March. Among rest companies 99 companies were selected randomly.

RESEARCH MODEL

$$CONS = \alpha_0 + \beta_1 \text{Stru} + \beta_2 \text{Owne} + \beta_3 \text{Conc} + \beta_4 \text{Cont Var} + \epsilon$$

In which; **CONS:** is accounting conservatism and dependant variable **Stru:** is capital structure and independent variable **Owne:** is type of ownership and independent variable **Conc:** is ownership concentration rate and independent variable **CONT VAR:** are research control variables **β1, β2, β3 and β4:** are the coefficients of model. It is expected that all of them have positive relation with dependant variable **ε:** is error tolerance

The above mentioned model has been extracted from available models introduced in the paper under the title of "the relationship between debt management ownership and accounting conservatism" written by Fee Zhee as well as the paper under the title of "performance enclosure and their actions" written by David Kadmartorib and the paper of "the effect of company's ownership structure on company's conservative income" written by Kangh.

RESULTS AND DISCUSSION

DESCRIPTIVE STATISTICS

TABEL 1: THE FOLLOWING TABLE SHOWS DESCRIPTIVE STATISTICS OF THIS STUDY

	conservatism oprational	capital structure	ownership type	ownership concentration
Mean	74.4485	.7268	.40	3332.6339
Std. Error of Mean	8.28906	.05537	.057	301.30489
Median	47.5800	.6314	.00	3056.9024
Std. Deviation	71.78536	.47950	.493	2609.37689
Variance	5153.137	.230	.243	6808847.741
Skewness	1.036	5.062	.417	.947
Std. Error of Skewness	.277	.277	.277	.277
Kurtosis	.442	30.411	-1.877	.439
Std. Error of Kurtosis	.548	.548	.548	.548

This table shows the descriptive statistics of capital structure, type of ownership and ownership concentration through operational accounting conservatism. The mean values of operational accounting conservatism and capital structure are respectively 74.4485 and 0.7268 and their variances are respectively 80289 and 0.5537. Since the Cholgy coefficient of the operational accounting conservatism variable is 1.036 this implies that this variable is to some extend right skewed and does not symmetrically (0.5) differ from normal distribution. The Cholgy coefficient of capital structure is 5.0626, which is right skewed. Also, the elongation factor of this variable (operational accounting conservatism) is 0.442 which is almost normal as it is very close to 0.5. The elongation factor of capital structure variable is 30.411, which is higher than normal distribution. The 75 percentile of operational accounting conservatism is 11.07, which indicates that 0.75% of data are below this value. Also, the 25 percentile of this variable is 47.58, which implies that 25% of data are below this value. On the other hand, the 75 and 25 percentiles of capital structure variable are respectively 0.7511 and 0.5358 respectively implying that 25% of data are higher than these two values and 25% of them are less. Thus, we can conclude that the data of both operational accounting conservatism and capital structure variables covers a positive range. In other words, 50% of operational accounting conservatism data range from -18.35 to 110.7. Similarly, the statistics of other variables are presented.

TABLE 2: SHOWS THE RESULTS OF STATISTICAL TEST OF RESEARCH HYPOTHESES AS WELL AS OPERATIONAL CONTROL VARIABLES WITH TOGETHER

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	50.101	9.787		5.119	0.000
Ownership-type	60.868	15.474	0.418	3.933	0.000

As we can see in coefficient significance table, the significance factor of type of ownership is sig=0.000 which is below 5%. For this, the H₀ hypothesis which says that "the coefficients of regression model are zero" is eliminated and hypothesis H₁ is accepted. In other variables we have sig>0.5% implying that the regressions of the variables of capital structure, ownership concentration, relevant adjustments, sale growth rate, on assets return and P/E ratio are zero. This means that the hypothesis H₀ is accepted and the hypothesis H₁ is eliminated. Basically, this is not true we conclude that the eliminated variables are not good predictors. Instead, we conclude that they play no important role in model.

TABLE 3: STATISTICAL RESULTS OF HYPOTHESIS AND MODEL RESEARCH

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
capital structure	-0.064	0.210	-0.029	-0.303	0.763
ownership type	0.126	0.186	0.065	0.677	0.500
ownership concentration	-1.395E-5	.000	-0.033	-0.343	0.732
Annual adjustments	-0.062	0.022	-0.291	-2.831	0.006
Rshdfvrsh rate	0.034	0.012	0.277	2.768	0.007
Return on assets	-0.021	0.034	-0.060	-0.627	0.532
P.E	0.001	0.001	0.083	0.828	0.410

We can see that the significance level of all three main variables is higher than 5%. Therefore, the coefficients of these variables are not significance in model. The significance factor of on assets return control and P/E ratio is also higher than 5% indicating that the coefficients of these two variables are not significance too. Therefore, in the all five mentioned variables the hypothesis H₁ is eliminated and the hypothesis H₀ is accepted. This means that the hypothesis which says "capital structure, type of ownership, ownership concentration rate and assets return don't affect operational conservatism" is not true.

On the other hand, we can see that the significance factor of relevant adjustments and sales growth rate is below 5% (the significance factor of relevant adjustments and sales growth rate is respectively Sig=0.007 and Sig=0.006). Thus, we argue that the two variables are significant in the model. We can see that the effects of relevant adjustments (Beta=-0.291) and sales growth rate (Beta=+0.277) are higher than any other variable.

DISCUSSION AND CONCLUSION

Since this study states capital structure and ownership structure in terms of official and operational conservatism, three office hypotheses and three operational hypotheses were offered. In order to test research hypotheses (the relationship between operational conservatism and capital structure and type of ownership and ownership concentration rate) multiple regression model was employed. The relationship between capital structure as well as ownership concentration rate and operational conservatism was not approved. On the other hand, as the significance factor of them is higher than 5%, then the assumption that says regression model is linear was not approved. Also, the assumption that says the significance of each independent variable affects conservatism dependant variable was not approved while the relationship between type of ownership and operational conservatism was confirmed because its significance factor is below 5%. Therefore, both assumptions i.e. "the regression model is linear" and "significance of type of ownership affects the dependent variable of operational conservatism" were confirmed. On the other hand, the relationship between capital structure and type of ownership as well as ownership concentration and office conservatism was not confirmed as their significance factor is below 5%. Therefore, both assumptions i.e. "the regression model is linear" and "significance of type of ownership affects the dependent variable of operational conservatism" were not confirmed. The findings of this study are similar to that of studies of Shahriari, Yeghane, Ebrahimi and Arabi which indicate a relationship between ownership concentration and conservatism. Also, studies of Mehrani, Moradi and Eskandar show a meaningful relationship between institutional ownership type and accounting conservatism. In the case of foreign studies, the results of studies of Chee Lio wang [Chi Lio Wang, 2007], Ajinkiabraj and Sengopta [Ajinkiabraj and Sengopta, 2005] and Bosch [Bosch, 1998] are similar to the present study.

SUGGESTIONS BASED ON STUDY FINDINGS

Regarding the fact that stockholders are the ownerships of companies' shares and have significant influence on companies, it is suggested that company's shares be distributed among different stockholders for better control purposes.

It is suggested that the impact of other related variables on the results of this study be investigated. For example, the impact of institutional stockholders on the relationship between company size and debt and accounting conservatism.

SUGGESTIONS FOR FUTURE STUDIES

Investigating the relationship between capital structure as well as type of ownership (state or private) and other indexes especially fiscal transparency.

Investigating the relationship between conservatism and other variables including profit quality and profit management.

Studies should be carried out in long term periods and with higher volume of samples in order to promote the validity of the obtained results.

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PARADOX OF COMMUNITY REACTIONS TO CORPORATE SOCIAL RESPONSIBILITY AND IRRESPONSIBILITY IN KENYAN HOTELS

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ABSTRACT

The study examines the corporate social responsibility practices and corresponding outcomes from resident communities of classified hotels in Kenya. Based on instrumental stakeholder theory, the study explores local community resident perceptions on social responsibility of 20 classified hotels. The target population comprised of community residents within close proximity to the selected classified hotels. A sample of 650 community respondents was selected using systematic and quota sampling methods. Data was analyzed descriptively to elicit perceptual outcomes of respondents. The findings suggest that the sample hotels social responsibility practices demonstrated community corporate social irresponsibility. However, the outcome was puzzling in that the respondents were not contemptuous of the classified hotels but remained cautiously optimistic. Accordingly, five paradoxes characterized the state of perceived responsibility and irresponsibility. These were paradox of Stakeholder Asymmetry (PSA), paradox of reciprocity (POR), paradox of corporate image (PCI), paradox of corporate goodwill (PCG) and Paradox of public resource use (PPRU). It was concluded that corporate social irresponsibility practices are systemic, paradoxical and remain unmitigated.

KEYWORDS

Community Corporate Social Responsibility, Corporate Social Irresponsibility, Paradox, Hotels.

INTRODUCTION

Studies on Corporate Social Responsibility (CSR) have focused on facets such as; CSR and its relationship with organizational effectiveness (Niehm *et al.*, 2008), CSR and sustainable development (Adewuyi & Alowookere, 2010), the economics of CSR (McWilliams & Siegel 2001), cost of CSR (Vitaliano and Stella, 2006), development of social, strategic corporate social responsibility and environmental sustainability (Orlitzky *et al.*, 2011), among others. Interestingly, few studies have explicitly focused on corporate social irresponsibility (CSI) by Kenyan hotels, particularly its coexistence with community CSR. This neglect or scarcity of studies in developing countries, particularly Africa, on corporate social responsibility (CSR) was pointed out by Adewuyi & Alowookere (2010). This state pertains in spite of an increasing global focus towards sustainable development in all its facets and forms. Furthermore, few studies have focused on CSR in hotel settings.

Paradox of CSR is rooted in its fuzzy conceptualization, varied understanding and interpretation in different contexts. For instance, CSR construct has been conceptualized in different ways. A review of CSR literature reveals a difficulty in defining the concept and of establishing both its legitimacy and impacts. For instance, CSR has been perceived variously as; a social dimension (Garriga and Mele', 2004), a form of corporate governance (Sacconi, 2004), as a voluntary activity (European Commission, 2001). Similarly, others have perceived CSR as a contribution to sustainable development (Ward, 2004), as a way of managing stakeholder relationships (Harrison and Freeman, 1999; Sen *et al.*, 2006), as a form of non market strategies (Wood, 1991), and as a commitment to ethics (Moir 2001).

Recent works on CSR ignores grey spot in organizational literature on the apparent disconnect between practices of social responsibility or irresponsibility and outcomes of such actions. Frankental (2001) and others have considered paradoxes of social responsibility that includes paradox in procedures of corporate governance, market's view of organizations' ethical stances, lack of clear CSR definition, lack of formal mechanisms for taking responsibility and priority that most organizations give to social responsibility. Corporate responsibility paradox (Gaines, 2003) argues that people in corporations should be doing their best to change laws and customs that give corporations undue advantage, and which are socially and environmentally damaging. Similarly, Jensen (2007) identified Stakeholder Paradox in which on the one hand, the corporations have a duty to act for the benefit of all its stakeholders, while on the other hand, they need to pursue the objectives of a private business. In regard to employees, the diversity paradox was conceived is premised on the argument that employment laws are meant to eliminate all forms of discrimination and provide the means for advancement but have, however, become barriers to maximization of employee potential.

Scholars have different views of the idea of business acting in socially responsible ways. Some find it paradoxical (Campbell 2006), while others view social responsibility as a myth (Devinney 2009). There is also unresolved controversy surrounding its beneficial effect on organizational effectiveness (Margolis *et al.*, 2007). In contemporary business environment it could be paradoxical that just as stakeholders are holding corporations more responsible for their actions, corporations understand their responsibilities to stakeholders even less (Davis *et al.*, 2008). Several other CSR paradoxes have been identified in the academic literature. These include among others; corporate social investment in education and paradox of poverty alleviation (Nzekwu, 2007), paradox of social cost (Pava and Krausz, 1995), the paradox of corporate social responsibility (Campbell 2006), and the Stakeholder Paradox (Jensen, 2007). There is therefore a need for further exploration of dilemma that may exist in community CSR practices by Kenyan classified hotels. This paper therefore attempts to fill this knowledge gap.

The purpose of this paper is three fold. First is to explore the community perceptions on hotels corporate social responsibility and irresponsible practices, secondly to elicit community perceptual responses to these practices and thirdly examine inherent potential paradoxes arising from these corporate social responsibility practices and perceived community response. The study is therefore organized as follows: the previous section introduced the study problem. Section 2.0 covers relevant literature on community social responsibility. Section 3.0 covers methodology and 4.0 results of the study. Finally section 5.0 provides conclusions, implications and recommendations for further research.

LITERATURE REVIEW

DILEMMA OF CONCEPTUALIZING COMMUNITY CSR

The concept of community and community CSR has been in itself paradoxical. Several interpretations of community have been identified (Richards and Hall, 2000). For instance, community has been interpreted as an idea of belonging to a specific topographical location, as defining a particular local social system, a

feeling of togetherness and as an ideology (Urry, 1995). Community has been perceived as changing and subject to certain dynamics (Richards and Hall, 2000). Interpretations of the community and underlying implications have always been varied. For instance, Richards and Hall (2000) argues that the word 'community' implies a common interest, possession or enjoyment.

Long standing issues of community conflict versus consensus and questions of inclusion and exclusion has permeated the literature. Traditional view of the community is often its treatment as relatively homogeneous with little internal conflict. Other commentators perceive the notion of the community as oxymoron, overused, heterogeneous in nature, with a complex and fluid makeup (Cole, 2006). Notions of the community defined by territory are fixed, discrete and relatively stable (Cole, 2006).

Recent studies of communities have tended to emphasize the need for empowerment or the devolution of power to the locality or grassroots of the community (Wilson 1996). Four dimensions of community participation have been identified as political, economic, psychological and social empowerment (Scheyvens, 2003). Economic empowerment is evidenced by economic gains to the local community derived from tourism development. Psychological empowerment is derived from self esteem and pride brought to individuals and local communities (Erb, 1998). Social empowerment results from increased community cohesion when members of the community are brought together through a tourism initiative, and in this regard, the enhancement of community cohesion has been explored by (Cole 2003). Political empowerment has been covered in Sofield (2003). Empowerment "is a multi dimensional process that provides community with a consultative process often characterized by outside expertise, the opportunity to choose; the ability to make decisions; the capacity to implement and apply those decisions; acceptance of responsibility for those decisions and actions and consequences; and outcomes directly benefiting community and its members, not directed or channeled into other communities and or their members" (Sofield, 2003: 112).

Community participation can result in an increased social carrying capacity (D'Amore, 1983), for instance, friendliness of the local people rates high on the list of positive features about a destination whereas involvement in planning is likely to result in more appropriate decisions and greater motivation on the part of the local people to support and patronize tourism products (Hitchcock, 1993). It has been alluded that local community participation looks good only in theory, but it is often essential in securing funding and support to the tourism products by way of providing security, and so community participation is necessary to get community support and acceptance of tourism development projects. It is also important to ensure that benefits relate to the local community needs, and this is possible if the community is involved because as Tosun and Timothy (2003) put it that they know what is important to them.

ENTERPRISE COMPETITIVENESS AND SUSTAINABILITY

In the general academic literature on sustainable development, much attention has been given to the description of different perceptions of sustainable development (Murdoch, 1993). Building on prior approaches, Bramwell (1996) contend that sustainable tourism has seven dimensions; environmental, cultural, political, economic, social, managerial and governmental. Accordingly, Bramwell (1998) further elicit the principles of sustainable tourism development. It lays emphasis on long term rather than short-term perspective on limitations to growth, and that tourism must be managed within certain threshold. It also emphasizes the importance of satisfying human needs and aspirations which entails a prominent concern for equity and fairness. It views policy, planning and management as appropriate and essential responses to the problems of natural, and human resource misuse of tourism. It is argued that the traditional model of sustainability is based on the protection of the status quo. There is therefore need for an alternative paradigm.

Socially responsible corporate behavior is needed to mitigate the negative impacts of tourism. More specifically, sensitivity to social and cultural impacts would not only reduce the need for local residents to trade off quality of life and social costs for economic growth, but would also contribute to a more broad based positive attitude towards tourism (Brahman, 1996). All stakeholders need to be consulted and empowered in tourism decision making and be informed about sustainable development issues. The current study argues that for sustainability to be achieved, tourist customers, hotel enterprises and local communities interests should be integrated in a socially responsible paradigm.

Sustained value creation for community calls for social responsibility at the enterprise level. The sustainable value creation should incorporate long term value for local community residents. These include the need for capacity building, initiating social programs, enhancing the quality of local employment and promoting interdependency of the enterprise and the local community. Sustained value creation of tourism hotel enterprises situated in close proximity with the local community residents calls for nurturing of a valuable resource that is not only sustainable but also inimitable.

COMMUNITY CSR OUTCOMES

Whilst the role of community in enterprise competitiveness has remained fuzzy, few attempts have been made to explore the ways in which the community may create value and enhance organizational standing. More than a decade of debate on the case for and merits of corporate responsibility, attention is shifting towards a desire to better understand the links between corporate responsibility and competitiveness. Contingent upon pursuit of socially responsible community orientation as an external dimension of CSR, for instance, exceeding legal obligations by training local hardcore unemployed and forging firm specific links with the local community can directly affect the productivity and growth of enterprises.

Competitiveness at the firm level may be driven by community based initiatives which leads to among others: enhanced goodwill, reciprocal relations, positive image and access to community resources. Community goodwill has been reported most specifically in Bolivia for firms with active community engagement. Gutierrez and Jones (2004) reported community goodwill acting akin to an operating license for companies. The company intended to establish this rapport due to customer's negative disposition towards the enterprises. A firm whose operations might face opposition from a community will want to work with it to prevent negative reactions and work interruptions. The other utilitarian motive is the search for competitive advantages. The improvement in a firm's image or market share can be what drives its social commitment, (Gutierrez and Jones 2004). Corporate reputation has been found to be a leading measure of success for firms in a survey of more than 1000 global companies. This was followed by profitability, return on investment, and sustainability among others. Only the quality of products and services was mentioned more often than reputation.

This notwithstanding, enterprise response to critical stakeholder interests may be viewed as dealing with latent, manifest and active publics through communication and dialogue, interaction and partnerships. This is a response that is necessary to guard against mobilization of resources against the firm and/or withdrawal of resources from the enterprise.

MATERIALS AND METHODS

Descriptive survey of community respondents was adopted to elicit attitudes and perceptions of local community respondents of sampled classified hotels. Survey design was best suited for describing population characteristics, knowledge and beliefs, attitudes, preferences and behaviors as in the case of Masau and Prideaux (2003). The target population was made up of community respondents within close proximity (radius of less than 10km) of 20 sample classified hotels. A sample size of 650 community respondents were selected using systematic random sampling of households from a large total population of adults (>100000) living within close proximity of 20 selected hotels. The sample size was considered adequate considering both the number of variables under consideration and level of analysis. Perceptual data was analyzed descriptively and interpreted. Data was collected using structured questionnaire and the following measures were adopted:

MEASURES OF COMMUNITY SOCIAL RESPONSIBILITY

Community Social Responsibility refers to enterprise commitment to the local community through sustainable practices, community oriented programs and strategies. *Capacity building* refers to practices, programs and strategies aimed at enhancement of long term ability of the community to be self sufficient. This was conceptualized as a measure of community social responsibility using a 5-point Likert scale. As an indicator for the variable, responses on five items were elicited from community respondents. The items include the number of schools, training of unemployed youth, perceived support for small business initiatives, health facilities and perceived benefit of capacity building. Knowledge of the number of schools and health facilities that have been established with the support of the firm is key to social responsibility standing of the firm. Secondly, *social programs* refer to social initiatives in the local community intended to build sense of participation, cohesion and identity. This construct was conceptualized as a measure of community oriented corporate social responsibility using 7 item scale shown in Table 1.

Using a 5-point Likert scale as a response format, the variable captures the attitudes of the respondents in regard to whether or not social programs positively benefit the community. It also captures the community participation in project initiation and implementation. Moreover it includes the general level of satisfaction with the level of community support by the hotels. Thirdly, *quality of local employment* refers to perceived proportion of senior employment positions occupied by the local residents in the enterprise. Finally, *Partnership* refers to exercise of equality, mutuality, transparency and power balance by the parties. Business-community partnership is a critical construct that measures community CSR.

MEASURES OF COMMUNITY RESPONSE TO CORPORATE SOCIAL RESPONSIBILITY

Four community related responses or outcomes were considered. These were reciprocity and interdependence, public corporate image, goodwill and access to resources. These were conceptualized to measure community response to CSR by hotels. Firstly, *reciprocity and interdependence* refers to a relational state characterized by power asymmetry, exchange and low level dependency among the parties. Community respondents were evaluated on their perceived character or otherwise of a win-win or give and take relationship, dependency of the community, interdependency and reciprocity between the tourism hotels and the local community. The community level of satisfaction on the state of the relationship between the community and the tourist hotel. A six item scale anchored on a 5 point Likert scale was developed to elicit the response from the community respondents on key outcome/ dependent variables.

Secondly, *public corporate image*, refers to a perceptual representation of an enterprise's past actions and future prospects that describe the firm's overall appeal to all its key constituents. The perception of the hotels corporate image was elicited from the community respondents. Four-item scale was used to elicit the response and reported in a 5-point Likert scale. The perceived public corporate image was elicited including the reason for the underlying perception.

Thirdly, *perceived goodwill* refers to enterprise support by the local community contingent upon its past actions and future prospects. This was conceptualized as the attitude of the community towards the hotel within close proximity to their residence was elicited using a five item scale. These include the perceived support for the enterprises growth and expansion, the belief that the enterprise was a good part of their community and the possibility of the hotel enterprises exploiting them. It also sought the perception on whether the enterprise has led to increased standards of living. The perceived goodwill was based on the enterprise impact on them as well as their attitude towards the establishment.

Finally, *access to resources* refers to ability of the enterprise to draw on community resources such as land, beaches and human capital devoid of any conflict. This scale was elicited using four items anchored on a 5 point Likert scale. These items depicted perceived conflict over resources, unfair resource exploitation and support by local community residents for further resource use by the hotel establishment.

RESULTS AND DISCUSSIONS

PARADOX OF COMMUNITY SOCIAL RESPONSIBILITY

Elicited from community respondents was the perceived existence of capacity building practices among sampled hotels and its beneficial effect on the community. This measurement scale consisted of five items reflecting benefits of capacity building, increase or otherwise of the number of schools, awareness of training of unemployed youth, support for both small business initiatives and health facilities.

Community respondents somewhat disagreed that: community highly benefited through capacity building, number of schools have increased due to hotel's support, they were aware of training of unemployed youth within the community. Similarly, respondents disagreed that the establishment had supported small business initiatives in the local community and the number of health facilities supported by the hotel had increased. The results are provided in Table 1.

Overall, the community perception on the capacity building scale was found to be relatively low (mean<3.0) among the sample hotels. This depicted hotels corporate social irresponsibility towards the resident community. Capacity building is potentially an important social responsibility program intended to improve local community standard of living. Capacity building is critical to the community in terms of social, economical and environmental outcome in the long term. The lowest mean on the 5 point Likert scale was associated with increase of health facility in the community. The implication is that the hotel enterprise has made little attempt to support local community health programs such as increasing the health facilities. It is instructive that health and business activity should be viewed as complementary in such contexts. However, management does not view public health facilities and infrastructure as within their domain as is true for similar facilities such as schools and support of small business. The lack of such support programs alienates the local community from the more established tourism development in the community. It is only through support for long term positive change in social, economic and environmental standing of the community that sustainability and competitiveness of enterprise would be guaranteed.

TABLE 1: PERCEIVED CORPORATE SOCIAL RESPONSIBILITY AND IRRESPONSIBILITY PRACTICES BY SAMPLE HOTELS

Capacity Building Items	Mean	Std.
The community members are highly benefiting through capacity building	2.62	1.02
The number of schools have increased due to hotel's support	1.99	1.33
I'm aware of training of unemployed youth within the community	2.96	1.13
The establishment has supported small business initiatives in the local community	2.65	1.26
The number of health facilities supported by the hotel have increased	1.93	1.00
Social Programs Items	Mean	Std.
Social programs supported by the hotel have positively benefited the community	2.86	1.11
Social programs initiated by the hotel are not benefiting the community.	2.76	1.21
Our community have never participated in community project initiation by the firm	3.26	1.14
Our community never participated in project implementation organized by the firm	3.08	1.15
I'm satisfied with the level of participation of community in social programs	2.05	.98
Our community's support to the hotel enterprise is based on social programs	3.09	1.12
I'm quite satisfied with the level of community program support from the hotel	2.07	.98
Quality of Local Employment Items	Mean	Std.
Employment offered to community members is based on merit not favoritism	2.62	1.25
Quality jobs have been realized by community members from the hotel	2.52	1.04
The jobs available to the community are mostly low paying low value jobs	3.86	1.07
I'm satisfied with the current positions offered to the community by the hotel	1.98	.95
The community members have high quality jobs from the hotel establishment	2.36	1.07
Business-community Partnership Items	Mean	Std.
Our community partnership with the hotel on development is based on equality	2.21	.98
I fully support the community partnerships with the hotel	3.39	1.22
I believe the hotel is genuine in their partnership with the community	2.33	1.00
the hotels activities have led to the community's economic decline	2.68	1.09
my contact with the hotel has been largely negative	2.72	1.14
I'm aware of business social responsibility activities in our community	2.97	1.12
I believe that the business should be socially responsible to our community	4.37	.75
The community should support hotel's activities	3.86	.93

COMMUNITY SOCIAL PROGRAMS

Respondents further elicited perceived existence of social programs and its beneficial effect to the community. The scale reflects on the benefits of social programs, community participation or otherwise in social programs, satisfaction of the community about their participation and the extent of community support to the enterprise based on social programs. The respondents disagreed that social programs supported by the hotel had positively benefited the community and that social programs initiated by the hotel were not benefiting the community. Likewise, the respondents disagreed with both positions; that they were satisfied with the level of participation of community in social programs and that they were quite satisfied with the level of community program support from the hotel enterprise. In contrast, however, the respondents moderately agreed that their community had neither participated in community project initiated by the firm nor participated in project implementation organized by the firm. Furthermore, the findings showed moderate support for the fact that their community's support to the hotel enterprise was based on social programs.

Overall, the respondents appeared dissatisfied with the support they received and their general level of participation. In essence, the hotels scored high on community corporate social irresponsibility. Whilst the perceived potential beneficial effect of social programs is acknowledged by the community, they disagreed about positively benefiting from such social programs in their community. General level of dissatisfaction was evident with regard to enterprise support for social programs and community participation by local residents. They felt that the impact of the social programs supported by the community if any was not noticeable. The level of participation by community members in such social programs was reportedly low. There's potential link between participation of communities and perceived benefits from such social initiatives.

Participation enhances identification of targeted social initiatives which have immediate and lasting impact on the community. It could also enhance participant psychological satisfaction and positive self concept. The standing of the community's self image and self identity could be potentially enhanced significantly through participation in social initiatives. This could be translated to local support, competitive and sustainable hotel enterprise. Lack of participation on the other hand could lead to unsustainable community development, reducing potential support from the local community to tourism development. Persistent disaffection may eventually lead to disillusionment of the community, potentially leading to disenfranchisement.

QUALITY OF LOCAL EMPLOYMENT

The respondents also reported on the perceived quality of local employment in the community. This reflects on range of issues on merit in local employment. The realization of quality jobs and satisfaction with positions offered to the community by hotel enterprises. The respondents disagreed that employment offered to community members was based on merit not favoritism, that quality jobs have been realized by community members from the hotel enterprise. Further, the respondents strongly disagreed that they were satisfied with the current positions offered to the community by the hotel and also somehow disagreed that the community members had high quality jobs in the hotel enterprises. They moderately agreed that the jobs available to the community were mostly low paying low value jobs. The results are provided in Table 1.

The overall perception indicated low perceived quality of local employment and accordingly corporate social irresponsibility. Job creation and employment is expected as one of the key enterprise's corporate social responsibility contribution to the host community's social development. Generally, there appears to be a systematic pattern in regard to the status of strategic corporate social responsibility in the Kenyan hotels towards resident communities. Though empirical evidence on the effect of quality of local employment on the community is still scanty, it is believed that the higher the quality of local employment, the higher the corporate social responsibility perceptions. The focus of the socially responsible enterprise behavior should be to increase access to quality employment for the community. Alienating the community residents by providing only lower cadre employment opportunities will not only worsen community wellbeing but also create sustainability challenges for such hotels. The concept of quality of jobs is in part related to the capacity and training of the unemployed in the local community.

BUSINESS-COMMUNITY PARTNERSHIP

Respondents elicited information on eight items reflective of general and specific partnership issues. The results are provided in Table 1. The responses indicated that local residents somewhat disagreed that their perceived community partnership with the hotel on development was based on equality and they also disagreed that they believed the hotel was genuine in their partnership with the community. They similarly disagreed that the hotel's activities had led to the community's economic decline, that their contact with the hotel had largely been negative. Finally, they indicated their lack of awareness of business social responsibility activities in their community. The above notwithstanding, the respondents strongly agreed that they believed the business should be socially responsible to their community and that the community should support hotel's activities and also that they fully supported the community partnerships with the hotel. The nature of the hotel business requires that they have close contact with the local community. The parties must view the relationship as authentic and based on mutual respect. The findings for this study as demonstrated above implies that the community respondents perceive the relationship as characterized by lack of equality, genuineness and general partnership between their community and the hotel enterprises.

The community respondent's perception though appearing somewhat negative on the status of the existing partnership, they remained supportive and optimistic. This was considered paradoxical in the sense that the respondents were expected to exhibit a negative attitude towards the hotels in view of the existing asymmetrical relationship. However the outcome was puzzling. The apparent lack of equality could be as a result of power imbalance between the community and the hotel. This was termed the paradox of stakeholder asymmetry (PSA).

RECIPROCITY AND INTERDEPENDENCE

To begin with, the community respondents were asked to provide information on perceived reciprocal and interdependence of the relations between the hotel enterprises and the local community. The measurement scale consisted of 5- items indicating the existence of a "win-win" or "give and take" relationship between the hotel and the local community. They were also required to report on the satisfaction with the current status.

Considering the mean score of each item, local community respondents tended to disagree with the statements that both their community and the hotel enterprises were in a win-win relationship and with the statement that they were satisfied with the current state of the relationship between the hotel enterprise and the local community. However, they appeared to moderately agree that give and take characterized the relationship between the hotel and community and that the community was overly dependent on the organization. They also strongly agreed that members of their community were willing to reciprocate the good/positive gesture. The results of the descriptive statistic analysis are presented in Table 2.

The respondents showed support for reciprocal relationship but were overly dissatisfied with the current state of the relationship between the hotel enterprise and the local community. There is evidence of asymmetrical relationship between the local community and hotel establishments and inequitable distribution of economic proceeds and power imbalance. The paradox is the community's willingness to reciprocate positively despite of lack of social equity and apparent power imbalance between the local community and the hotel enterprises. The competitiveness of a hotel business depends on the enduring support of the local residents. This state of relationship should be based on mutuality, reciprocity and interdependence. Such support, however, exposed the community's vulnerability to exploitation. This was termed as paradox of Reciprocity (POR).

TABLE 2: COMMUNITY REACTIONS TO PERCEIVED CORPORATE SOCIAL RESPONSIBILITY AND IRRESPONSIBILITY

<i>Reciprocity and Interdependence Items</i>	<i>Mean</i>	<i>Std.</i>
Both our community and the hotel business are in a win-win relationship	2.37	1.16
Give and take characterizes the relationship between the hotel and community	3.01	1.08
I'm satisfied on the current state of relationship between hotel and community	2.13	1.02
The community is overly dependent on the organization	3.04	2.05
Members of our community are willing to reciprocate the good/positive gesture	4.02	1.01
<i>Public Corporate Image Items</i>	<i>Mean</i>	<i>Std.</i>
The image of the hotel may be best described as quite negative	2.60	1.14
The hotel business's image in the community is quite positive	3.25	1.17
The hotel's image is as a consequence of its socially responsible activities	3.42	1.01
The image of the hotel has been influenced by access to quality jobs	3.13	1.11
<i>Goodwill Related Items</i>	<i>Mean</i>	<i>Std.</i>
The community supports the hotels growth and expansion	3.58	1.10
The hotel is a good part of our community	3.50	2.00
The hotel has brought only sadness to our community	2.38	1.08
I believe the hotel has led to better standards of living in the community	3.27	1.06
I believe the hotel only lead to exploitation of our community	2.94	1.13
<i>Access to Resources related Items</i>	<i>Mean</i>	<i>Std.</i>
There has never been conflict over resources between the hotel and community	2.53	1.11
The hotel has been involved in unfair resource use over the community	3.16	1.60
The use of community resources by the hotel is highly welcomed	3.15	1.11
I support full use of community resources by the firm (beaches, land etc)	3.02	1.20

Note: 1=Strongly Disagree, 2=Disagree, 3=Moderately Agree, 4=Agree and 5=Strongly Agree

PUBLIC CORPORATE IMAGE

The respondents were required to provide information on the perceived public corporate image of the hotel closely proximate to their residence or business. The measurement scale used consisted of four items reflecting relative image as perceived by the community respondents. The items reflected the nature of the image and the reason for the dominant image.

Using the mean score of each item, respondents tended to agree on all items except that the image of the hotel could best be described as quite negative. The responses are presented in Table 2. They moderately agreed that the hotel business's image in the community was quite positive. They also supported the statements that the hotel's image was as a consequence of its socially responsible activities, that the image of the hotel had been influenced by access to quality jobs. This was termed the paradox of corporate image (PCI). This is paradoxical since the community perceives the image of the hotel positively. They felt that the image is due to socially responsible activities, including quality jobs. This does not imply that the community had quality jobs or happy recipients of philanthropy. Since the hotel and the community are intricately intertwined, any manifestation of positive outcome sustains the local positive image. Strategic corporate social responsibility could therefore help enhance public corporate image at the local level.

Partially responsible for the support is the community's sense of pride, identity and heritage. The mere presence of the hotel in their community is a first step in their "long and winding road to social and economic emancipation". The residents are supportive since the hotel is indeed part of their community and identity. The hotel is a beacon of the community's social and economic progress. The support currently enjoyed by the hotels could be a form of social capital build over time. The hotels are drawing from their previous investment that might in the long term be exhausted.

COMMUNITY GOODWILL

Utilizing a 5-items scale reflecting respondent attitudes on the firm and whether they could support the firm's growth and expansion, whether or not it is a good part of their community. Using mean score of each item, it was observed that respondents tended to agree that the community support the hotels growth and expansion, and that the hotel is a good part of their community. However, they appeared to disagree that the hotel had brought only sadness to their community and did not believe that the hotel only led to exploitation of their community". They similarly agreed that the hotel had led to better standards of living in the community. The results of the descriptive statistics are as presented in Table 2.

This is also paradoxical in the sense that the community did not feel that the hotel was only exploiting them but supported the growth and expansion and believed it has improved their standards of living. However, they could not specifically identify programs and capacity building activities in their communities. This was dubbed the paradox of corporate goodwill (PCG).

ACCESS TO COMMUNITY RESOURCES

Access to community resources was elicited from respondents using a measurement scale consisting of 4-items reflecting existence of conflict over resources, perception on usage of resources and support for future resource use. Utilizing the mean score of each item, it was found that respondents tended to somewhat disagree that there has never been a conflict over resources between the hotel and community, but agreed that the hotels have been involved in unfair resource use over the community. However, the respondents indicated they agreed and welcomed the use of community resources by the hotel. This is rather paradoxical. Evidence of corporate social irresponsibility by the hotels, has not led to outright acrimony between hotels and community. This has been termed as Paradox of public resource use (PPRU). The perceived conflict over resources between community and hotels is potentially explosive. These resources could include access to the beach for recreational or economic purposes. Other resources that could potentially characterized by conflict include land for expansion, roads and other public utilities, cultural sites and forests. Such resources meant for public use could be converted to private use without community support and/or participation. While the hotels could prefer the beach to be exclusively used for their customers, the local residents would like to have unfettered access to the public beach. Details of results of descriptive statistic analysis on this construct are provided in Table 2.

CONCLUSIONS AND IMPLICATIONS

It is apparent that corporate social irresponsibility practices are systemic in the sample hotels. It is ingrained in the organizational culture of the hotel establishment. It is paradoxical in the sense that community is aware but unable to mitigate against the malpractices due to contextual and structural related factors. The Paradox of Stakeholder Asymmetry (PSA), Paradox of Reciprocity (POR), Paradox of Corporate Image (PCI), Paradox of Corporate Goodwill (PCG) and Paradox of Public Resource Use (PPRU) confirm the dexterity of CSR in Kenya. It is therefore concluded that corporate social irresponsibility practices are systemic, paradoxical and remain unmitigated.

Owing to the perceived corporate social irresponsibility, there is need for systematic and sustained CSR and public relations initiatives by the hotels to both address these concerns and increase community awareness. Accordingly, it would be necessary to participate in long term sustainable CSR initiatives such as among others capacity building, social programs, creating employment opportunities and business-community partnerships. CSR and CSI being perceptual issues, these initiatives should be significant, visible and consistent. Paradoxical characterization of CSR and CSI confirms the embryonic nature of both its theoretical underpinnings and practical applications.

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TOWARDS ENVIRONMENTAL MANAGEMENT: A CASE OF GREEN ADVERTISING FOR CONSUMER'S RESPONSIBLE ENVIRONMENTAL BEHAVIOUR

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ABSTRACT

There are many approaches towards environmental management. Green advertising is one of such approaches. Green advertising is a specific type of advertising that is centred on the promotion of factors having to do with the environment. As one of the ways of promoting and advocating for sustainable development and consumer's responsible environmental behaviour, green advertising is not a familiar concept with many consumers in Nigeria. Poor knowledge of this concept has affected environmental consciousness and right attitude towards environmental behaviour. This study among other things, seeks to determine the influence of green advertising for consumer's responsible environmental behaviour. Using the instrument of questionnaire to elicit responses from respondents based on the research questions and the hypothesis, the study showed that environmental knowledge, attitude and practice on green advertising towards consumer's responsible environmental behaviour were poor. The study also showed that attitude towards responsible environmental behaviour can be influenced by green advertising on the basis of aggressive green advertising campaigns.

KEYWORDS

Green advertising, campaigns, attitude, environmental management; consumer's responsible environmental behaviour.

INTRODUCTION

Environmental issues have become an increasingly public concern during the last decades. Issues of global warming and climate change have come to the forefront, thus, raising interest even in corporate advertising. Global companies like Coca-Cola, Toyota, IBM and others now focus on green advertising and sustainability of the environment. Organisations are now taking interest in green advertising and environmental management through their products and services. For example, a growing number of people now understand the impact that their behaviour, as well as corporation's accountability, has on the environment (Mostafa, 2007; Bao, 2009). A study has suggested that personal attachment to the environment can motivate pro-environmental behaviours, ranging from environmental activism, such as ecological relevant petition for pro-environmental laws and regulations, membership in anti-pollution organisations, to energy conservation and responsible use of resources. Evidence also suggests the emergence of a new generation of eco-centric consumers who are motivated by their environmental concern at the point of purchase (Bao, 2009). Bao believes that the commitment to preserve nature's resources and maintain ecological sustainability propels many consumers to make environmental sound purchases. For every purchase decision to be made by the consumer there is the potential for that consumer to contribute to a more or less sustainable pattern of consumption. Existing research indicates that consumers' environmental concern seems to be an important indicator of their eco-friendly behaviour, to the extent that they are willing to pay a high price for environmentally safe products (Moon, Florkowski, Bruckner & Schonhof, 2002; Bao, 2009).

In a study on environmentally-responsible consumerism, Ebreo et al. (1999, as cited in Post, 2007) found that general concern for the environment, in addition to social factors and more specific concerns about the effect of the product on human and animal life might be related to purchase decisions and other waste reduction behaviours. Ebreo et al. claimed that environmental concern and attitudes towards the environment are still significant in relation to source reduction, specifically in relation to environmentally-responsible consumerism. Post (2007) investigated whether general environmental attitudes and concern are strong predictors of behaviour when the amount of effort required for the behaviour is high. The research showed that environmental concern predicted recycling behaviour only when the amount of effort required for action was high. Instead, behaviours have proven to be more significantly influenced by specific attitudes about recycling, like knowledge of waste reduction methods, access to programmes, time, effort, and convenience.

Greening advertising or marketing, as Nwabueze (2007) sees it, explores how advertising principles and practices are employed by organisation on the environment with the aim of ensuring an environmentally sustainable achievement of marketing objectives. Greening advertising in this context, is a specific type of advertising that is centred on the promotion of factors having to do with the environment. Oftentimes, the companies that use green advertising also use very environmentally friendly operations and products packaging as well. As a result, a growing corporate social responsibility practice together with increasing concern by consumers has made a number of organisations demonstrate their environmental sensitivity with different strategies. One of the marketing strategies used by organisation is in packaging and labeling features like 'environmentally safe', 'recyclable', 'degradable', 'ozone friendly', 'non toxic', 'dispose properly', 'keep the environment clean' and so on. This is where advertising or marketing communications in products and services are imperative to consumers' environmental responsible behaviour.

Further research into consumer's attitudes towards green advertising has been examined. Bao (2009) examines the factors for consumer's attitudes towards green advertising. These factors include: consumer responses in terms of loyalty, willing to pay higher price for eco-friendly products, and perceptions of product safety and consumer's preference of product with eco-labeled packages. Relatively, a study on green advertising and consumer behaviour by Haytko and Matulich (2009) revealed that at a mean point set at 2.50, a mean point result at 2.98 was obtained of respondents who tend to be more loyal to products from companies that practice green advertising. A mean point at 2.76 was also obtained from the result of those (respondents) who say they plan to switch to products and services that are green advertised. Also, a mean point of 3.01 was obtained of those who prefer products with eco-labeled packages. These findings however, imply that there are growing concerns towards green advertising which is valuable to consumer and the society at large.

Nevertheless, as the global concern over environmental management increased, the questions that come to mind are: how can advertising be used to promote environmental consciousness and management in Nigeria? Is green advertising effective in Nigeria? Can green advertising influence consumer's attitude towards responsible environmental behaviour? This study is contingent upon these research questions.

THEORETICAL BACKING

This study is contingent upon two theories. They are corporate social environmental theory and theory of planned behaviour.

The Corporate Social Responsibility (CSR) which postulated that a company should be socially responsible to the host community in terms of the provision of social supports is seen in this context, as Corporate Environmental Responsibility (CER). CER focused a greater view on the company's environmental impact. By corporate environmental responsibility, companies are expected to use marketing and advertising strategies to contribute to sustainable development. Sustainable development is the needs of the present without compromising the ability of future generations to meet their own need. Green environmental and eco-marketing is under the umbrella of corporate environmental responsibility. Terms like phosphate free, recyclable, refillable, ozone friendly, and environmentally friendly, dispose properly, keep the environment clean and its similarities are some of the things consumers most often associate with green marketing. Thus, green environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective. In other words, green environmental

and eco-marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment (Belz & Peattie, 2009).

Theory of attitude has been applied to environmental studies. Studies have used the Theory of Planned Behaviour (TPB) as a framework not only good for understanding, explaining and predicting behaviours, but also to provide a useful guide for designing intervention strategies to change or maintain behaviour (Ifegbesan 2009). This theory as propounded by Ajzen and Fishbein (1980) is based on the assumption that individual behavioural intentions are directly related to their attitudes. For example, a person who believes that performing a given behaviour will lead to most positive outcomes will hold a favourable attitude towards performing the behaviour. The theory also states that what an individual does is determined by personal motivation which is determined by attitude, beliefs, social support and perceived behavioural control. The theory of planned behaviour has been widely used in environmental behaviour research to predict a person's intent to participate in a specified behaviour. Attitude towards the environment can be influenced by environmental news or green advertising campaigns. Positive attitudes towards the environment are also as a result of planned behaviour or consciousness of the environment. Both theories point to responsible environmental behaviour, which means actions taken by individual or a group of individuals to do what is right in order to protect the environment.

RESEARCH METHODOLOGY

The study surveys consumer's opinion on green advertising. Through the instrument of questionnaire, consumer's awareness, knowledge and attitude on green advertising was determined.

PRODUCT CATEGORIES

In order to make the respondents have a clear picture of the green advertising, the scope of the concept was limited to these categories of products.

- Fruit drinks like 5 Alive, Exotic, Chivita, Hollandia, Happy Hour, Cappy, etc
- Energy drinks like Red Bull, Bullet, Power Horse, Lucozade boost etc.
- Can drinks –all alcoholic and non-alcoholic
- Packed snack food like Galla, Biscuits, and Cake etc.
- Table and sachet water.
- Recharge cards of all GSM networks

Respondents were asked to identify whether these categories of products contain information like 'recyclable', 'reuse', 'keep the environment clean', 'dispose properly' etc. The reason why these categories of food products were chosen was because they are easily bought and consumed by consumers in the streets, roads, cars and buses and other places. Their packs are easily thrown on the ground in our streets and major roads across Nigeria.

The study was confined to consumers in Warri metropolis in Delta State, Nigeria. Warri metropolis is made up of two cities namely, Warri South (with a population of 311,970) and Effurun (with a population of 188,728, www.population.gov.ng and www.nigerianstat.gov.ng). This makes a population of 500,698. The Taro Yamane's (1967) sample size formula was adopted to arrive at a representative size for the population.

$$\frac{N}{1+N(e)^2}$$

Where

- N = sample size
 N = Elements of population; 500,698
 e = Error of sampling in this study was 0.05 proportion.

Therefore:

$$n = \frac{500,698}{1 + 500,698 \times (0.05)^2}$$

$$n = \frac{500,698}{1,251.745}$$

$$n = 400$$

The sample size (n=400) represents 0.07% of the population.

MEASURE SCALE

Respondents Knowledge, Awareness and Practice (KAP) on environmental behaviour were measured. Ifegbesan (2009), Haytko and Matulich (2009) have used this scale to measure environmental behaviour. Table 1 adopted 3 point options. All items in tables 2 & 3 uses a 5-point Likert scale. The items in these two tables focus on respondent's knowledge and views on green advertising while table 4 adopted a 2-1 point scale of 'yes' and 'no' options.

RELIABILITY OF THE INSTRUMENT

A test and re-test involving 40 copies of the questionnaire was administered twice to students of the Delta State University, Abraka, at interval of four weeks. A total of 4 errors were observed. The Guttman scale of coefficient of reproducibility was adopted to measure the reliability of the instrument where: Total

error

$$1 - \frac{\text{Total error}}{\text{Total responses}}$$

$$1 - \frac{4}{40} = 0.1$$

$$= 1 - 0.1 = 0.9 \text{ or } 90\%$$

The instrument yielded reliability coefficient value of 90%, an indication of internal consistency and validity.

METHOD OF DATA ANALYSIS

The technique employed to analyse the obtained data was descriptive statistics of frequency count, percentage, standard deviation, mean and chi-square to test the hypothesis. Responses to the questionnaire were pooled, edited and scored. Nominal values were assigned to the items according to scales. For example, on table 1, questions on general knowledge on green advertising had an assigned score of 3-1 for 'Sure', 'Not sure' and 'Not at all'. Percentage was used to analyse the data in this table. Tables 2 and 3 adopted the Likert scale of 5-1 point. Percentage and mean were used to analyse the data. To determine the mean point for table 2 & 3, the working was total number of the ranking of 5-1 scale (5+4+3+2+1 =15) divided by (no. of scale or options=3). For example, we have 15÷3=3.0. In this way, 3.0 becomes the midpoint or benchmark/mean value for all items in the tables. Therefore, any item whose response is greater than 3.00 is accepted but lesser than 3.00 is rejected or ($p \geq 3.00$ & $p \leq 3.00$). This forms the basis for the benchmark. This method had been used by Ifegbesan (2009) to analyse waste awareness and management in secondary schools. Table 4 determines respondent's specific behaviour to green advertisements. The 'Yes' or 'No' options were provided. Percentage was also used to analyse the data obtained in all the items in the tables. The hypothesis was tested using data from item 8.

RESULTS

The sample (n=400) consisted of 209 (52.2%) males and 191 (47.8%) females. The ages between 18-24 consisted of 122 (30.5%) respondents, those between 25-34 ages were 82 (20.5%) and those between 45-above were 94 (25.5%) respondents respectively. On marital status, there were 323 (80.7%) singles, 70 (17.5%) were married and 7 (1.7%) were widows. There were 102 (25.5%) respondents who had secondary education and 298 (74.5%) with higher education. Also, there were 103 (25.7%) students, 80 (20%) traders, 97 (24.2%) public servants, 86 (21.5%) were businessmen and women while 34 (8.5%) lecturers.

TABLE 1: GENERAL KNOWLEDGE ON GREEN ADVERTISING

S/N	Items	Options			Total
		Sure	Not sure	Not at all	
1	Are you familiar with the concept/term- Green Advertising?	Sure 132 (33%)	Not sure 216 (54%)	Not at all 100	400 100%
2	Are you aware of eco-friendly (environmental) product?	Sure 132 (33%)	Not sure 192 (48%)	Not at all 76 (19%)	400 100%
3	Have you come across products with message or label package like 'recyclable', 'reusable', 'keep Nigeria clean', 'dispose properly'?	Sure 222 (55.5%)	Not sure 108 (27%)	Not at all 70 (17.5%)	400 100%
4	If sure, does it influence your choice of product or purchase in any way?	Sure 3 (23.2%)	Not sure 139 (34.7%)	Not at all 168 (42%)	400 100%

The essence of this table was to determine respondents' knowledge on green advertising. 132 (33%) of the respondents were familiar with the concept-green advertising, 216 (54%) were not sure while 100 (25%) have never heard of green advertising. This implies that 75% of the respondents have not heard of green advertising or products with environmental message. Also, (67%) of the respondents were not aware of eco-friendly products. In the same vein, 132 (33%) of the respondents were aware of eco-friendly products, 192 (48%) were not too sure and 76 (19%) were not aware at all. Asked if they have come across products with eco-label, 222 (55.5%) of the respondents were sure, 108 (27%) were not sure and 70 (17.5%) were not sure at all. Knowledge about green advertising was relatively poor. Those who said that they were aware of eco-label products were asked to indicate if their choice of products purchase has been influenced by green advertising. 53 (13.2%) said yes, 179 (44.7%) and 168 (42%) respectively were said no.

TABLE 2: VIEWS ON GREEN ADVERTISING

S/N	Items	A	A	UD	A	SD	\bar{X}	Decision
6.	Green advertising shows the consumer that the firm is addressing consumer's environmental concerns?	165	180	5	40	10	4.12	Accepted
7.	Green advertising is not effective in Nigeria?	110	100	60	72	58	3.33	Accepted
8.	Attitude towards responsible environmental behaviour can be influenced by green advertising campaigns?	39	115	40	124	82	2.76	Rejected
9.	Green advertising is a good source of information about product?	73	16	6	166	139	2.29	Rejected
10.	Green advertising claims are sincere and not deceptive?	52	54	99	137	58	2.76	Rejected

Views on green advertising were determined using mean point of 3.00. From item 6, at a mean point of 4.12, respondents agreed that by green advertising, a firm is addressing consumer's environmental concerns. The mean point obtained in item 7 indicated that green advertising is not effective in Nigeria ($p=3.33 \geq 3.00$). Individual's responses to attitude towards green advertising indicated that 148 of the 400 respondents agreed that attitude toward responsible environmental behaviour can be influenced by green advertising. 60 of the respondents were unable to decide while 168 disagreed. A mean point at 2.90 was obtained implying rejection to the question asked. At a mean point of 2.29, result shown in item 9 implied that green advertising has not been a genuine source of information about product. Also, result shown in item 10 indicated that green advertising claims are not sincere and are deceptive (where $p=2.76 \leq 3.00$).

TABLE 3: RESPONSES TO COMPANY'S ROLES ON GREEN ADVERTISING

S/N	Items	SA	A	UD	A	SD	\bar{X}	Decision
11.	Companies use green advertising to protect their reputation?	82	140	38	100	40	3.31	Accepted
12.	Companies are only interested in the product sell not green advertising?	166	32	48	63	91	3.29	Accepted
13.	The Nigerian Consumer Protection Council is not serious with green advertising?	176	71	49	57	47	3.56	Accepted
14.	There are hardly green advertisements in the Nigerian mass media?	104	155	16	65	60	3.44	Accepted
15.	Companies' roles on green advertising have been adequate?	63	85	35	120	97	2.74	Rejected

Item 11 indicated that companies use green advertising to protect their reputation (where, $p=3.31 \geq 3.00$). However, responses in item 12 affirmed that companies were only interested in the product sell not green advertising. A mean point at 3.29 was obtained. In the same vein, at a mean point at 3.56, result showed that the Nigerian Consumer Protection Council has not been serious with green advertising. Also, responses in item 14 indicated that green advertisements hardly appeared on the mass media in Nigeria. The point obtained was 3.44 affirming to the question asked. At a mean point where $2.74 \leq 3.00$, responses indicated that companies' roles on green advertising have been inadequate.

TABLE 4: SPECIFIC BEHAVIOUR TO GREEN ADVERTISING

Identify the things you have done out of concern for the environment and about green advertising. BE HONEST			
S/N	Items	Options	
		Yes	No
16.	Do you read product you brought like can drinks, galla, 5 alive, recharge cards, sachet/table water etc whether they contain message or label written: 'environmental friendly' or 'dispose properly', 'keep Nigeria clean' etc.?	51 (12.7%)	349 (87.3%)
17.	When driving or in a car do you throw your waste outside?	305 (76.2%)	95(23.7%)
18.	Have you told others about responsible environmental management practice?	145 (36.2%)	255(63.7%)
19.	Are you conscious of green message on products?	111 (27.7%)	289(72.2%)
20.	Do you recycle used products?	182(45.5%)	218(54.5%)
21.	Have you attended any training, seminars, or workshop on environmental education/management?	120 (30%)	280 (70%)
22.	Do you support green advertising?	276 (69%)	124 (31%)
23.	Do you dispose consumed products on street waste containers provided by the local authorities?	132 (33%)	268 (67%)

As shown in this table, 51 (12.7%) of the respondents claimed that they read product they brought like can drinks, galla, 5 alive, recharge cards, sachet/table water etc whether they contain message or label written: 'environmental friendly' or 'dispose properly', 'keep Nigeria clean' etc while 349 (87.3%) do not. When asked if they throw away waste outside a moving vehicle 305 (76.2%) said yes while 95(23.7%) said they do not. 145 (36.2%) of the 400 respondents have talked to others or been talking others about green advertising and responsible environmental management practice while 255(63.7%) said that they have not. Item 19 showed that 111 (27.7%) were conscious of green message on products, however, 289 (72.2%) were not. 182 (45.5%) of the respondents recycle used products while 218 (54.5%) do not. Also, 120 (30%) claimed that they have attended training, seminars, or workshop on environmental education/management while 280 (70%) said that that they have not. On whether they support green advertising, 276 (69%) indicated the affirmative while 124 (31%) indicated the contrary. When asked if they dispose consumed products on street waste containers provided by the local authorities, 132 (33%) said yes while 268 (67%) said no. Lastly,

respondents were asked to state some benefits of green advertising. Responses gathered indicated that green advertising has made respondents to be conscious of environmental management like proper way to dispose waste and general interest in environmental issues.

GENDER DIFFERENCES

Frequency count and percentage were used to determine the difference between male and female respondents in terms of awareness of green advertising. From the 209 male respondents recorded, one hundred (100) copies of the questionnaire were randomly selected. The same was applied to the copies of the questionnaire recorded on female respondents. One hundred (100) copies of the questionnaire were randomly selected from the 191 female respondents. From the responses obtained, 68 (67.3%) male respondents were aware and familiar with the concept-green advertising and eco-friendly products. Responses from the female respondents showed that only 33 (32.6%) of the 100 respondents were aware and familiar with the concept green advertising.

HYPOTHESIS TESTED

Using one sample chi-square test

Ho: Attitude towards responsible environmental behaviour can not be influenced by green advertising campaigns.

Expected frequency in bracket

Item tested (from item 8 above)	SA	A	UD	D	SD	TOTAL
Attitude towards responsible environmental behaviour can be influenced by green advertising campaigns?	39 (80)	115 (80)	40 (80)	124 (80)	82 (80)	400 (400)

Calculated values

Fo	Fe	Fo-Fe	(Fo-Fe) ²	(Fo-Fe) ² / Fe
39	80	-41	1,681	43.1
115	80	35	1,225	10.6
40	80	-40	1,600	40
124	80	44	1,936	15.6
82	80	2	4	0.04
Total= 400	400			χ^2 109.34

Df = (R -1) (C-1)

Df = (5-1) (1)

Df = (4) (1)

Df = 4

Significant level = 0.05

Critical value χ^2_{4} at 0.05 = 13.28

Decision Rule: Reject Ho if χ^2 cal is $\geq \chi^2$ tab value and accept H₁ if otherwise

Conclusion: Given the values where; χ^2 cal (χ^2 109.34) is $\geq \chi^2$ tabs/critical value (13.28), we therefore, reject Ho and accept H₁, and concluded that attitude towards responsible environmental behaviour can be influenced by green advertising campaigns.

DISCUSSION OF FINDINGS

Green advertising is a specific type of advertising that is centred on the promotion of factors having to do with the environment. as one of the ways of promoting and advocating for responsible environmental behavior, green advertising is not a familiar concept with many people. As obtained in the study, 75% of the respondents do not know or have not heard of green advertising. The percentage shown above implies that many of the respondents are not conscious of product label package with environmental messages. General knowledge on green advertising was poor. Reasons for the poor knowledge of green advertising awareness were dearth of green advertisements in the mass media and poor attention to green advertising by all stakeholders. Knowledge on green advertising may be different in some other parts of the world. Haytko and Matullich (2009) found in their study that there were growing concerns towards green advertising which is valuable to consumer and the society at large, this study found the contrary.

Although, as showed in the study, attitude towards responsible environmental behaviour can be influenced by green advertising campaigns, however, green advertising has not made significant influence on consumer's attitude towards responsible environmental behaviour. This is because green advertising has not effective in Nigeria as many consumers do not know of the concept. Environmental messages on radio jingles, television commercials and advert placed on newspapers, advertising can be used to promote environmental consciousness and management. There is need therefore, for green advertising campaigns. Writing on this, Haytko and Matullich (2009) revealed that green advertising leads people to be more socially responsible; it shows the consumer that the firm is addressing consumers' environmental concern; it strengthens company image; it is good at addressing environmental problems and it is a good source of information about products and services.

From the various consumer's products collected for study like energy (Red Bull, Bullet, Power Horse,), fruits drinks (5 Alive, Chivita, Hollandia, Happy Hour, Cappy etc), packed snack food (galla, biscuits, cake,) and table/sachet water, can drinks and recharge cards, none of them had green messages like 'dispose properly', 'recyclable', 'reuse', 'keep Nigeria clean' and so on but an image of an individual disposing waste in trash can was found in fruits drinks in packs and can drinks. These images were not obsequiously displayed. Many Nigerians (87.3%) do not read these environmental messages in the categories of products listed above. Also, 67% of the respondents still dispose these categories of products on the grounds. A considerable number (76.2%) of respondents still throw their wastes out from moving vehicle. 54.5% of the respondents do not recycle waste. Recycling is part of waste management. Post (2007) argues that inadequate knowledge on waste recycling can be a barrier to waste reduction behaviour. Waste recycling still remains a huge challenge to the government of Nigeria. Many states in Nigeria have not established recycling industry.

Poor knowledge of green advertising affects consumer's perception and attitude. Many consumers do not see green advertising as their immediate concern. In a like manner, Atsegbua, Akpotaire and Dimowo (2003) had argued that the average Nigerian perceived environmental issues as something outside his immediate challenges. They believe that the average Nigerian is concerned with his immediate well-being or survival. Environmental issues outside the cleanliness and condition of his immediate environment border on the shoulders of the government. Atsegbua et al. (2003) further advocated for public enlightenment programmes towards the protection and management of the environment.

In all, Environmental Knowledge, Attitude and Practice (EKAP) towards environmental management through green advertising were relatively poor. Green advertising is not effective in Nigeria because companies are only interested in the product sell not in environmental management for sustainable development through green advertising. Company's interest in green advertising was to protect their reputation and to fulfill 'all righteousness' (corporate social responsibility).

CONCLUSION AND RECOMMENDATIONS

Green advertising has not been effectively adopted and applied in Nigeria as one of the approaches for promoting and sustaining environmental management. Environmental knowledge, attitude and practice towards environmental management through green advertising were relatively poor. Reasons for the poor knowledge on green advertising and thus, poor attitude towards environmental management were dearth of green advertising campaigns by companies and all stakeholders. Aggressive green advertising campaigns are necessary for consumer's right responsible environmental behaviour and promoting as well as sustaining environmental management.

Arising from this therefore, products should be boldly labeled 'dispose properly' as part of organisation's environmental social responsibility. Advertising concepts like green marketing should be employed to discourage lifestyles and attitudes that could endanger or harmful to the environment. Such lifestyles and attitudes include indiscriminate dumping of refuse, improper disposal of refuse on waste bins in the street and recycle attitude could be corrected and right environmental attitude to wastes can be encouraged through green marketing. All stakeholders in the advertising industry should use advertising to advocate for right attitude towards environmental management.

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STUDENTS SATISFACTION AND CHALLENGES IN PROBLEM BASED LEARNING IN COLLEGE OF SOCIAL SCIENCES AND LANGUAGES, MEKELLE UNIVERSITY, ETHIOPIA

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ABSTRACT

The present research seeks to contribute to the knowledge base used when designing interactive education program that promote quality and demand driven teaching and learning process in Higher Education Institutions. A total of 113 Psychology students who are academically active enrollment were randomly selected. Reliable and valid structured questionnaires, interviews and focus group discussions were used to collect the required data. The thematic analysis revealed some more important challenges students faced with problem based learning: students adapt lecture method as their culture of learning; social loafing in group based learning reduced their academic competition, poor emotional and affective reactions to classroom group dynamics; loosen pattern of norm of reciprocity in group learning. The attitude scales of problem based learning showed slightly a move towards a learning environment with higher cognitive strategies of exploratory and independent learning. The results reported that there are statistically significant interaction effects of respondents background variables (sex, class level, previous resident) on problem based learning dimensions (problem solving, cooperative learning, self-directed learning). Class level of respondents were found to have effects on dimensions of problem based learning where as previous residence of respondents had effects on problem solving and self directed learning approach. The results of the study also provided an insight on the way Psychology students of Mekelle University perceive problem based learning, with recommendations for developing interactive classroom learning interventions that promote context and situated learning, which in turn foster quality education.

KEYWORDS

Attitude, Norm of Reciprocity, Problem Based Learning, Satisfaction, Social Loafing.

BACKGROUND AND JUSTIFICATIONS

The adoption of problem based learning (and any other instructional innovation) in higher education is a complicated undertaking (Savery, 2006). In this regard, a revolution of teaching in Mekelle University emphasize active students who are wishing for knowledge, invention, and analysis; that in turn leads to the development of the process of learning from massive lecture to problem based learning. Contrary to teacher centered instructional method, student centered approach or problem based learning is seen the best alternative method among others; and teachers are professionally forced to bring it in to an effect. Therefore, the response students and teachers have towards to the implementation of the student centered instructional approach will remain a point of attention of many educators and researchers. The prime attention of this paper, however, is on students' satisfaction (and the corresponding challenge of students' learning) on the adopted problem based learning/instructional approach in Mekelle University.

Satisfaction defined as involving cognitive, affective and evaluative reactions or attitudes and it is a pleasurable or positive emotional state resulting from the appraisal of the experience one has (Locke, 1976). Students' satisfaction of problem based learning then is the result of their perception of how well their experience of it provides those things that are viewed as important (Hong et al., 2003; Alper, 2008). Do satisfied students perform better than their less satisfied counterparts? The satisfaction performance survey has raged over the years. Although most people assume that a positive relationship, the research to date has been mixed (Luthans, 2005). Thought not the prime attention of the present research, perhaps the conclusion about satisfaction and performance is that there is definitely a relationship, but probably not as great as conventional wisdom assumed concerning happy students as productive performer.

Previous research results suggested the value to be gained from contextualizing learning within settings which reflect the purpose of learning and how students might ultimately apply this learning beyond the classroom (Brown, Collins and Duguid, 1989; Herrington and Oliver, 1999). Situated learning, rooted in the constructivist learning principles encourages students to construct their own meaning for knowledge and information (Hong et al., 2003). Moreover, they claimed that situated learning values the importance of interaction and socialization among students in the learning process.

Problem-based learning and/or active learning is selected as the means to implement the situated learning setting in Mekelle University. Problem-based learning is an instructional approach, which helps students frame experiences through a series of problem-solving activities. Learning occurs through the application of knowledge and skills to the solution of authentic problems, often in the context of real practice (Bligh, 1995). Problem-based learning uses problems to encourage the students to acquire knowledge rather than through the exposition of discipline knowledge (Boud and Feletti, 1991). Problem-based learning is a form of situated learning, learning through goal-directed activity situated in circumstances that are authentic in terms of intended application of the learnt knowledge.

Problem-based learning has been reported to increase students' motivation, to develop their critical thinking skills, and to deepen their understanding of content (Sage and Torp, 1997). However, research has also shown that successful learning is not always guaranteed with problem-based learning or in fact with any new teaching method. For example, Wilhelm (1997) reported students often experience difficulties and discomfort with collaborative and self-directed learning where they are essential elements of problem-based learning. Piling-Cormick (1997) also commented that inexperienced students could experience significant difficulties with self-directed learning activities. Success in student-centered learning depends on students' abilities for self-monitoring and self regulation (Lan, 1996). This research, therefore, is to examine the level of satisfaction of students for active learning methods and what are the implications of the findings for the proper implementation of Business Process Reengineering in Mekelle University and in other similar veins.

STATEMENT OF THE PROBLEM

At present Higher Education Institutions in Ethiopia has undergone in the process of re-designing the teaching learning process and that it has to be more efficient and productive by changing the systems and organizational cultures in which it does make business industry and linkage. Therefore; it is believed that a way of conducting business that is process oriented, aims at producing graduates of very high quality and focuses on efficiently and effectively addressing the needs and interests of students. Does the learning environment then reflect the experiences and the perceptions of students?

At present, problem based learning is the most comprehensive and widely adapted approach and has been chosen for the curriculum delivery model at many professional schools, colleges and universities around the world (Alper, 2008). But any classroom instructional approach depends on the context (social, economic, cultural) within which the teaching-learning process takes place (De Goeij, 1997). In fact problem based learning is an instructional approach that uses real world problems as a context for students to learn critical thinking and problem solving skills and to acquire knowledge and develop self-directed learning skills.

Traditional lecture-based teaching methods are being replaced or supplemented by approaches which call for reframing the roles and identities of teachers and learners (Deignan, 2009). However, my teaching observation (alongside with Course and Research Team Leader) since the implementation of Problem Based

Learning evidences that students show negative reaction towards the active learning methods recently used in the actual classroom teaching. Students experienced it as the sudden shift from teacher centered to student centered approach, and it is purposefully planned by the teacher and/or others to make him/her free from teaching burdens and activities. What influences students' learning, perception and performance in problem based learning then is the big question asked by any one of the teacher who are the main actor and the implementer of Problem Based Learning? The most frequently identified factors that influenced performance and perception in problem based learning were positive attitude and group effort (Erlinda and Kaitell, 2000).

Many researchers have been arguing the need for problem based learning environments that extend the opportunities they afford the students (for example; Collis, 1997; Duschatel, 1997). These researchers have been guided in their thinking by learning theories, which stressed the need for, and value of, learning environments that provide active and engaging activities for students. Students should have the opportunities to construct knowledge rather than just being exposed to the transmission of knowledge (Brown, Collins and Duguid, 1989).

But what of such learning environments? There is always the prospect of a significant gap between what is intended and what is achieved. Are these learning environments what the students expect and want from their teachers? Are these learning environments able to provide the levels of motivation needed to master the course content? These are some of the puzzling questions, among others; confronting teachers seeking to employ a problem based learning setting with students as a means to enhance the access and flexibility of the course.

Students attitude to active learning can be classified in to problem solving, collaborative learning (group based learning) and self-directed learning. Problem solving defined as process in which it encourages critical thinking, problem solving skills, decision making skills and development of mental faculties to arrive at a successful conclusion (Alper, 2008). Where as self-directed learning is the process in which learners take the initiative, with or without the help of others, to diagnose their learning needs, formulate learning goals, identify the resources for learning, select and implement learning strategies and evaluate learning outcomes (Song and Hill, 2007). The present study focuses on these three categories of problem based learning.

Relationships between the students and teachers in the Problem Based Learning seem to be considerable periods characterized by frustration and conflict on the part of the students. As Thomas (1997) suggested key attitudes which aid group/learning process functioning are positive attitudes to the group/the learning method, positive attitudes towards interaction, readiness to be creative and readiness to be critical at the right time and in the right way. This research, therefore, is to assess the major challenges of students' learning and attempts to examine students' perception (satisfaction) of a problem based learning environment by addressing the following basic research questions:

1. What are the challenges of problem based learning method for students' learning?
2. How do students perceive problem based learning?
3. Do sex and class level/year have effects on attitudes toward problem based learning?
4. Does previous residence affect attitudes of students towards problem based learning?

OBJECTIVES OF THE RESEARCH

The objectives of the present research is to examine student's attitude toward problem solving, self directed learning and collaborative (group based learning), to explore the challenges that problem based learning has on students' learning process, to see the effects of sex, class level and residence on the problem based learning method. The study also attempts to identify the misperceptions and imperfect understandings students have about problem based learning in the context of Higher Education Institutions.

METHODOLOGY

SAMPLES

Department of Psychology was drawn randomly from eight Departments of the College of Social Sciences and Languages, Mekelle University. A total of 124 (39 = first year, 85 = second year) psychology students were included in the samples of this study. The samples were all students enrolled in the Department of Psychology where there were no 3rd year students. To control demographic differences, respondents were matched with regard to sex (42 = Females, 82 = Males) and age ranges from 17 to 24 years with a mean of 19.5 and standard deviation of 6.12.

A simple random sampling technique is preferred because it is difficult to manage large number of students in the college. Besides, the researcher believes that the exclusion of other Departments through simple random sampling method wouldn't affect the results of the study.

DATA INSTRUMENTS

Data on Challenges of students' learning were collected through open-ended questions. A concourse of diverse views on problem based learning (PBL) was developed from a range of sources including the academic literature and interviews with individuals from a range of backgrounds with personal experience of problem based learning provision. These items are designed to simulate real classroom situations in order to spark students' challenges in activating their contextual learning during their professional life. The questionnaires were also organized in consulting with instructors facing problems while addressing problem based learning in such a way that students could easily understand and respond accordingly.

The *problem based learning attitude scale* was used to evaluate student's level of satisfaction. The items were based on the measures previously reported in the literature (Hong et al, 2003; Alper, 2008) and adopted by the present researcher in the context of the University. The attitude scales consisted of statements probing the students' perceptions on three sub-scales: attitudes to Problem Solving, Self-Directed Learning, and Collaborative Learning. A five point Likert scale was used to measure each categories of problem based learning ranging from 1 (strongly disagree) to 5 (strongly agree). The negative items in each sub-scales was re-coded so that positive scores would imply higher concern about the problem based learning i.e. the higher the scores on each item would imply the higher agreement on the perceived problem based learning items.

In addition, data were gathered from the students through open-ended interviews and group focus discussions to strengthen and supplement the quantitative data.

PROCEDURES

The *problem based learning attitude scales* was administered to thirty students (30 percent of the sample population which is outside the sample frame, and who were selected randomly) to estimate the reliability of measurements, (Crobach alpha = 0.78). The validity (reflecting the existing university contexts; pedagogical suitability and relevance) of items was assessed by three senior lecturers from Department of Psychology, two lecturers from the Institute of Pedagogical Sciences.

After the items were improved through such a manner, the items were administered to students, at the location of respondents' during working hours, in the presence of the researcher. The collected data were tabulated, analyzed and interpreted systematically using some scientific research protocols.

DATA ANALYSIS

Thematic analysis and interpretation were used on the basis of identified themes to see the challenges of students' learning. Different statistical research protocols were applied and interpreted accordingly. Standard deviation, mean scores and chi-square were employed to examine students' level of satisfaction with problem based learning (problem solving, collaborative and self-directed learning). Standard deviation, mean scores and repeated t-tests were used to see the relative importance of students' perception against each category of problem based learning. In order to see the main and interaction effects of sex, class level and residence of respondents on attitudes towards problem based learning, UNI-ANOVA (Univariate Analysis of Variance) for independent samples was used. Before conducting UNI-ANOVA, the normal distribution was analyzed and checked through descriptive statistics.

RESULTS

CHALLENGES OF STUDENTS' LEARNING IN PROBLEM BASED LEARNING METHOD

The motive behind problem based learning is to challenge students to 'learn to learn' (Chang et al, 2004), starting with a problem, or a query that the learner wishes to solve cooperatively in small groups. Hence, the first objective of the present research was to explore the challenges students faced with problem based learning. For this reason, the open-ended questions were systematically cluster and meanings were derived out of it.

Despite students' response in terms of their specifications, the research results revealed the following main themes: the adoption of culture of learning called lecture (students are afraid to be out of the 'shell of culture of lecture method'), no habit of shared behaviors among the group members (norm of reciprocity), reduced motivation and efforts (and the corresponding reduction in performance called social loafing), confusion with novel and complex learning materials, lack of language ability and proficiency, and disruptive emotional reactions to classroom dynamics. These major themes of challenges of students' learning revealed in problem based learning will be discussed later on.

STUDENTS ATTITUDE (SATISFACTION) TOWARDS PROBLEM BASED LEARNING

To determine the extent of students' level of satisfaction on each sub-scales of problem base learning, weighted mean was used and the statistical significance was cross-checked with chi-square with which one-variable Chi-Square against an expectation of even distributions across a 5 point of the Likert scale with the minimum expected cell frequency is required (that would be a valid null). The negative items in each sub-scales was re-coded so that higher scores would imply higher satisfaction about the problem based learning.

As it can be seen from Table 1, the respondents were relatively satisfied with the development of hypothesis to solve problems, the integration of past knowledge to solve learning tasks, learning from real life situations, competition with others to solve problems, learning the new subjects with their efforts, finding the subjects of the scenario in every time. However, in relative speaking the students were not happy with the group dynamics during the problem-based learning approach, combining the different disciplines to solve the problem, evaluating the information collected by themselves to solve the problem, studying with peers means time wasting, finding appropriate resources related with subjects, believing that peers can't do all one can to solve the problem.

Furthermore, the mean scores show that students were not sure if they had contributed to the discussions in the problem based learning and they felt also undecided as to whether they had learned from problem solving method, cooperative learning and self-directed learning methods (See Table 1). In conclusion, the results suggest that even though they have positive attitudes toward some of Problem Based Learning scales, students also dissented on the other Problem Based Learning applications.

TABLE 1: STANDARD DEVIATIONS, MEAN SCORES AND X2 FOR RESPECTIVE LEARNING METHODS (N= 113)

Problem Solving Methods	Min	Max	Mean	SD	x2	df	Sig.
I can develop different hypothesis to solve the problem	1.00	5.00	3.5044	1.25445	54.83	4	.000*
I can integrate my prior knowledge to solve the problem	1.00	5.00	3.4159	1.27283	17.57	4	.001*
I am motivated when I study the problems getting from the real life	1.00	5.00	3.4732	1.25174	34.42	4	.000*
I can't combine the different disciplines to solve the problem	1.00	5.00	2.8407	1.37948	4.39	4	.356
I can get the responsibility to learn	1.00	5.00	3.7345	1.18033	42.88	4	.000*
I can't evaluate by myself the information that is collected to solve the problem	1.00	5.00	2.8938	1.35200	6.69	4	.153
Cooperative Learning Methods							
I like to study with peers in a group	1.00	5.00	3.2124	1.41075	19.96	4	.001*
It doesn't bring better learning about listening my peers in a group	1.00	5.00	3.2566	1.35475	13.68	4	.008*
I don't like to compute with others to solve the problem	1.00	5.00	3.3717	1.36405	21.73	4	.000*
I don't want to study with my peers when the problem has different solutions	1.00	5.00	3.0265	1.34603	12.26	4	.015*
Studying with peers means time wasting	1.00	5.00	2.2946	1.32637	34.96	4	.000*
I don't want to have active role in group studies	1.00	5.00	3.2035	1.43402	12.26	4	0.15
I want to study with my peers to solve the problem	1.00	5.00	3.5929	1.22210	59.69	4	.000*
I am uncomfortable that the instructor follow us when discussing the problem with peers	1.00	5.00	2.9646	1.19470	24.83	4	.000*
I don't want to get different responsibilities in group studies	1.00	5.00	2.2478	1.10624	71.38	4	.000*
Self-Directed Learning Methods							
I can find the subjects of the scenario in every time	1.00	5.00	3.2124	1.18360	19.87	4	.001*
I can find the appropriate resources related with subjects	1.00	5.00	2.1786	1.30290	40.67	4	.000*
I can't learn by myself the instructional materials if the instructor doesn't help me	1.00	5.00	2.9115	1.29254	15.36	4	.004*
I can learn the new subjects with my efforts	1.00	5.00	3.3894	1.27078	13.59	4	.009*
I prefer to reach the solution by myself instead of facilitators' helps	1.00	5.00	3.0088	1.10595	70.31	4	.000*
I don't believe that peers do all one can to solve the problem	1.00	5.00	2.7168	1.18374	16.77	4	.002*

*P <= 0.05

To assess the relative importance of each perceived problem based learning method, the researcher computed scale scores for each learning method (by summing up the item scores for each scale and dividing by the total number of items in learning dimension), and compared the mean scores for each method using paired t-tests. Mean scores, standard deviations and t-tests for the three problem -based learning methods are reported in Table 2.

The higher the mean score the higher the agreement that the learning method is relatively suit for students' learning. Though there is no statistically significant difference between students perception of cooperative and self-directed learning method (See Table 2), the result shows the respondents relatively perceived problem solving method suit for their learning more than cooperative and self-directed learning methods. Possible explanations will be given in the discussion part of this research.

TABLE 2: STANDARD DEVIATIONS, MEAN SCORES AND PAIRED T-TESTS FOR PROBLEM BASED LEARNING METHODS (N = 113)

Learning Methods	Mean	SD	Mean Difference	SD	Std. Error Mean	df	t
Problem Solving Method	3.2592	.80395	.12999	.62493	.05879	112	2.211*
Cooperative Learning Method	3.1292	.71201					
Problem Solving Method	3.2592	.80395	.19869	.73100	.06877	112	2.889*
Self-Directed Learning Method	3.0605	.81682					
Cooperative Learning Method	3.1292	.71201	.06871	.85252	.08020	112	.857
Self-Directed Learning Method	3.0605	.81682					

*P < 0.05

UNI-ANOVA RESULTS OF SEX, CLASS LEVEL AND RESIDENCE OF RESPONDENTS ON PROBLEM SOLVING METHOD

The second main objective of the present research was to examine the effects of contextual variables on students' satisfaction of problem based learning. As reported in Table 3, there is statistically significant difference between class levels of respondents and their satisfaction in problem solving method [F (2, 104) = 4.501, P < .05]. Second year students are found to be more adaptive to problem solving learning approach than first year students (See Table 6). There is also statistically significant difference between urban and rural respondents' satisfactions of problem based learning [F (1, 104) = 6.123, P < 0.05]. Students who came from urban were more satisfied by problem solving approach than their counterparts. Although there is no significant main effect of sex on problem solving method, interaction effects were reported from the univariate analysis (See Table 3).

TABLE 3: UNI-ANOVA TESTS OF SIGNIFICANCE FOR MAIN AND INTERACTION EFFECTS OF SEX, CLASS LEVEL AND PREVIOUS RESIDENCE ON PROBLEM SOLVING METHOD

Source	SS	df	MS	F	Sig.
Corrected Model	15.328 ^a	8	1.916	3.492	.001
Intercept	193.165	1	193.165	352.058	.000
Sex	.247	1	.247	.451	.504
Class Level	4.940	2	2.470	4.501	.013*
Previous Residence	3.360	1	3.360	6.123	.015*
Sex * Class Level	2.666	1	2.666	4.860	.030*
Sex * Previous Residence	.009	1	.009	.016	.901
Class Level * Previous Residence	.152	1	.152	.277	.600
Sex * Class Level * Previous Residence	.374	1	.374	.682	.411
Error	57.062	104	.549		

a. R Squared = .212 (Adjusted R Squared = .151)

UNI-ANOVA RESULTS OF SEX, CLASS LEVEL AND RESIDENCE OF RESPONDENTS ON COOPERATIVE LEARNING

The researcher further investigated the effect of sex, class level and previous residence of respondents on cooperative learning method. Statistically significant main and interaction effects of respondents' background variables and cooperative learning approach are presented in Table 4. Statistically significant main effect of class level on cooperative Learning [F (2, 104) = 3.284, P < 0.05] were reported. Second year students had higher attitude towards cooperative learning method than their counterparts did (See Table 6). Unfortunately, statistically significant interaction effects were not found in the analysis.

TABLE 4: UNI-ANOVA TESTS OF SIGNIFICANCE FOR MAIN AND INTERACTION EFFECTS OF SEX, CLASS LEVEL AND PREVIOUS RESIDENCE ON COOPERATIVE LEARNING METHOD

Source	SS	df	MS	F	Sig.
Corrected Model	9.662 ^a	8	1.208	2.666	.011
Intercept	176.477	1	176.477	389.526	.000
Sex	.787	1	.787	1.738	.190
Class Level	2.976	2	1.488	3.284	.041*
Previous Residence	1.102	1	1.102	2.433	.122
Sex * Class Level	1.363	1	1.363	3.008	.086
Sex * Previous Residence	1.556	1	1.556	3.435	.067
Class Level * Previous Residence	.264	1	.264	.583	.447
Sex * Class Level * Previous residence	.002	1	.002	.005	.946
Error	47.118	104	.453		

a. R Squared = .170 (Adjusted R Squared = .106)

UNI-ANOVA RESULTS OF SEX, CLASS LEVEL AND RESIDENCE OF RESPONDENTS ON SELF-DIRECTED LEARNING

The univariate analysis of the three independent variables (sex, class level, previous residence) and self-directed learning produced some important results. Statistically significant main effects of class level and previous residence of respondents' on self-directed learning method [F (2, 104) = 3.111, P < 0.05] and [F (1,104) = 7.954, P < 0.05] respectively were reported while sex had no any significant effect on students' self-directed learning approach.

TABLE 5: UNI-ANOVA TESTS OF SIGNIFICANCE FOR MAIN AND INTERACTION EFFECTS OF SEX, CLASS LEVEL AND PREVIOUS RESIDENCE ON SELF-DIRECTED LEARNING METHOD

Source	SS	df	MS	F	Sig.
Corrected Model	11.807 ^a	8	1.476	2.439	.018
Intercept	167.851	1	167.851	277.444	.000
Sex	.044	1	.044	.073	.787
Class Level	3.764	2	1.882	3.111	.049*
Previous Residence	4.812	1	4.812	7.954	.006*
Sex * Class Level	1.414	1	1.414	2.337	.129
Sex * Previous Residence	.008	1	.008	.013	.911
Class Level * residence	.073	1	.073	.120	.730
Sex * Class Level * Previous Residence	.034	1	.034	.057	.813
Error	62.919	104	.605		

a. R Squared = .158 (Adjusted R Squared = .093)

TABLE 6: MEAN SCORES AND STANDARD DEVIATIONS OF CLASS LEVEL AND RESIDENCE FOR PROBLEM BASED LEARNING METHOD (N= 113)

Class Level of the Respondents	Mean	SD	Dependent Variables
First Year	2.9807	.84258	Problem Solving Method
Second Year	3.4076	.74996	
Class Level of the Respondents			
First Year	2.9411	.76678	Cooperative Learning
Second Year	3.2326	.66646	
Class Level of the Respondents			
First Year	2.8288	.85480	Self-Directed Learning
Second Year	3.1867	.77496	
Previous Residence of the Respondents			
Rural	2.9196	.89541	Problem Solving Method
Urban	3.3933	.72792	
Rural	2.6875	.97528	Self-Directed Learning
Urban	3.2078	.69848	

THE RELATIONSHIP OF CUMULATIVE AVERAGE GRADE POINT (CGPA) AND STUDENTS' SATISFACTION OF PROBLEM BASED LEARNING

One of the objectives of the present research was to see whether there is a relationship between students' satisfaction and their cumulative average grade point. The linear regression analysis shows there are no statistically significant relationships among the variables although all learning approaches have positive effect on satisfaction. They are statistically uncorrelated, that is, CGPA would not bring variations on students learning style of Psychology Department in Mekelle University, which in fact leads to further research directions in similar veins.

TABLE 7: REGRESSION RESULTS OF CUMULATIVE AVERAGE GRADE POINT ON STUDENTS' PERCEPTION OF PROBLEM BASED LEARNING

Learning Methods	B	Std. Error	Beta	t	Sig.
Constant	2.171	.234		9.290	.000
Problem Solving method	.102	.089	.164	1.147	.254
Cooperative Learning method	.037	.087	.053	.425	.671
Self-Directed Learning Method	.036	.070	.059	.514	.608

DISCUSSIONS

CHALLENGES OF STUDENTS' LEARNING IN PROBLEM BASED LEARNING

The present study revealed six main themes: adopted Culture of Learning 'Lecture Method', Social Loafing in Collaborative Learning, Norm of Reciprocity in Group Based Learning, Affective and Emotional Reactions to Classroom Group Dynamics, Novelty of Learning Materials Language Ability and Proficiency. Each of these themes would be discussed in turn.

CULTURE OF LEARNING 'LECTURE METHOD'

Surprisingly, students developed formal and informal lecture as a culture of learning that involves learned norms, values, knowledge and behavior that are constantly communicated among students and teachers who share a common way of learning style. Consequently, the extent to which value is attached to prior learning activities and tasks influences students' motivation to learning resources required to improve performance. In this study, students failed to get active themselves in problem based learning. Students replied that they are conditioned to lecture method to learn simple and complex learning materials through the help of the teacher. Below are some interesting responses students replied.

"Most of us had a fear of using learning through discussion and problem solving method, especially to discuss with classmates. When we looked at the discussion, we do not know what we could contribute, even we just engaged."

On the contrary, students reported that they felt they learned more by solving a problem than by reading about it or listening to a lecture. Comments from students included:

"It was good that you could think outside the box for a solution, without having to have only one way to solve it", and "Enjoyed collaborating with classmates, which made it feel like you were working with fellow classmates on a real problem."

The classroom presentation of the challenges may be tailored to the technical knowledge and problem solving ability of students (Donnelly et al., 2009). The sociology of our culture shows that our hopes and fears, our likes and dislikes, our habits and beliefs, are very much social creations, strongly influenced by the time and place in which we live. This is not that culture dictates thoughts and behaviors. It leaves room for action. Psychologists (for example; Vygotsky, 1978) capture this idea in describing culture of learning 'shared understandings' that students use to coordinate their activities. By creating and expressing of their culture of learning, by exercising this day to day, students are constantly communicating each other an understanding of the subject matter. In the process, there is also room for reshaping culture of classroom learning, for adapting it to meet new demands and situations-active classroom learning.

However, the revolution of the learning process in Mekelle University is radical where students felt discomfort about the teaching learning process. The experiences and perception students have about active learning is ill defined but they are forced to learn as indicated in the direction of the university. The researchers of the present study argue in favor of culture of learning that students perceive themselves as habituated to a culture that is deprived of all

stimulation and information and remain unremitting in their lecture method-the best alternative of learning tool kit they assumed. The above challenges of learning also indicate that students confronted such problems in the course of the learning materials and they get dissatisfied so that they can perform below the standard. In fact, any radical and fundamental changes in learning process have challenges and problems though it is constantly changing. Therefore, the shift from massive lecture to problem based learning should be gradual so that students conditioned for that culture of learning thereby they may be happy for their learning process.

Taken together the whole, the traditional way of teaching is to have an expert in a given disciplinary area and deliver lectures to a large group of students. There is not much integration of knowledge and practice. Thus, students try to absorb a large volume of knowledge that is "given back" to their teachers in the examinations and the acquired knowledge is forgotten when they get to the charges. However, when learning process is done in the context of its application, retention of such knowledge has been shown to be more long-term. The movement from lecture method to problem based learning should be on gradual basis and perceptual experiences of students so that expected culture of learning will be adopted on the process.

SOCIAL LOAFING IN COLLABORATIVE LEARNING

Another challenge students faced with was the reduction in motivation and effort when individuals work collectively in a group compared to when they work individually or as independent co-actors called social loafing. There were some students who seem engaged in discussion but seldom participated in the learning process. They blamed their lack of participation on expectation that better individual performance would not be rewarded in group performance thereby resulting in diffusion of responsibility (each student in group is less responsible for the activities being performed and undertaken), weaker collective effort model, fear of embarrassment; and students felt discomfort when their peers commented their work.

Some students felt that the more able students were not willing to share their knowledge. On the other hand, the more competent students perceived those students as not having prepared for the discussion and as relying on others for answers. Some students did not actively take part in the discussions. Some quotes that described these feelings were stated here; *after the first assignment, some of us improved a little bit. We could sometimes reduce our motivation in the discussion later.* "Learning in a group, some members tend to do nothing and depend on others to complete the group tasks."

NORM OF RECIPROCITY IN GROUP BASED LEARNING

Traditionally, teaching-learning process is the transmission of knowledge from the teacher (the ultimate source of knowledge) to learner and (if not always) the vice-versa. Parenting style in our culture has a similar pattern to the classroom learning where the father is the dominant source of every aspect of family affairs and children have no room for discussion. It seems that students did not develop such process of social exchange behavior, which is usually guided by the norm or rule of reciprocity. The results of this study reflect learning behaviors which are unreciprocated in such a fashion.

Students, who actively seek support from the teacher and competent students or have free prior discussion within the family, could cope up with the discussion method and were generally satisfied with their learning experience. A student who expressed satisfaction with the course commented during the interview as follows:

"I was interested and motivated to learn at the beginning of the course because it was problem-based. Then I have some problems with my discussions. However, my friends and the instructor helped me to adapt to the learning environment."

On the other hand, during the interview, another respondent that was less satisfied with the learning experiences in the problem solving method had the following experiences:

"It was a novel learning experience. I feared to solve the given hypothesis in group based learning. When I faced problems, I could not get shared support. Communicating the classmates was quite troublesome. I felt lost. I had to wait for reply from the instructor in any other times."

Some of the students felt isolated during the course and prefer the more complex part of the course to be conducted through lecture method. Students acknowledged that the teacher provided quick feedback and answers but some still felt that they did not receive individual attention. One student remarked: *"However, when I faced problems, I could not ask the teacher immediately. Questioning was quite shame. I had to wait for the reply from the other students whose answers were informative. Though the response was fast, sometimes I would like an immediate answer. My classmates were also busy with their own work"*.

AFFECTIVE AND EMOTIONAL REACTIONS TO CLASSROOM GROUP DYNAMICS

Surprisingly, one of the respondents replied *"I suffer with emotional problems that are difficulties in gaining acceptance from peers in the classroom, and I am at risk for academic failure."* The next follows *"when we discuss the trigger problem we learn to identify important facts form hypotheses and decide on the important learning issues that we want to follow up. If we do not reach consensus we conflict against sub-teams. Then we developed prejudiced behavior towards that team"*.

Respondents are cognitively predisposed (learned predispositions structured in mind) to perceive facts of the group and need for support. In particular, ascribing blame to the individual effort, even if privately in one's thoughts, is likely to be very threatening to the self, because it highlights competition and personal failure. Whereas ascribing blame to the group or sub groups affords the maintenance of social unit and is less threatening to the self. This perspective of blaming in the course of classroom dynamics, according to the belief of the researcher, is a culturally rooted phenomenon of collectivistic society (cooperative rather than competitive) like Ethiopia. Importantly, these connections (or lack of thereof) are grounded in cultural experiences. Therefore, teachers are expected to realize this teamwork conflict situation and manage such group based conflict for effective functioning of classroom learning process.

NOVELTY OF LEARNING MATERIALS

Problem based learning requires students to take on active learning strategies and adopt a self-directed learning disposition. Some students find it difficult to cope when asked to transform into active critical thinkers. Even teachers may also face difficulty as they prepare to facilitate discussion, provide coaching, challenge student thinking and manage large size group work. Comments from students included: *All within the context of finding solutions to "What can I do with this novel information?" and "What does this mean to me?"*

When faced with new problem tasks, students often find it difficult to identify the critical issues and to generate coherent course designs. They are often unclear about how they can relate what they are currently reading to what they already know. They are also unfamiliar with different stages of the inquiry process, such as generating hypotheses, providing logical arguments, and transforming data into a product. Although students have an appropriate learning context and the need to seek the necessary information, they also see how things finally "come together". This sort of cognitive mental faculties has not yet developed among students and it has to be an inclusive aspect of critical learning that can be promoted within the framework of problem-based learning.

LANGUAGE ABILITY AND PROFICIENCY

The approach adopted by students depends not just on their own attitudes, habits, abilities and personality but also on the demands made by the learning environment (Biggs, 1987a). English language as a medium of instruction in Mekelle University affect learning outcomes partly through its effects on the learning approach that students adopt when faced with a learning task in an English language in which they are not proficient.

The effects of instruction in English on the learning of students have attracted much concern, largely because many of the students are not proficient in English. They commented that *"A common complaint among respondents is that we have sub-standard (if not below at all) proficiency in English, especially in oral expression, constitutes a terrifying impediment to effective learning."*

Similarly, the researcher observed the negative effects on students' creativity of the use of English in instruction in classroom learning:

"There can be no question of the incapacitating effects upon academic curiosity and creativity in students of having to cope with a foreign language in their everyday educational experiences. The student is induced to memorization by rote, both of what is said in class, and what is written in books. That he/she is faced with a continuous administration of exams and projects in an alien language which he/she can't understand"

Not only did the requirements to use English hinder the student with limited English proficiency from learning about the content areas, they also made it difficult to express ideas as discussed so far. Some students explained that they did their best to follow the original words in the lecturer's notes in his own essays:

"If not, I am afraid that the lecturer may think that I am unable to give the points in my answer, because I do not have much confidence in my own English ability in expressing myself."

Surprisingly, second year students during the interview reported some difficulties with classroom instruction in English. This can be seen from the following comments.

"It is all right if teachers use English when they talk about special terms. But, for the explanation-the explanation of the relationship between the concepts, it is better to use Amharic (native language). That is, if it is very complicated, then use Amharic....if the teacher has to explain very complicated propositions, for example, if he/she has to use a lot of complex sentences to do the explanation"

It is not difficult to see how a limited ability in the language of instruction could result in improvidence, particularly if students find it necessary to mentally translate communications from the language of instruction to their first language for information processing. Faced with these difficulties in reaching an understanding of the content, some students might seek refuge (commonly known as space) in memorizing selected passages for reproduction in their examinations. Their attention is likely to be directed at the level of decoding individual sentences. With such an approach it would be difficult to recognize major concepts let alone build a map showing their relationship in the subject matter.

As a whole, the result suggests that students vary substantially in their approach to problem based learning. Despite the philosophy behind the implementation of problem based learning is to ensure a graduate who is a self-directed and life-long learner as is expected of all professionals, students have been challenged during the process. The researcher believes that the student's behavior may change over time due to internal and external factors, such as, how busy they are at work, their interest in a particular course, or their level of relevant experience.

STUDENTS ATTITUDE (SATISFACTION) TOWARDS PROBLEM BASED LEARNING

This comparison of students' attitudes to learning environments was encouraging for the adopted problem-based learning in Mekelle University with reservations (See Table 1). The result slightly identified a move towards a learning environment with higher cognitive strategies of exploratory and independent learning. This is a move away from the familiar didactic teacher-centered approach with its low-level cognitive strategy of rote learning /lecture notes to pass examinations or to promote from semester to semester. The students' responses shows a shift towards learning environments wherein they would be 'rewarded for independent thought', could integrate their prior knowledge to solve the problem and are encouraged to construct relatively adequate argument in the learning process. This was contrasted with the students previous learning environment which promoted being able to 'take effective notes on what is presented in class and reproduce that information on tests and where 'the professor or lecturer gave all the information I need to know.

However, the result shows that problem based learning did not allow students for what they expected to achieve their academic activity. Some of their negative perceptions were reflected in such a way that they cannot combine the different disciplines to solve the problem, they can't evaluate by themselves the information that is collected to solve the problem, they don't want to study with their peers when the problem has different solutions, they are uncomfortable that the instructor follow them when discussing the problem with their peers, they can't learn by themselves the instructional materials if the instructor doesn't help them, they don't believe that peers do all one can to solve the problem. The results maybe specific to the type of Problem Based Learning delivered. The research results suggest that the implementation of Problem Based Learning may in some contexts increase student dissatisfaction. Problem Based Learning, as indicated in Business Process Reengineering, does not appear to fit with the expectations and values about teaching and learning that prevail in students and occupational cultures of teachers. Therefore, there is a need to revise the contexts and the perceptual experiences of students to suit students' learning behavior with University orientation.

The result also shows that the respondents relatively perceived problem solving method suit for their learning more than cooperative and self-directed learning methods. Perhaps respondents have been guided in their thinking by learning experiences, which stressed the need for, and value of, learning environments that provide active and engaging activities for themselves. They might develop the opportunities to construct knowledge rather than just being exposed to learn cooperatively. Of course, cooperative learning that will promote a comfortable group learning environment would be other possible means to learn.

THE EFFECTS OF SEX, CLASS LEVEL AND PREVIOUS RESIDENCE ON STUDENTS' SATISFACTION IN PROBLEM BASED LEARNING

The third and main objectives of the current study were to examine the relationships of (sex, class level, previous residence, Cumulative Average Grade Point) and problem based learning method. Problem based learning was mainly selected for designing interactive educational programs that promote quality and demand driven teaching learning process in higher education institutions of Ethiopia. First, the researcher treated the main and the interaction effects of students' background variables on perceived satisfactions of problem based learning, and the relationship of CGPA and Problem based learning would be discussed in turn.

The results of the study showed some interesting empirical significant differences among class levels and previous residence of respondents in their problem solving learning approach. Second Year and Urban students had positions on higher attitude towards problem solving approach than their counterparts. It is interesting to note that second year students get more responsibility than first year students since more experience results taking more in responsibility. They should take part in seminar course, discuss and formulate hypothesis and write the project by themselves. On the other hand, for the first year students the psychology lessons may be new so that they can't use their previous knowledge to solve the problem. Second year students should have some prior knowledge about related problem, hence they should be aware of the relations between prior knowledge and the new subjects about the problem. The researcher believes that it is advisable to any instructor to note that students are motivated to study with real life problems as students joined the next class level or when they get more experienced. Taking more considerations, for first year students to adapt their problem solving approach of learning, is taken in to account.

Interaction effects of sex and class level were also remarkable. Females seem more satisfied than boys. In light of available researches (Molvaer, 1980; Habtamu, 1995; Tamire, 1995; Yalaw, 1996) it can be said that girls in Ethiopian society are brought up in such a way that they develop a higher superego, they are reserved, more controlled in their emotions and have higher verbal ability; whereas boys are more outgoing, have more distractions and are emotionally less controlled. Perhaps this difference in the personality traits induced by our culture may help girls concentrate more solving problem than their counterparts.

Another remarkable result of the present research is that urban students get more satisfied with problem solving learning approach than rural students. A considerable amount of research evidence is converging to show that parent' attitudes, expectancies and beliefs about schooling and learning guide their behavior with their children and have a causal influence on the children's development of attitudes and behaviors (Daulta, 2008). The researcher believes that urban parents have higher expectations from children and can provide more academically oriented atmosphere at home, which motivates the learner and improves the academic achievement. Perhaps urban students can achieve the objectives of the problem solving learning method problems at times due to the parenting practices allowing them to search for knowledge. They may easily find the scenario of the subject matter and they didn't need more supports to solve the problem. They can also evaluate the findings from the resources to solve the problem by themselves.

The researcher further investigated the effects of sex, class level and residence of respondents on cooperative learning method. Second year students had higher attitudes towards cooperative learning approach than their counterparts did. First year students do not accept to study with their peers cooperatively. They want to study alone until exploring the results. Whether they like to study with their groups or not seems that they like competition rather than cooperating with each other. On the other hand, second year students developed learning values that have the importance of interaction and socialization among students in the learning process in order to solve the dilemma; they need discussions with others and some encouragement during the problem solving. Though they are not sure whether they want to take an active role in a group or not, second year students get different responsibilities in group based learning. This might be perhaps due to their cumulative learning experiences.

Furthermore, the univariate analysis produced statistically significant effects of class level and previous residence of respondents' on self-directed learning method. Since second year students get more experienced, observing and labeling are considered less demanding tasks than proposing alternatives and resolving conflicts by their own. Therefore, their motivation to self-directed learning can be partly accounted for by the degree to which the prior environments of classroom and academic socialization overlap.

Situated learning, rooted in constructivist learning principles encourages students to construct their own meaning for knowledge and information (Hong, Lai and Holton, 2003). In our society, rural parents who made appeals based on their authority had children who tended to attribute failure to lack of ability and didn't attribute success to ability. It could be that not allowing more self-exploration and controlling mothers foster a lack of confidence in their children and attributed

to low cognitive development because they become less self-directed in learning. The underlined assumption is that parents function in much the same way as teachers, and their behaviors are contingent on particular contexts in which they interact with their children.

Although its effect on students' satisfaction has positive, perhaps the findings reported that there is no statistically significant relationship among satisfaction and Cumulative Average Grade Point, probably not as great as conventional wisdom assumed concerning happy students as productive performer. The satisfaction performance survey has raged over the years. Although most researchers assume that a positive relationship (Hong et al., 2003; Alper, 2008), the research to date has been mixed (Luthans, 2005). The present research will serve as a base line for further rigorous studies of similar and different forms of Problem Based Learning and cumulative average grade point, in other settings and contexts, using different research instruments.

CONCLUSIONS AND IMPLICATIONS

This research explored students' perceptions and challenges in a learning environment designed to support problem-based learning in higher education institution of Ethiopia, Mekelle University. The students' feedback from the interviews and questionnaires indicated the challenges they faced with and to a certain extent their level of satisfaction and contentment with a problem based learning so that policy makers, university top management bodies and university lecturers should design sensitization program and teacher-student forum that can facilitate share of their personal experiences and difficulties to meet their satisfaction in the actual classroom learning.

The multivariate analysis produced that problem based learning vary as a function of respondents' class level and previous residence though the interaction effects are also considerable importance. To this end, practitioners, policy makers and other stakeholders should focus on coupled factors attributed to student satisfaction on problem based learning rather than focusing on single factor or analysis of units.

Taken together, the present research will provide insights for educational policy and decision makers the knowledge base used when designing interactive education program that promote quality and demand driven teaching and learning process in higher education institutions of Ethiopia and other similar veins where problem based learning are taken place to spark students' curiosity in activating their contextual learning during their academic life.

Further, rigorous studies of similar forms of Problem Based Learning, in other settings and contexts, using different research instruments are required to identify whether such interventions can result in improved student outcomes and their level of satisfaction.

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AN EMPIRICAL INVESTIGATION INTO CAUSAL RELATIONSHIP BETWEEN SPOT AND FUTURE PRICES OF CRUDE OIL

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ABSTRACT

The study investigates the dynamic relationship between the spot and futures prices of crude oil commodity. The objectives of the study are examined by employing ADF test to check the stationarity, Johansen's co-integration test for examining the long term relationship, OLS method to examine the significance of coefficients and Granger Causality test to know the cause and effect relationship between spot and the future prices of lead crude oil. The daily closing data is taken from 1st January 2006 to 31st December 2010 for the analysis. The findings of the study proved that the series derived from the futures prices and cash market prices for crude oil were not stationary in the level form, but there is evidence of stationarity in the first difference form. Empirical results found the existence of threshold co-integration and a bidirectional causality relationship between spot and futures markets from the Granger-Causality tests. It was revealed that futures leads the spot as well as spot causes future prices in case of commodity selected, i.e. crude oil in our case.

KEYWORDS

Spot prices, future prices, crude oil, Johansen's Co-Integration, Granger Causality.

INTRODUCTION

The dynamic relationships between spot and futures have been extensively examined and analyzed by academics and practitioners over the past three decades. The theoretical relationship between cash and futures prices can be explained by the cost of carry model. According to this view, futures prices depend on the cash prices of the asset from the present to the delivery date of the futures contracts. According to the cost of the carry model, stock and futures have been co-integrated (Wahab and Lashgari (1993), Ghosh (1993), Brenner & Kroner (1995)). More than a hundred commodities are today available for trading in the commodity futures market and more than fifty of them are actively traded. These include Bullion, Metals, Agricultural Commodities and Energy products. Crude oil is among one of the most actively traded commodity. In general, it is said that the forward and futures contracts are efficient risk management tools which insulate buyers and sellers from unexpected changes in future price movements (Black, 1976). These contracts enable them to lock in the prices of the products well in advance. Moreover, futures prices give necessary indications to producers and consumers about the likely future ready price and demand and supply conditions of the commodity traded. The cash market or ready delivery market on the other hand is a time-tested market system which is used in all forms of business to transfer title of goods. Futures and cash prices present an interesting case for application of causality-type relationships (Peck, 1985). One might expect, a priori, that a predictive relationship may exist between these two market prices. If one considers the futures prices at time t for delivery at time $t + k$ as the expectation held at time t of the cash price in period $t + k$, then the relationship between futures price and cash price is defined by the order of integration of cash price (Bessler and Covey, 1991). As a result of this, it is interesting to investigate the causal relationship between both price series, in order to ascertain which series provides an indication of the other in the future, that is, if futures prices lead cash prices or vice-versa. If this is so, then cash market participants can use futures position as a risk minimization tool. Hence, this paper attempts to investigate the statistical relationship that exists between the price movements in the cash market and futures market with reference to selected crude oil commodity.

LITERATURE REVIEW

Many empirical studies have adopted the vector auto regression model (VAR) or cointegration method proposed by Engle and Granger (1987) and Johanson (1988) to investigate the dynamic relationships between spot and futures. Empirical research has produced mixed results, (a) futures prices tend to influence spot prices (b) spot prices tend to lead futures prices (c) a bidirectional feedback relationship exists between spot and futures prices. The various studies conducted on the similar lines are:

Oellermann et al. (1985) investigated lead lag relation between change in futures and spot price for live beef cattle between 1966 and 1982. The futures price led spot price during nearly every sub period analyzed. Based on Granger causality test for various sub samples of their data, they concluded that change in live cattle futures price led change in live cattle spot price. They also found that the spot market responded to change in futures price within one trading day. The authors concluded that futures market was the centre of price discovery for live cattle. They suggest that a likely explanation for the results is that the futures market serves as a focal point for information assimilation.

Harris (1989) examined the relationship between S&P 500 index and futures during the October 1987 stock market crash using five-minute data. A correlation technique and weighted least squares (WLS) model was employed for examining the objective of the study. The analysis revealed that the S&P 500 cash index displayed more autocorrelation than the futures and the futures market lead the spot market.

Pizzi et al. (1998) analyzed S&P 500 futures and cash stock exchange markets. Some one minute's data belonging to three and six months' time deposit equity contracts of S&P 500 index were examined. In this study, Unit root test, the two phase methods of Engle-Granger were used for the analyses. Engle-Granger analysis results revealed that for both three months' and six months' contracts cash prices and futures prices follow each other and futures and cash prices are

co-integrated. The results of the method revealed that for both the three month and six-month contracts futures prices lead cash prices within 20 minutes. On the other hand, cash market transactions influence the three-month futures contracts in three minutes and they influence the six-month futures transactions in four minutes. The correlation between these markets is bidirectional and both markets influence each other.

Mooosa (2002) found out weather the crude oil future market perform the function of price discovery and risk transfer. The study used the daily data of spot and one-month future prices of WTI crude oil covering from 2 January 1985 to July 1996. He found that sixty percent of the price discovery function is performed in future market. The result also showed a fairly elastic supply of arbitrage service.

Asche and Guttormsen (2002) investigated the correlation between futures oil prices and cash prices. The data was composed of the price information belonging to April 1981 to September 2001 and they used Engle-Granger method and ECM methods for the analysis. The results of the analysis revealed that there is a long term relationship between futures and cash oil prices and the futures prices lead over cash prices.

Zapata, Fortenbery and Armstrong (2005) examined the relationship between 11 future prices traded in New York and the World cash prices for exported sugar by considering the observation from January 1990 to January 1995. They found that the future market for sugar leads the cash market in price discovery. However, they also found unidirectional causality from future price to spot but not vice versa. The finding of co-integration between futures and cash prices suggests that sugar future contract is a useful vehicle for reducing overall market price risk faced by cash market participants selling at the world price. Further, it was found through impulse response function that a one unit shock in the future price innovation generates a quick (one month) and positive response in futures and cash prices, but not vice versa.

Praveen and Sudhakar (2006) studied the price discovery mechanism in India's rapidly growing commodity futures market. Granger Causality test was used for the study that focuses on the Indian stock and commodity market. A comparison was drawn for price discovery between the grown stock market and the growing commodity market. Their study highlighted as to how the futures market influenced the spot market and facilitates better price discovery in the spot market. The spot and/or futures market dominated the price discovery, but it appeared that a better price discovery occurred when there was a mature futures market for the commodity.

Maslyuk and Smyth (2008) investigated the stationarity of the crude oil spot and futures prices based on a unit root with structural breaks using weekly data from January 1991–December 2004. In the light of the empirical evidence the authors report that forecasting future movements in crude oil prices based on past prices is impracticable for this timeframe owing to the fact that oil spot markets and oil futures markets are efficient in the weak form with having a random walk behaviour.

Bekiros and Diks (2008) investigated the linear and nonlinear causal linkages between daily spot and futures prices for maturities of one, two, three and four months of West Texas Intermediate (WTI) crude oil. The data cover two periods October 1991–October 1999 and November 1999– October 2007, with the latter being significantly more turbulent. Apart from the conventional linear Granger test, they applied a new nonparametric test for nonlinear causality by Diks and Panchenko after controlling for co-integration. They investigated the hypothesis of nonlinear non-causality after controlling for conditional heteroskedasticity in the data using a GARCH-BEKK model. Whilst the linear causal relationships disappear after VECM co-integration filtering, nonlinear causal linkages in some cases persist even after GARCH filtering in both periods. This indicated that spot and futures returns may exhibit asymmetric GARCH effects and/or statistically significant higher order conditional moments. Moreover, the results imply that if nonlinear effects are accounted for, neither market leads or lags the other consistently, videlicet the pattern of leads and lags changes over time.

Kaufmann and Ullman (2009) used a dataset of daily prices for crude oils traded in spot and future markets with their starting date, disregarding the prices of refined petroleum products in their study. The results of their empirical tests indicate that the connections between spot and futures markets are feeble. They also find that alterations in market fundamentals and speculation give rise to the increase in oil prices.

Chinn and Coibion (2010) examined the relationship between spot and futures prices for a broad range of commodities, including energy, precious and base metals, and agricultural commodities. They examined whether futures prices are (1) an unbiased and/or (2) accurate predictor of subsequent spot prices. While energy futures prices are generally unbiased predictors of future spot prices, there is much stronger evidence against the null for other commodity markets. This difference appears to be driven in part by the depth of each market. It was found that over the last five years, it is much harder to reject the null of futures prices being unbiased predictors of future spot prices than in earlier periods for almost all commodities. In addition, futures prices do approximately as well as a random walk in forecasting future spot prices, and vastly outperform a reduced form empirical model.

Debasish (Feb 2011) examined the long-term relationship between spot prices and futures prices. The study has used daily prices (closing, opening, high and low) in both spot market and futures market for the 40 sample individual stocks drawn from six leading sectors namely, Automobiles, Banking, Cement, Gas, Oil & Refineries, Information Technology and Pharmaceutical. The period of study was from 1st January 1997 to 31st May 2009. The study begins by testing the stationarity of the spot price series and futures price series using two econometric methods namely, Philips Perron (PP) test and Augmented Dickey-Fuller (ADF) test. The long term relationship between spot prices and futures prices was statistically tested using Johansen's test of Co-integration employing likelihood Ratio (L.R.). It was found that both spot prices and futures prices for the selected companies are not stationary in the level form, but there is evidence of stationarity in the first difference form. The study finds a single long-term relationship for each of the selected companies across the six sectors. Among the selected companies in each sector, those evidencing strongest relation in respective sector were Tata Motors, Punjab National Bank, Gujrat Ambuja Cements, Bongaigaon Refineries, I-Flex and GLAXO Pharma.

Jackline and Deo (Jun 2011) observed the relationship between the futures market and spot market for the lean hogs and pork bellies markets during the sample period January 2001 through May 2010 and quantifies the price discovery function of commodity futures prices in relation to spot prices of the sample markets. The econometric tools like Unit root tests and Pair-wise Granger Causality tests were employed in the study. The Augmented Dickey Fuller tests and Phillips-Perron tests employed in the study proved that both the selected markets were stationary series and the Granger Causality test proved bi-causality relationships among these markets. It was concluded that the profitable arbitrage does not exist in both of these markets and they are said to be in perfect equilibrium.

Lee and Zeng (Sept 2011) revisits the relationship between spot and futures oil prices of West Texas Intermediate covering 1986 to 2009 with an innovative approach named quantile co-integration. In this empirical analysis, except for market efficiency, long-run co-integrating relationships and causalities between spot and futures oil prices had significant differentials among futures maturities and the performances of spot oil markets. Furthermore, the response of spot prices to shocks in 1-month futures oil prices is much steeper in high spot prices than in low spot prices.

OBJECTIVE OF THE STUDY

The specific objectives of this present study are as follows:

1. To examine the long term relationship between spot and future market prices in oil commodity.
2. To examine the cause and effect relationship between spot and future prices in oil commodity.

HYPOTHESES

The following hypotheses are formulated:

1. H_0 : There is no long term relationship between spot and future prices in oil commodity.
2. H_0 : There is no significant cause and effect relationship between spot and future prices in oil commodity.

DATA COLLECTION

Secondary data has been used for the analysis. The data consist of time series of daily spot and futures prices for maturities of one month of West Texas Intermediate (WTI), also known as Texas Light Sweet, which is a type of crude oil used as a benchmark in oil pricing and the underlying commodity of New York Mercantile Exchange's (NYMEX) oil futures contracts. The NYMEX futures price for crude oil represents, on a per-barrel basis, the market-determined value of a

futures contract to either buy or sell 1,000 barrels of WTI at a specified time. The NYMEX market provides important price information to buyers and sellers of crude oil around the world. Daily data from 1st January 2006 to 31st December 2010 is used for all variables. Data of spot and future oil price are obtained from the EIA (Energy Information Administration) website.

RESEARCH METHODOLOGY

To check the hypothesis, following tests were used to examine the causality between spot prices and future prices of crude oil:

- ADF-Augmented Dickey Fuller test to check the stationarity of the data series.
- Johansen Co-integration test to check long term equilibrium relationship between the spot and future prices.
- Granger Causality test to check the causality

STATIONARITY

The prior step to apply any model is to analyse whether the prices are stationary or not. If the mean and variance of a series remain constant no matter at what point we measure them, then the series is stationary, i.e. they are time invariant. A series of prices that grow without bound in time is not stationary, and, in this case, the mean is not constant. Even if a price series has a constant mean, if fluctuations around that mean become increasingly larger with time, the series is again not stationary. If a time series is not stationary it is called as non stationary time series. Stationary time series is important because if it is non stationary, its behaviour can be studied only for the time period under consideration. Each set of time series data will therefore be for a particular episode. As a consequence it is not possible to generalize it to other time periods. Therefore, for the purpose of forecasting, such non stationary time series may be of little practical value. To test the stationarity of the data, we used ADF (Augmented Dickey Fuller) test. The ADF test is applied to the model:

$$\Delta y_t = \alpha + \beta t + \gamma y_{t-1} + \delta \Delta y_{t-1} + \dots + \delta_{p-1} \Delta y_{t-p+1} + \varepsilon_t$$

Where α is a constant, β the coefficient on a time trend and p the lag order of the autoregressive process. The hypothesis taken for spot prices of crude oil is:

H_0 =Spot rate series of crude oil is not stationary (has unit root)

The hypothesis taken for future prices of crude oil is:

H_0 =Future rate series of crude oil is not stationary (has unit root)

JOHANSEN CO-INTEGRATION

The co-integration is tested by using Johansen co-integration test. The aim of this test is to determine whether a long-term relationship exists between the variables or not. Johansen's methodology takes its starting point in the vector auto regression (VAR) of order p given by

$$y_t = \mu + A_1 y_{t-1} + \dots + A_p y_{t-p} + \varepsilon_t$$

Where y_t is an $n \times 1$ vector of variables that are integrated of order one – commonly denoted

$I(1)$ and ε_t is an $n \times 1$ vector of innovations.

The hypothesis taken is:

H_0 =There is no long term relationship between Spot and future prices of crude oil

OLS METHOD

Ordinary least squares (OLS) is a method for estimating the unknown parameters in a linear regression model. This method minimizes the sum of squared vertical distances between the observed responses in the dataset and the responses predicted by the linear approximation. The OLS estimator is consistent when the regressors are exogenous and there is no multi collinearity, and optimal in the class of linear unbiased estimators when the errors are homoscedastic and serially uncorrelated. Under these conditions, the method of OLS provides minimum-variance mean-unbiased estimation when the errors have finite variances. Under the additional assumption that the errors are normally distributed, OLS is the maximum likelihood estimator.

Suppose the data consists of n observations $\{y_i, x_i\}_{i=1}^n$. Each observation includes a scalar response y_i and a vector of predictors (or regressors) x_i . In a linear regression model the response variable is a linear function of the regressors:

$$y_i = x_i' \beta + \varepsilon_i,$$

where β is a $p \times 1$ vector of unknown parameters; ε_i 's are unobserved scalar random variables (errors) which account for the discrepancy between the actually observed responses y_i and the "predicted outcomes" $x_i' \beta$; and $'$ denotes matrix transpose, so that $x_i' \beta$ is the dot product between the vectors x and β . This model can also be written in matrix notation as

$$y = X\beta + \varepsilon,$$

where y and ε are $n \times 1$ vectors, and X is an $n \times p$ matrix of regressors, which is also sometimes called the design matrix.

As a rule, the constant term is always included in the set of regressors X , say, by taking $x_{i1} = 1$ for all $i = 1, \dots, n$. The coefficient β_1 corresponding to this regressor is called the intercept.

GRANGER CAUSALITY TEST

The Granger causality test is a statistical hypothesis test for determining whether one time series is useful in forecasting another. A time series X is said to Granger-cause Y if it can be shown that the X values provide statistically significant information about future values of Y . In the Granger-sense, X is a cause of Y if it is useful in forecasting Y . In this framework "useful" means that X is able to increase the accuracy of the prediction of Y with respect to a forecast, considering only past values of Y .

Let y and x be stationary time series. To test the null hypothesis that x does not Granger-cause y , one first finds the proper lagged values of y to include in a univariate autoregression of y :

$$y_t = a_0 + a_1 y_{t-1} + a_2 y_{t-2} + \dots + a_m y_{t-m} + \text{residual}_t$$

Where y_{t-j} is retained in the regression if and only if it has a significant t -statistic; m is the greatest lag length for which the lagged dependent variable is significant.

The hypothesis taken is:

H_0 =Future prices of crude oil does not cause spot prices of Crude oil

H_0 =Spot prices of crude oil does not cause future prices of Crude oil

ANALYSIS AND FINDINGS

STATIONARITY

As said, the ADF test is applied and the results can be seen in table 1 for spot price series and table 2 for future price series. The hypothesis taken for spot prices of crude oil is:

H_0 =Spot rate series of crude oil is not stationary (has unit root)

TABLE 1: AUGMENTED DICKEY-FULLER TEST FOR SPOT PRICES

		t-Statistic	Prob.
At Level I(0) Trend			
Augmented Dickey-Fuller Statistic		-1.793211	0.3842
Test critical values	1% level	-3.435340	
	5% level	-2.863631	
	10% level	-2.567933	
At Level I(0) Trend and Intercept			
Augmented Dickey-Fuller Statistic		-1.825783	0.6918
Test critical values	1% level	-3.965363	
	5% level	-3.413390	
	10% level	-3.128731	
At Level I (1) Trend			
Augmented Dickey-Fuller Statistic		-35.47300	0.0000
Test critical values	1% level	-3.435344	
	5% level	-2.863633	
	10% level	-2.567934	

It can be seen from the table 1 that the spot rate series is not stationary in its level form, but there is evidence of stationarity in the first difference form. The p value at first difference level is less than .05 and thus the null hypothesis is rejected. The series is made stationary at first level of difference.

The hypothesis taken for future prices of crude oil is

H_0 =Future rate series of crude is not stationary (has unit root)

TABLE 2: AUGMENTED DICKEY-FULLER TEST FOR FUTURE PRICES

		t-Statistic	Prob.
At Level I(0) Intercept			
Augmented Dickey-Fuller Statistic		-1.809744	0.3760
Test critical values	1% level	-3.435340	
	5% level	-2.863631	
	10% level	-2.567933	
At Level I(0) Trend and Intercept			
Augmented Dickey-Fuller Statistic		-1.841035	0.6842
Test critical values	1% level	-3.965363	
	5% level	-3.413390	
	10% level	-3.128731	
At Level I (1) Intercept			
Augmented Dickey-Fuller Statistic		-37.08157	0.0000
Test critical values	1% level	-3.435344	
	5% level	-2.863633	
	10% level	-2.567934	

Table 2 represents the ADF result for future price series. It shows that the series is not stationary in its level form, but there is evidence of stationarity in the first difference form. The p value at first difference level is less than .05 and thus the null hypothesis is rejected. The series is made stationary at first level of difference.

JOHANSEN CO-INTEGRATION TEST

The hypothesis taken is:

H_0 =There is no long term relationship between Spot and future prices of crude oil

TABLE 3: JOHANSEN CO-INTEGRATION TEST

Unrestricted Co-integration Rank Test (Trace)				
Hypothesized	Trace	Statistic	Critical Value	Prob.**
No. of CE(s)	Eigen value	Statistic	Critical Value	Prob.**
None *	0.204538	289.5118	15.49471	0.0001
At most 1	0.002221	2.785461	3.841466	0.0951
Trace test indicates 1 co-integrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				
Unrestricted Co-integration Rank Test (Maximum Eigen value)				
Hypothesized	Max-Eigen	Statistic	Critical Value	Prob.**
No. of CE(s)	Eigen value	Statistic	Critical Value	Prob.**
None *	0.204538	286.7264	14.26460	0.0001
At most 1	0.002221	2.785461	3.841466	0.0951
Max-Eigen value test indicates 1 co-integrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				

From table 3, it can be seen that there is one co-integrating equation at 0.05 level according to both Trace Statistic as well as Max Eigen Value. This implies that there is long term association between the spot and future prices of crude oil commodity.

OLS METHOD

The paper employs OLS Method to determine significance of coefficients

H_0 : The coefficients are not significant

TABLE 4: OLS METHOD

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	-0.642794	0.029362	-21.89233	0.0000
C(2)	0.175662	0.028182	6.233025	0.0000
C(3)	0.022845	0.012573	1.817077	0.0693
C(4)	0.246844	0.031018	7.958119	0.0000
C(5)	-0.187181	0.028257	-6.624352	0.0000
C(6)	0.000224	0.000339	0.660035	0.5093
C(7)	-0.097735	0.066157	-1.477323	0.1397
C(8)	0.164027	0.063500	2.583110	0.0098
C(9)	0.074454	0.028328	2.628246	0.0086
C(10)	-0.150188	0.069889	-2.148955	0.0317
C(11)	-0.210820	0.063667	-3.311297	0.0009
C(12)	0.000331	0.000765	0.433173	0.6649
Determinant residual covariance		1.02E-07		
Equation: D(SPOT) = C(1)*(SPOT(-1) - 1.00896531416*FUT(-1) + 0.0409150021515) + C(2)*D(SPOT(-1)) + C(3)*D(SPOT(-2)) + C(4)*D(FUT(-1)) + C(5)*D(FUT(-2)) + C(6)				
Observations: 1255				
R-squared	0.807537	Mean dependent var		0.000299
Adjusted R-squared	0.806767	S.D. dependent var		0.027342
S.E. of regression	0.012019	Sum squared resid		0.180422
Durbin-Watson stat	2.018321			
Equation: D(FUT) = C(7)*(SPOT(-1) - 1.00896531416*FUT(-1) + 0.0409150021515) + C(8)*D(SPOT(-1)) + C(9)*D(SPOT(-2)) + C(10)*D(FUT(-1)) + C(11)*D(FUT(-2)) + C(12)				
Observations: 1255				
R-squared	0.015336	Mean dependent var		0.000296
Adjusted R-squared	0.011394	S.D. dependent var		0.027236
S.E. of regression	0.027081	Sum squared resid		0.915968
Durbin-Watson stat	2.008551			

From table 4, its clearly visible that coefficients C(1),C(2),C(4),C(5),C(8),C(9),C(10)and C(11) are significant as p-values are less than 0.05. Hence we reject null hypothesis and these coefficients are significant.

GRANGER CAUSALITY TEST USING WALD STATISTICS

The Granger causality test is a statistical hypothesis test for determining whether one time series is useful in forecasting another.

H0: Lagged values of coefficients in each equation are zero

TABLE 5: GRANGER CAUSALITY TEST USING WALD STATISTICS

DEPENDANT VARIABLE		
	D(SPOT) p-value	D(FUT) p-value
D(SPOT)	0.0000 C(2)=C(3)=0	0.0000 C(4)=C(5)=0
D(FUT)	0.0024 C(8)=C(9)=0	0.0037 C(10)=C(11)=0

In the above table, we observe that there runs causality running from independent to dependant variable.

The Hypothesis taken are:

H0₁-Future prices of crude oil does not cause spot prices of Crude oil

H0₂-Spot prices of crude oil does not cause future prices of Crude oil

TABLE 6: GRANGER CAUSALITY TEST (CHI SQUARE TEST)

Dependent variable: D(SPOT)			
Excluded	Chi-sq	df	Prob.
D(FUT)	223.1089	2	0.0000
All	223.1089	2	0.0000
Dependent variable: D(FUT)			
Excluded	Chi-sq	df	Prob.
D(SPOT)	12.09766	2	0.0024
All	12.09766	2	0.0024

We can observe from the table 5 that p values are significant at 5%. Hence, we reject null hypothesis. There is a bi-directional causality between spot prices and future prices of crude oil. i.e Spot prices causes future prices and Future prices do have an impact on spot prices of crude oil.

CONCLUSION

This paper discusses the interdependence between spot and futures market for crude oil. We examined whether there is any statistically significant evidence that the trading activity in futures markets of commercial and non-commercial traders had a systematic influence on the price of crude oil. The result implies that there is long term association between the spot and future prices of crude oil commodity. Analysis also reveal that there is a bi-directional causality between spot prices and future prices of crude oil i.e Spot prices causes future prices and future prices do have an impact on spot prices of crude oil. The results

are of interest both for a contribution to an extensive financial literature on the interplay between spot and futures markets and for potential investors and speculators strategies. The significant rise in longer-dated futures prices reflects the perception of continued tightness in the physical market, and is facilitated by increased investor interest. The organized exchanges such as NYMEX allow for the competitive interaction of thousands of independent traders, including both commercial as well as financial institutions. These interactions, in turn, give rise to publicly reported futures prices that reflect the market's best estimate today of what future supply and demand conditions and, hence, prices will be. Futures market brings together valuable information about the market's expectations about future supply and demand conditions in the physical market – conditions that will ultimately determine the price for oil. As a result of our findings and interpretations and thus in view of above arguments, it can be concluded that there is a **bi-directional causality** between the spot prices and future prices of crude oil.

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EMERGING LIFESTYLE OF WOMEN AND ITS IMPACT ON THE FOOTWEAR PURCHASE

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ABSTRACT

Women's footwear sector is an untapped one. About 80 - 90% of the footwear purchase in the women's sector takes place in the unorganised market with no branded manufacturer having significant presence. The lifestyle of women is also changing due to increased employability that has led to improved standard of living. Women are becoming more brand conscious. Footwear is no longer looked upon as a commodity but as image, attitude and lifestyle. There is a need for the marketers to relate the preference of the footwear according to their lifestyles. The present study attempts to find the association of the women consumers belonging to different lifestyles towards the footwear attributes. Women in the age group of 20 - 55 yrs have been considered. The population is infinite. Therefore the sample size has been statistically fixed at 2365. Chi square has been used to test the hypothesis. Factor analysis has been used to profile the respondents on the basis of their lifestyle. Correlation techniques have been used to establish a relationship between the attributes and the lifestyles. Eight lifestyles were identified. It has been observed various lifestyles prefer different footwear attributes.

KEYWORDS

Consumers, Footwear, Lifestyle, Preference, Women.

INTRODUCTION

Footwear, once a utility has now become a lifestyle enhancement product. With the change in the lifestyle patterns among the people especially the youth, this product has also undergone a tremendous transition in terms of its character. Though women have not been the ones to spend on items like shoes, for the past two decades there has been a tremendous change in the buying habits of the consumers (Bijapurkar, 2001). As women becoming more discerning due to urbanization, favorable patterns of demography, increase in income levels and double income instances, media proliferation and the desire to look good, changes in the lifestyle pattern is inevitable. Women are becoming more aware of the different varieties of products that are produced and marketed all over the globe. The boom in the IT sector has led to the increase in employability among women who command large salaries from Indian and foreign multinationals. These consumers create an identifiable mark in shopping. Their preferences are noticeably different because they are a generation with economic power unlike the previous ones. Today's women dwell in an era of technological and media advances that affords them limitless access to the global market.

Footwear manufacturers in recent years along with the powerful new role that retail is playing in organizing the market, driven in part by surging consumer demand from entirely different lifestyle segments associated with the country's IT-BPO boom is all poised to new heights. For products which are manufactured indigenously and for which the competition is less, segmenting the market on the basis of demography will be typically sufficient. But these days consumers are exposed to many varieties of products. Therefore effective segmentation using new parameters are required for products where the market is flooded with many national and international brands and thus leading to heavy competition. With increasing globalization there is stiff competition between the multinational, national and the unorganized players to expand their market. In marketing literature there are various methods to measure consumer preferences but the most unique one is the psychographics which embeds lifestyle patterns in studying the consumers. The concept of "psychographics" emerged in the consumer behavior area in the late 1960s. It relates personality traits and lifestyle variables to consumer behavior (Robertson & Wind, 1980). Lifestyle determines how people live, how they view life, the values they attach to life (Bahtisen & Gumusluoglu, 2006) the activities they engage in the day to day life, their deeper interests, and their opinions on certain issues. It is a very useful and powerful tool to the marketers and advertisers as it starts from the people than the product (Plummer, 1974). Lifestyle segmentation is being widely used for many varieties of products starting from toothpaste to hunting (Kendall et al, 1983) but the reliability of relationships between the different segments formed depends upon the items included in the psychographic schedule.

REVIEW OF LITERATURE

There exists a correlation between personality traits and consumer behavior (Kassarjian, 1971). A product is a set of attributes that has different meanings to different customers. Therefore buyers place importance on the products depending upon their personality (Alpert, 1972) and lifestyle (Cosmos, 1982). Wells (1975) listed several product categories where psychographic analysis had been applied and raised a number of important queries about the use of psychographics and the statistical tools that can be used. In his study he has insisted on the use of cross tabulation to multivariate techniques like clustering or Q factor analysis. But Taylor et al (1976) in his study has argued that multivariate techniques are superior to cross tabulations. According to Goldberg (1976) consumers buy those products that match their personality. Therefore product functions can be used to identify the target group. The technique can be applied with the novel products. Cannon and Merz (1980) in their study have compared demographic and psychographic methods in the indirect matching process for media selection. They have found that both the methods yielded almost similar results therefore manufacturers can very well use psychographics as marketing research instrument. Lesser and Hughes (1986) in their study have tested the psychographic profiles on various geographic locations to see if these segments can be generalized. According to Kahle et al (1989), Consumers rarely purchase anything exclusively for the functional aspects of the product. They always expect greater benefit from the purchase. Values are one of the abstract forms of knowledge when tied to a product or service can help to remember that specific item. In order to serve the diverse market profitably, the marketing managers must segment the market on the basis of information of the consumers who make the market. Therefore segmenting the market with value information about the consumers can help in developing effective and consistent marketing strategy.

Footwear is no longer a commodity rather image, attitude, lifestyle and so on (D'Mello Bernard, 2003). Consumers belonging to different lifestyles expect different benefits from products and brands. Insights into segment characteristics in terms of lifestyle supports managerial decisions in developing appropriate advertising strategies (Orth et al, 2004).

According to Inamdar & Chandra (2001), marketers in India have focused only on the higher socio-economic classes i.e., SECA & B, because it was thought that income alone decided the consumption behavior and only these classes can afford. But now due to changes in the average household monthly income and the education level that has led to improvement in the standard of living, the SECC&D classes cannot be ignored. Examining all these four classes will better reflect

their lifestyle and consumption patterns. Verma & Savita, (1999 & 2000) have suggested that profiling the customers on the basis of their Lifestyle and studying their buying behavior and perceptions can help the manufacturers and the advertisers.

R V Kumar and A Sarkar (2008) have conducted a study on the Indian Urban Consumers. The study focuses on individuals belonging to SEC A and B households between the age group of 21 – 70 yrs. The questionnaire primarily depends on VALS framework (Mitchelle 1984) for structuring the statements. Cluster analysis was used and six segments were identified. The study reports on the impact of ownership of consumer durables, computer and internet usages, most preferred investment avenues, hobbies and interest and media habits across the different segments. Personality traits of individuals affect brand buying decisions. Rajagopal (2008) insists in his study that brands can be successful only when they are associated with the customers' personality. Lifestyle segmentation strategies when used in service quality expectations of the consumers yields better result when compared to application of demographic segmentation (Thompson et al, 1993).

Therefore along with emotions, impulses (Rook, 1987) and attitudes, the role of Personality, Image, Reputation and Trust also should be considered in building brand – consumer relationship. Whether it is Apparel (Goswami, 2007), cars (Suresh & Raja, 2006) or life insurance (Burnett & Palmer, 1984) lifestyle profiling are a better tool to understand the consumer preferences. The changing role of women in greater China, trends toward smaller families and greater purchasing power had led to profound changes in consumer lifestyles (Jackie, L.M Tam & Susan H.C Tai,1998).

According to Otto (1988) today's youth are very different from their predecessors. They are working generation who command greater earnings potential and therefore with high level of discretionary spending. The youth population is at its peak (Lam, 2006).

According to Punj, Deepshika (2010) Now a days, Indian consumers have become more discerning. Therefore India especially the urban cities are increasingly becoming a favourite destination of all the world renowned brands. Lifestyles are also key determinants in selecting residential locations (Walker & Li, 2007). Fraj & Martinez (2006) have used lifestyle profiling for ecological products. According to this study, individuals characterized by self-fulfillment feeling are more environment conscious and hence select eco friendly products

According to Engledow et al (1980), factor analysis has gained popularity in consumer research with the wide availability of computer and various statistical packages. The authors in their study have brought out the significance of the tool in the area of consumer research. Stewart (1981) describes in his study, that the success of factor analysis lies in the appropriateness of a data set. The study addresses many vital problems using factor analysis like the different techniques to be used in assessing the validity of a data set, the different rotation methods to be used and the number of factors to be extracted using different methods. Although there has been considerable research done in the areas of apparels, automobiles etc applying lifestyle segmentation there has been less interest in understanding the footwear preferences of the youth. The present study is an attempt to fill that gap.

NEED FOR THE STUDY

Footwear as a product has undergone a sea change in terms of its character. It is no longer a commodity but attitude, image and lifestyle. This is a sector with vast potential but still untapped. By introducing new dimensions as lifestyle profiling of consumers can help the manufacturers to position the product better.

STATEMENT OF THE PROBLEM

The women's footwear segment still remains the most untapped segment, with nearly 80-90 per cent of purchases taking place in the unorganised market. This is largely due to the dressing habits of women, for whom considerations of durability or comfort are less important than coordinated colours and designs. With the woman becoming more brand-conscious as opposed to the past state of being product-conscious, more and more internationally renowned players are expected to enter the market to fill this need-gap. Therefore profiling the consumers on the basis of their lifestyles would help the managers to position their products in a better way. There is plethora of opportunities still untapped in the footwear sector.

OBJECTIVES

- ❖ To study the relationship between lifestyle and purchase preferences of women in their choice of footwear.
- ❖ To study the different lifestyles of women

HYPOTHESIS

Ho: There is no significant relationship between the attributes and the lifestyle segments

H1: There is significant relationship between the attributes and the lifestyle segments

RESEARCH METHODOLOGY

RESEARCH DESIGN

The nature of the study is descriptive. Primary data were gathered from the respondents. The respondents in the age group of 20-55 yrs constitute the population, which is infinite. The sample size was statistically fixed at 2365 nos.

DATA COLLECTION

The questionnaire comprised of three parts. I part comprised of 50 statements that would help in profiling the customers into lifestyle segments. These statements were to be rated in a 7 point likert scale. Part II comprised of the attributes that the consumers would normally prefer the footwear to possess. These attributes were included after interviewing 30 respondents so that it would help in studying the market characteristics across different lifestyle segments.

ANALYSIS AND INTERPRETATION

Statistical tools such as factor analysis, Chi Square and correlation were used. Cronbach's alpha was used to test the reliability of these statements. Factor Analysis was used to profile the respondents on the basis of lifestyles. For extraction of factors, Principal Component analysis was used. Varimax rotation was used to compute the factor loadings. Regression scores were used to identify the individual cases with their respective factors. For the purpose of the research the Men and Women sector was segregated and studied separately. Chi square analysis was used to test the hypothesis as to whether the attribute preferences varied across the different lifestyle segments or not. It was found that the lifestyle preferences varied across different lifestyle.

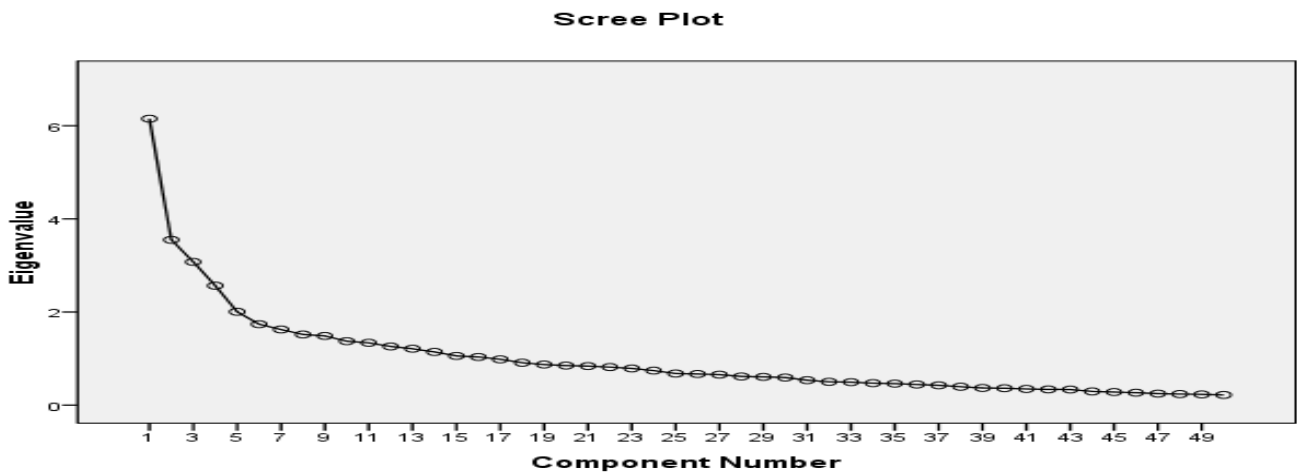
TABLE 1: CALCULATED CHI SQUARE VALUE BETWEEN DIFFERENT LIFESTYLE SEGMENTS AND THE ATTRIBUTES

Attributes	Calculated Chi Square Value
Preference for standard colours like black, brown etc	289.63
Preference for fashionable footwear	648.37
Preference for branded footwear	180.71
Attitude towards squeaky noise	82.37
Preference towards friends' opinions	85.88
Preference towards family's opinions	216.95
Posture Enhancement	106.95
Botheration towards allergies	46.71
Ambience of the Store	170.72
Salesmen's behavior	105.54

The Chi Square Table Value at (0.05) is 18.31. As all the calculated values are greater than the table value, we reject the null hypothesis and accept the alternate hypothesis that the attribute preferences vary across different lifestyle segments.

Reliability Test was conducted on the dataset that pertains to Lifestyle analysis. There were 50 variables. The Cronbach’s alpha yielded a score of 0.762. Therefore all the 50 items were considered for factor analysis. The Extraction method followed for extracting the factors was the Principal Component Analysis. Varimax Rotation was performed to calculate the factor loadings. As Principal Component Analysis was used, only the factors above Eigen Value of 1 were considered. For calculating the factor score for each consumer Regression method was used in order to segregate the consumers on their respective factors.

FIG. 1: SCREE PLOT WITH FACTOR EXTRACTION



For the purpose of the study 8 factors that explain 43.85% of the total variance has been considered.

TABLE 2: FACTORS EXTRACTED WITH THEIR ROTATED FACTOR LOADINGS

Factors	Rotated Factor Loadings
Factor: Stylistic Lifestyle I have one or more outfits that are of the very latest style I like to spend a year in a foreign country I pay cash for everything I buy I am fashionable in the eyes of others I enjoy stylistic dresses I would go for a walk or do some exercise than sit idle The most important part of life is to dress smartly Spiritual values are most important than material values	0.782 0.749 0.733 0.646 0.599 0.419 0.383 -0.361
Factor: Traditional Lifestyle Women are dependent and needs men’s protection Giving dowry in marriage is a tradition and cannot be done away with In the evenings, it is better to stay at home rather than going out A women should not work if her husband does not like her to work outside the house Looking after the house is primarily a women’s responsibility irrespective of whether she is working or not	0.724 0.701 0.595 0.539 0.502
Factor: Love - to - shop Lifestyle I visit many shops before I fianlise my sales I check the prices even of small items I watch advertisements for announcement of sales I am active in all social functions I prefer my friends to spend	0.818 0.659 0.608 0.587 0.519
Factor: Independent Lifestyle I am more independent than most people As far as possible after marriage nuclear family is better I have more self confidence than most people I have a lot of personal ability	0.778 0.777 0.699 0.583
Factor: Fancy Lifestyle One should always keep the house neat and clean A fancy and distinctive living attracts me I influence what my friends buy Doing nothing will make me uncomfortable	0.756 0.754 0.665 0.459
Factor: Liberal Lifestyle I Participate or have participated in sports activities One should bargain before a purchase	0.731 -0.409
Factor: Socialising Lifestyle I can mingle with strangers easily I eat only home food and do not prefer to eat out One should follow a proper routine such as eating meals at a regular time etc I'll take some courses to brighten my future	0.742 0.693 -0.464 0.36
Factor: Globe Trotting Lifestyle I want to take a trip around the world Think I will have more money to spend next year I like parties where there is lot of music	0.722 0.631 0.503

TABLE 3: INTER-CORRELATION BETWEEN THE LIFESTYLES AND THE FOOTWEAR ATTRIBUTES

Attributes	Lifestyles							
	Stylistic	Traditional	Love To Shop	Independent	Fancy	Libera	Socialisin	Globe Trot
Std Col	.060	.407*	.116	.391	.183	.325	.309	-.305
Fashion	.237	.086	.254	.044	.699*	-.073	.422	.58*
Brand	-.021	.228	-.022	-.009	-.111	.327	-.644**	-.122
Noise	-.342	.100	-.098	.461*	.778**	-.193	-.273	-.036
Friends	.224	-.043	.501**	.399*	.219	-.392*	.043	.141
Family	.021	-.203	-.066	.017	.231	-.008	.533**	-.050
Posture	.579**	-.219	.181	.135	.316	.088	.237	-.51*
Allergies	.055	-.160	.298	.078	.599*	.319	-.499*	-.57*
Ambience	.148	.209	-.076	-.145	.242	.456*	-.005	-.399
Salesman	-.025	-.201	.273	-.136	.304	.581**	.126	-.456

* Correlation significant at .05 ** Correlation significant at .01

Factor analysis yielded 8 factors that explain 43.85% of the total variance. The Factors extracted were Stylistic, Traditional, Love to shop, Independents, Fancy, Sportive, Strivers and Globe trotters. The stylistic consumers are very fashionable in nature. They prefer to have more outfits that of latest style. They perceive themselves to be highly fashionable and feel that the most important part of their life is to dress smartly. They seem to be highly correlated to the posture enhancement attribute ($P_{(0.01)} = 0.579^{**}$). They preferred to walk tall. The traditional consumers felt that women are dependents on men. They are also highly conservative preferring to stay at home. They preferred only standard colours like black or brown in their footwear ($P_{(0.05)} = 0.407^*$). The third segment exhibited high preference towards shopping. They visit as many shops before they finalise a sale. They very eagerly await advertisements which involves announcement of sales. This segment gave more preference to the opinion of their friends ($P_{(0.01)} = 0.501^{**}$). The independents did not like the squeaky noise ($P_{(0.05)} = 0.461^*$) and also gave importance to the opinion of their friends ($P_{(0.05)} = 0.399^*$). The liberals did not mind spending on sports activities and for them the behavior of the salesman was very important ($P_{(0.01)} = 0.581^{**}$). They also preferred to purchase from outlets where the ambience was good ($P_{(0.05)} = 0.456^*$). They felt that friends opinion was immaterial ($P_{(0.05)} = -0.392^*$). The respondents in the socialising segment were friendly and had high orientation towards their family. They gave more importance to the opinion of their family members ($P_{(0.05)} = 0.533^*$). They were not brand conscious ($P_{(0.05)} = -0.644^*$). The globe trotters loved to take a trip around the world. They liked to party. They were fashion conscious ($P_{(0.05)} = 0.58^*$).

FINDINGS

The attribute preferences vary across the different lifestyle. The stylistic segment preferred high heeled shoes as they liked to walk tall. The traditional segment wanted to purchase footwear with standard colours like black brown etc. The love to shop segment were very conscious about their friends' opinion. The independents would not want to hear any squeaky noise from their footwear. The Fancy lifestyle consumers were conscious about the squeaky noise and also preferred fashionable shoes. With women undergoing a transition in lifestyle, the marketers will have to adopt new parameters in their marketing strategies. Footwear now looked upon as a lifestyle enhancement product, segmenting the market on the basis of demography will be typically insufficient. With increasing competition in this sector from the unorganized players adopting lifestyle as a parameter for profiling the consumers will help the marketers to reposition their products better. This is a market that is still left untapped.

SCOPE FOR FURTHER RESEARCH

The study can be extended further for mens' segment as well. Also the kids segment is a promising one. Further research on these segments can help in tapping the untapped opportunities in the footwear segment

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ACCOUNTING FOR WAGE INEQUALITY IN INFORMAL SECTOR

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ABSTRACT

The wage and employment policies relating to the unorganised workers and in particular the issue of wages paid to them has been a subject of considerable discussion among union leaders and labour experts in India. While minimum wage legislation has to a large extent been effective in providing protection to workers in the organised sector, with periodic revision, this has not been the case with the unorganised workers, who largely remain outside the purview of minimum wage legislation. During the year 1999-2000, the labour force was estimated to be 407 million. In 2004-05 the labour market consisted of 469.06 million workers and has grown up to 509.3 million in the year 2006. The labour force growth rate accelerated from 1.03 per cent to 2.93 per cent (more than the population growth rate). This paper investigates the structure and growth rate of wage inequality among workers of informal manufacturing sector of India during post liberalisation period.

KEYWORDS

unorganised, minimum wages, labour market, wage inequality, post liberalisation.

INTRODUCTION

The impact of structural adjustment programme on employment would be observed more in unorganised sector. Given the dualistic nature of the labour market in India, most of the new employment in the restructured economy due to retrenchment and barriers to entry in the organised sector may occur in the unorganised sector. Therefore, workers crowd into the informal sector, or join the army of casual labourers or self-employed where low productivity and decrease in real wages is observed (Ghose, 1992 and Bhalla, 1996). Unorganised sector is now seen as the next engine of growth for the Indian economy as it gives employment to more than 92% of the labour force but still this sector is neglected so far. The workers in this sector work in almost every dingy and grimy situation, along with their families. They sweat in the scorching summer and strive for far more than eight hours without a single break, yet they are at the last end of the row to have either weekend holidays or other social-safety benefits. They have the vast majority of employed, unemployed and self employed work force of 390 million. Their percentage is quite high, approximately 93 per cent, even though, they are not the part of any organized work. They are not on any list, register or any official document. They are the unnamed contributors to the national income. This research paper has explored the unorganised manufacturing sector in India both intensively and against the broader macro-economic perspective to examine the growth of annual emoluments per hired worker.

OBJECTIVES OF THE STUDY

Main objective of this paper is to study the inequality of emoluments per hired worker in the unorganised manufacturing sector of India in post liberalisation period.

REVIEW OF LITERATURE

Mitra (2006) focused on the reasons of low wages prevailing in the informal sector. He argued for state support for improving the quality of employment in this sector, which provides sources of livelihood to a sizeable proportion of the work force. One important consideration was to raise the wage levels in the informal sector by improving the productivity. Skill formation and up-gradation, micro-credit and marketing assistance were some of the ways of enhancing productivity. Marjit and Kar (2005) examined whether the informalisation has been accompanied by an increase in real informal wage, capital investment and value added in manufacturing at the all India level. The study found that as compared to the pre-reform period (1984-85 to 1989-90), the post-reform period (1989-90 to 1999-2000) witnessed an increase in informal wage (in manufacturing) accompanied by a real increase in fixed assets (proxy for capital investment) and value added. These results hold good for most of the states and union territories. The study pointed out that in order to understand the impact of reforms on labour market; one has to assess the working of the capital market as well.

Chandola (1995) studied the nature of garment manufacturing units and women workers in unorganised segment of these units situated in Lucknow, Kanpur, Varanasi and Delhi. The emphasis was that the industry practised wage exploitations; the production process was fragmented and decentralised. The decentralisation of unorganised sector was done with a view to have cheap labour and escape government regulations. The women worked as piece rate workers; there was easy entry into the labour market which forces them to seek employment as unorganised labour leading to exploitation.

DATA SOURCE & METHODOLOGY

Source of the study is NSSO (National Sample Survey Organisation) surveys which provide extensive data on unorganised manufacturing sector. NSSO defines the unorganised /informal sector in terms of all unincorporated proprietary enterprises and partnership enterprises (GOI 2001). NSSO provides data for about 23 sub-sectors as per National Industrial Classification. All classification has been adjusted according to National Industrial Classification, 98 as per the concordance table provided by NSSO. This data is further disaggregated into rural-urban segments. The data provided by NSSO is classified into three types of enterprises namely, Own Account Manufacturing Enterprises (OAMEs), Non-directory Manufacturing Enterprises (NDMEs), Directory Manufacturing Enterprises (DMEs). NSSO defines OAMEs as those enterprises which operate with no hired worker on a fairly regular basis. NDMEs are those enterprises which employ less than six workers including household workers and DMEs employ six or more workers with at least one hired worker but not registered under the Factory Act 1948 (NSSO, 2002). For analysing the data, simple averages, annual compound growth rates and correlation coefficients have been used.

EXPLANATION

An attempt has been made to analyse the growth of annual emoluments per hired worker. For this purpose only the NDMEs and DMEs are taken into account because OAMEs are the enterprises which are run without any hired workers on fairly regular basis. **Table 1 and 2** give the estimated annual emoluments per hired worker and their growth rates in different types of enterprises at constant prices (at 1982 prices) since 1994-95. During the period 1994-95, the annual emoluments per hired worker in the unorganised manufacturing sector of India comes out to be ₹ 3357. The hired workers are getting more emoluments in DMEs (₹ 3585) than in NDMEs (₹ 3006). These annual emoluments in the urban areas (₹ 4099) are twice that of the rural areas (₹ 2254). In case of NDMEs, the annual emoluments are ₹ 2274 in the rural areas in contrast to ₹ 3400 in the urban areas whereas in case of DMEs the annual emoluments in the urban areas are more than double (₹ 4623) the rural areas (₹ 2244). In the rural areas, there is not much difference in the annual emoluments of NDMEs and DMEs but the same are more for DMEs in comparison to NDMEs in the urban areas. So during 1994-95, the hired workers are getting more emoluments in the urban areas and the workers engaged in the urban DMEs are getting more emoluments than those of urban NDMEs. For the period 2000-01 the annual emoluments at all India level

are estimated at ₹ 4164. These emoluments are more in case of DMEs (₹ 4328) in comparison to NDMEs (₹ 3901). The rural-urban break-up shows that the emoluments of urban workers are very high in comparison to their rural counterpart and in the urban areas; the emoluments of hired workers are more in case of DMEs than that of NDMEs. For the period 2005-06 the annual emoluments at all India level comes out to be ₹ 4923. Like the preceding period, these emoluments are more for DMEs (₹ 5468) in comparison to NDMEs and similarly same are very high in the urban areas (₹ 5775) in contrast to rural areas (₹ 3733). Thus, the hired workers of DMEs are getting more emoluments than those of NDMEs in the rural as well as urban areas and the increase in the emoluments in DMEs is always greater than that of NDMEs. This can also be observed from Table 2. The table shows that the growth of emoluments during 1994-95 to 2000-01 was much higher than the period 2000-01 to 2005-06 and the difference of the growth between the NDMEs and DMEs was not as wider as observed during the period 2000-01 to 2005-06. The period 2000-01 to 2005-06 also observed a huge gap in growth rates in rural and urban wages, showing that rural wages grow at a much higher pace as compared to urban wages. The workers in DMEs could see much higher growth prospects as compared to those employed in NDMEs. This analysis could be deeply proved by analysing the sector-wise growth of emoluments (See Table 3 and 4).

TABLE 1: ANNUAL EMOLUMENTS IN (₹) PER HIRED WORKER IN UNORGANISED MANUFACTURING SECTOR IN INDIA BY TYPE OF ENTERPRISE AT CONSTANT PRICES (1982 PRICES)

YEAR	Type of Enterprise	Rural	Urban	Combined
1994-95	NDMEs	2274	3400	3006
	DMEs	2244	4623	3585
	All Enterprises	2254	4099	3357
2000-01	NDMEs	2936	4361	3901
	DMEs	2951	5465	4328
	All Enterprises	2946	4985	4164
2005-06	NDMEs	3313	4402	3981
	DMEs	3949	6637	5468
	All Enterprises	3733	5775	4923

Source: Calculated from NSSO 1998 (Report No. 434), NSSO 2002 (Report No 480) & NSSO 2008 (Report No 525)

TABLE 2: GROWTH RATE OF ANNUAL EMOLUMENTS PER HIRED WORKER IN UNORGANISED MANUFACTURING SECTOR IN INDIA BY TYPE OF ENTERPRISE AT CONSTANT PRICES (1982 PRICES)

YEAR	Type of Enterprise	Rural	Urban	Combined
1994-95 to 2000-01	NDMEs	4.35	4.24	4.31
	DMEs	4.68	2.83	3.19
	All Enterprises	4.57	3.31	3.66
2000-01 to 2005-06	NDMEs	2.45	0.19	0.41
	DMEs	5.99	3.96	4.79
	All Enterprises	4.85	2.98	3.41

Source: Calculated from NSSO 1998 (Report No. 434), NSSO 2002 (Report No 480) & NSSO 2008 (Report No 525)

Table 3 shows that the sectors of manufacturing of agro foods, textiles and wood & wood products, which provide employment to largest number of people, are placed at the lowest end of the rankings of the emoluments while the sectors like manufacturing of metal products, basic metals and machineries which employ fewer number of workers are listed among the highest paid sectors. These are also the sectors which have exhibited very high growth rate of emoluments during both the time periods. However, the sector of agro foods has also registered a positive growth rate of emoluments. Interestingly, the growth of emoluments in this sector during 1994-95 to 2000-01 was mainly due to higher growth in urban areas but during 2000-01 to 2005-06, it was because of due to rural areas.

TABLE 3: ANNUAL EMOLUMENTS IN (₹) PER HIRED WORKER IN UNORGANISED MANUFACTURING SECTOR IN INDIA BY INDUSTRY GROUP AT CONSTANT PRICES (1982 PRICES)

Industry Name	1994-95			2000-01			2005-06		
	Rural	Urban	Combined	Rural	Urban	Combined	Rural	Urban	Combined
Agro Foods	1803	3233	2263	1891	4135	2706	2904	4496	3380
Textiles	2462	4262	3494	3010	4882	4331	3192	4913	4365
Wood & Wood Products	2568	3814	3339	3661	4921	4421	4109	5010	4555
Paper & Paper Products	2246	4166	3929	3809	5100	4998	3893	6214	5840
Leather & Leather Products	2979	3651	3602	3823	4597	4535	3234	4450	4284
Chemicals & Chemical Products	1962	3273	2747	2100	5436	3342	2894	5742	3926
Rubber & Plastic Products	3131	4468	4320	4433	5561	5268	5105	6150	5849
Non-Metallic Mineral Products	1959	2915	2156	3356	3925	3452	4473	4721	4516
Basic Metals	4516	4531	4530	5692	5590	5618	10191	6520	7473
Metal Products	2555	4213	3996	4058	5034	4869	4823	9459	8587
Machineries	2993	5021	4798	4570	6415	6238	7059	7967	7869
Transport Equipments	3143	4648	4519	5572	6120	6068	5702	5696	5698
n.e.c.	3082	4170	3925	3707	4996	4681	4671	5262	5090
All	2254	4099	3357	2946	4985	4164	3733	5775	4923

Source: Calculated from NSSO 1998 (Report No. 434), NSSO 2002 (Report No 480) & NSSO 2008 (Report No 525)

TABLE 4: GROWTH RATE OF ANNUAL EMOLUMENTS PER HIRED WORKER IN UNORGANISED MANUFACTURING SECTOR IN INDIA BY INDUSTRY GROUP AT CONSTANT PRICES (1982 PRICES)

Industry Name	Rural		Urban		Combined	
	1994-95 to 2000-01	2000-01 to 2005-06	1994-95 to 2000-01	2000-01 to 2005-06	1994-95 to 2000-01	2000-01 to 2005-06
Agro Foods	0.79	8.97	4.19	1.68	3.02	4.55
Textiles	3.41	1.18	2.29	0.12	3.64	0.15
Wood & Wood Products	6.09	2.33	4.34	0.35	4.79	0.60
Paper & Paper Products	9.20	0.44	3.43	4.03	4.09	3.16
Leather & Leather Products	4.25	-3.29	3.91	-0.64	3.91	-1.13
Chemicals & Chemical Products	1.15	6.62	8.83	1.10	3.32	3.27
Rubber & Plastic Products	5.96	2.86	3.72	2.03	3.36	2.11
Non-Metallic Mineral Products	9.39	5.91	5.08	3.76	8.16	5.52
Basic Metals	3.93	12.35	3.56	3.12	3.66	5.87
Metal Products	8.02	3.51	3.01	13.44	3.35	12.02
Machineries	7.31	9.08	4.17	4.42	4.47	4.76
Transport Equipments	10.01	0.46	4.69	-1.42	5.03	-1.25
n.e.c.	3.12	4.73	3.06	1.04	2.98	1.69
All	4.57	4.85	3.31	2.98	3.66	3.41

Source: Calculated from NSSO 1998 (Report No. 434), NSSO 2002 (Report No 480) & NSSO 2008 (Report No 525)

Finally, an attempt has been made to find the correlation of wages with some factors such as nature of job, gender of worker and labour productivity. It is generally assumed that the male workers earn the higher wages as compared to women and same is the case with full time workers who work for longer hours as compared to part-time workers. Moreover, more productive workers are rewarded with higher wages.

Table 5 has depicted such relations in the unorganised manufacturing sector of India. It has been observed that in urban areas the gender of the workers does not affect the level of wages in the unorganised manufacturing sector of India but in rural areas, units employing more of female workers have lower wages. During both the time periods labour productivity has significant positive relation with wages for both types of enterprises in rural as well as urban areas.

TABLE 5: CORRELATION COEFFICIENT OF WAGES WITH CERTAIN VARIABLES

Variables	Rural		Urban		Combined	
	NDMEs	DMEs	NDMEs	DMEs	NDMEs	DMEs
2000-01						
Full Time Workers	0.296*	0.208	0.220	-0.70	0.492***	0.064
Percentage of Male Workers	0.245	0.429**	0.190	0.066	0.062	0.257
Percentage of Female Workers	-0.245	-0.429**	-0.190	-0.066	-0.062	-0.257
Labour Productivity	0.882***	0.291	0.667***	0.811***	0.844***	0.400***
2005-06						
Full Time Workers	0.223	0.065	-0.125	0.174	-0.10	0.148
Percentage of Male Workers	0.300*	0.297*	-0.032	0.139	-0.020	0.419**
Percentage of Female Workers	-0.300*	-0.297*	0.032	-0.139	0.020	-0.419**
Labour Productivity	0.738***	0.345	0.676***	0.472**	0.726***	0.455***

Source: Calculated from NSSO 2002 (Report No. 479, 480), NSSO 2007 (Report No. 526) & NSSO 2008 (Report No. 525)

Note:

*** Significant at 99 per cent level

** Significant at 95 per cent level

* Significant at 90 per cent level

FINDINGS OF STUDY

The analysis of emoluments of the workers employed in the unorganised manufacturing sector shows that the absolute amount of wages (at constant prices) as well as the growth rate of wages was higher in the DMEs as compared to NDMEs. Sadly, it can be observed that the sectors of manufacturing of agro-foods, textiles and wood & wood products which employ largest number of persons are placed at the lower end of the emoluments. Thus, a majority of the workers are paid very low wages. On the other hand, the sectors of manufacturing of metal products, basic metals and machineries not only pay higher amount to their workers but have also observed the highest growth rates of wages as compared to other sub-sectors in the unorganised manufacturing sector of India. The study shows that in the rural areas, the female workers earn lesser wages as compared to males, while labour productivity has significant positive relation with wages in every type of enterprises in rural as well as urban areas.

CONCLUSION

To sum up, we can say that The DMEs and modern industries have registered high growth of wages. However, since majority of workers are employed in traditional, low productive and less paid sectors, the quality of their employment is also very low. Thus, in view of its tremendous importance there is a need to focus efforts and attention to develop a comprehensive understanding about the problems, needs, issues, and changes that are taking place in this sector. If properly nurtured it can expand and develop optimally and can play an important role in the process of economic development

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COMPLAINTS GIVING ATTITUDES OF MOTHERS ABOUT ADULTERATED FOOD IN INDIA

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ABSTRACT

The aim of the present research paper is to examine complaint giving attitudes of mothers towards food adulteration. This study highlighted the gaps of adulterated food materials and awareness in lodging of complaints to various authorities of shopkeeper, government officials and manufacturers. The survey was conducted randomly selected mothers (N=2,685) who had the primary responsibility for the complaints about food adulteration. The results shows that the mothers prefer to give complaint to the shopkeeper due to the limitations of time, money, energy and interest. Majority of the mothers are not ready to give proper complaints to the government regulatory machineries about unscrupulous traders, which is the right forum to prevent unfair trade practices. Awareness should be created among the mothers regarding evils of food adulteration, lodging of complaints to government authority and preventing methods of food adulteration.

KEYWORDS

food alteration, unscrupulous traders, unfair trade practices.

INTRODUCTION

The food safety knowledge and the right attitudeS of mothers prevent the child hood diseases and food borne diseases of family. Mothers attitudes and knowledge influence children's immunization uptake and the proper education programs given to mothers will restore in preventing childhood diseases (Impicciatore, P, et. al., 2000). The problem of adulteration of food stuffs is rampant in India; women did not seem to be too concerned about this (Ministry of Health and Family Welfare (MOHFW 2004). In India nearly 11% of all food stuffs being adulterated. The mothers' attitude towards food adulteration helps to create awareness about the adulterated food. Government should create awareness through frequent campaigns in the community. It is obvious that the mothers are not aware that any outlet or grocery needs to adhere to the regulations laid down under the Prevention of Food Adulteration Act (PFA, 2004). The mothers detect adulteration in different products usually while cooking or by tasting; some mothers recognise most adulterants by texture or appearance. The commonly stated instances of adulteration such as adulteration of milk with water, expensive oil with cheap oil, wood powder/artificial colour in red chilli powder, powdered tamarind seeds in coffee, papaya seed in pepper, pebbles in rice and pulses and semolina in sugar, onion and potato paste was used adulterate ginger and garlic paste. Mothers were not aware where and whom to complaint in case of adulteration. Most of the mothers said, they would return the product to the shop from where it was bought or they pick up a fight. They also added that they would never go back to the same vendor again to buy foodstuffs.

MATERIALS AND METHODS**SAMPLE SIZE**

Quantitative data was collected from 2685 mothers randomly selected from the five districts of Tamil Nadu. Equal importance had given both urban and rural mothers. In the field, data were collected through the questionnaire in the personal interview mode in the residence of the respondents after obtaining informed consent from them.

RESEARCH DESIGN

The survey examines the impact of food safety knowledge and practices of mothers and food adulteration during the period of February 2010 to September 2011 as a part of Doctoral research work. A food safety and food adulteration questionnaire was designed, which consisted of demographic questions (age, education, income, marital status) and 39 questions covering issues related to food safety, and food adulteration. The second part of the study is presented in the paper. The questionnaire was divided into three sections (1) a demographic section, (2) food safety knowledge and awareness, and (3) food adulteration. The investigator and research assistants were trained in collecting data. The questionnaires were prepared in both English and Tamil. In rural areas, Tamil questionnaires were given to collect data. In addition, the research assistants explained the questions in detail. Each respondent took 25 to 30 minutes to complete a questionnaire. Each collected questionnaire was allotted a separate code number for cross references. The respondents were interviewed in person by well structured questionnaire through eight trained research assistants and the investigator. Approximately, 34% of the questionnaires were filled in by the respondents while 66% was guided in filling the questionnaire.

PILOT STUDY

The questionnaire was pre-tested by collecting data from 105 mothers both in urban and rural areas in the months of November and December 2010. This helped to confirm practical applicability, clarity and to avoid unnecessary questions. The questionnaire was revised and restructured based on the results of the pilot study. Some additional questions were added after evaluating the questionnaires in the pilot study.

DATA ANALYSIS

The responses from mothers were analyzed by using a statistical package. Scores for each test category were calculated by assigning correct responses. Correlation and regression technique was used to identify the inter relationship between the different food safety knowledge and practices of mothers and food adulteration. Mean responses with standard deviation and percentage analysis of each category were calculated and presented in the tabular form. Cross tabulations and chi-square tests 5% significance level was used to compare indicators across demographic characteristics (age, educational level, urban and rural background).

RESULTS AND DISCUSSION**PROFILE OF RESPONDENTS**

Table 1 shows the demographics of the 2685 mothers by age, education, income, occupation and place of living. Analyzable questionnaires were obtained from 1295 urban mothers and 1390 rural mothers. They were randomly from household in India in which they had the primary responsibility of food preparation at home. None of them were professional food handlers. These respondents were interviewed face-to-face by well structured questionnaire by eight trained research assistant and one investigator. Appropriately 63% of the questionnaires were filled in by the respondents, while 37 percent was guided in filling the questionnaires. The majority of the respondents (38.7%) were in the age group of 25-30 years. About 54.1% of the respondents were school level educated and more the one fourth were (28.7%) illiterate. Of all mothers interviewed, majority of the respondents (55.4%) were housewives.

TABLE 1: DEMOGRAPHIC CHARACTERISTIC OF RESPONDENTS

Demographic characteristics	Frequency	%
Age (n = 2685)		
< 25	237	8.8
25-30	771	28.7
31-36	1039	38.7
37-42	362	13.5
> 43	276	10.3
Education (n = 2685)		
Illiterate	770	28.7
School level	1453	54.1
College level	462	17.2
Occupation (n = 2685)		
Housewife	1488	55.4
Employed	624	23.2
Daily wages	484	18.0
Unemployed	89	3.3
Locality (n = 2685)		
Urban	1295	48.2
Rural	1390	51.8

Source: Primary Data

TABLE 2: LODGING OF COMPLAINTS TO THE DIFFERENT AUTHORITIES RELATING TO FOOD ADULTERATION

Authorities	Respondents	Percentage
Shopkeeper	672	55.95
Manufacturer	418	34.80
Government officials	111	9.24
Total	1201	100

Source: Primary Data

Table 2 provides information regarding complaints given to different intermediaries about the defective goods and adulteration. Majority of the mothers (55.95%) lodge complaints against food adulteration to the nearby shopkeeper, where she purchases, while 34.80% of the mothers lodge complaints to the manufacturer of the adulterated products and the remaining 9.24% of the mothers lodge complaints to government officials against the traders and manufacturers. Most of the mothers don't want to take risk in lodging complaints against the unscrupulous traders to the government authorities to take legal action.

TABLE 3: REASONS FOR NOT GIVING COMPLAINTS AGAINST UNFAIR TRADE PRACTICES

Reasons	Respondents	Percentage
Accept as a common practice	406	53.21
Complaints ignore by Traders	204	26.74
Do not know whom to complaint	153	20.05
Total	763	100

Source: Primary Data

Table 3 shows the reasons for not giving complaints against food adulteration. Majority of the mothers (53.21%) not gave any complaints against food adulteration and defective goods. They accept it as a common practice. It is followed, 26.74% of the mothers who feel that the complaints are ignored by the traders and the remaining 20.05% of the mothers unaware to whom to give complaint regarding food adulteration. It is concluded that the mothers accepts the adulteration and defective goods as a common practice and adjust with such adulterated products.

TABLE 4: COMPLAINTS GIVEN BY MOTHERS IN DIFFERENT DISTRICTS

Districts		Authorities			Total
		Shopkeeper	Manufacturer	Government officials	
Tuticorin	Count	158	53	15	226
	% within District	69.9%	23.5%	6.6%	100.0%
	% within Complaints given to Authorities	23.5%	12.7%	13.5%	18.8%
Tirunelveli	Count	85	78	19	182
	% within District	46.7%	42.9%	10.4%	100.0%
	% within Complaints given to Authorities	12.6%	18.7%	17.1%	15.2%
Virudunagar	Count	71	69	19	159
	% within District	44.7%	43.4%	11.9%	100.0%
	% within Complaints given to Authorities	10.6%	16.5%	17.1%	13.2%
Ramnad	Count	144	130	27	301
	% within District	47.8%	43.2%	9.0%	100.0%
	% within Complaints given to Authorities	21.4%	31.1%	24.3%	25.1%
Kanniyakumari	Count	214	88	31	333
	% within District	64.3%	26.4%	9.3%	100.0%
	% within Complaints given to Authorities	31.8%	21.1%	27.9%	27.7%
Total	Count	672	418	111	1201
	% within District	56.0%	34.8%	9.2%	100.0%
	% within Complaints given to Authorities	100.0%	100.0%	100.0%	100.0%

Source: Primary Data

Table 4 indicates the complaints lodged to the different authorities by mothers in different districts of southern Tamil Nadu. Majority (27.7%) of the mothers are from Kanniyakumari district. In it, 64.3% of the mothers gave complaint to the shopkeeper, 26.4% gave to the manufactures and the remaining 9.3% of the mothers gave to the government officials. 25.1% of the mothers are from Ramnad district. Among them, 47.8% of the mothers gave complaints to the shopkeeper, 43.2% of mothers complained to the manufactures and the remaining 9% to the government officials. It is followed by 18.8% of the mothers in Tuticorin district. In which 69.9% of the mothers gave complaints to the shopkeeper, 23.5% mothers gave to the manufacturers and the remaining 6.6% lodged complaint to the Government officials. 15.2% of the mothers are contacted from Tirunelveli district. In it, 46.7% of the mothers gave complaints to shopkeeper, 42.9% gave complaints to the manufacturers and the remaining 10.4% complained to the Government officials. Further 13.2% of the mothers are contacted from Virudunagar district. Among them, 44.7% of the mothers gave complaints to the shopkeeper, 43.4% lodged to the manufacturers and the remaining 11.9% gave complaints to the government officials. It is found that majority of the mothers from Kanniyakumari gave complaint to the authorities against food adulteration.

ASSOCIATION BETWEEN COMPLAINTS GIVEN BY MOTHERS AND THEIR DIFFERENT DISTRICTS

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	53.089 ^a	8	.000 [*]
Likelihood Ratio	53.796	8	.000
Linear-by-Linear Association	.528	1	.467
N of Valid Cases	1201		

Source: Primary Data

*Significant at five percent level

In this study, the 'P' value is less than 0.05 at 5% significance level. The null hypothesis is rejected. It is concluded that there is an association between mothers in different districts and the complaints given to authorities against food adulteration. The complaint given to different authorities by mothers vary according to the districts.

TABLE 5: COMPLAINTS MADE AGAINST ADULTERATION BY RURAL AND URBAN MOTHERS

Locality		Authorities			Total
		Shopkeeper	Manufacturer	Government officials	
Urban	Count	413	233	67	713
	% within Locality	57.9%	32.7%	9.4%	100.0%
	% within Complaints given to Authorities	61.5%	55.7%	60.4%	59.4%
Rural	Count	259	185	44	488
	% within Locality	53.1%	37.9%	9.0%	100.0%
	% within Complaints given to Authorities	38.5%	44.3%	39.6%	40.6%
Total	Count	672	418	111	1201
	% within Locality	56.0%	34.8%	9.2%	100.0%
	% within Complaints given to Authorities	100.0%	100.0%	100.0%	100.0%

Source: Primary Data

Table 5 denotes the complaints lodged to the different authorities against food adulteration in urban and rural area. Majority of mothers in urban area gave more complaints (59.4%) against food adulteration. In it, 57.9% gave complaints to shopkeeper, 32.7% gave to the manufacturer and 9.4% gave complaints to the government authorities. Next in rural area 40.6% of the mothers lodged complaints against food adulteration. In it, 53.1% of rural mothers gave more complaints to the shopkeepers, 37.9% to the manufacturers and 9% to the government officials. It is concluded that both urban and rural mothers do not give importance to lodge complaint against government officials.

ASSOCIATION BETWEEN LOCALITY OF MOTHERS AND THEIR COMPLAINTS MADE AGAINST ADULTERATION

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.541 ^a	2	.170 [*]
Likelihood Ratio	3.529	2	.171
Linear-by-Linear Association	1.333	1	.248
N of Valid Cases	1201		

Source: Primary Data

*Significant at five percent level

In this table, the 'P' value is greater than 0.05 at 5% significance level. The null hypothesis is accepted. It is concluded that there is no association with the locality of mothers and the complaints given to authorities against food adulteration.

TABLE 6: DIFFERENT AGE GROUP OF MOTHERS AND THEIR ATTITUDES IN LODGING OF COMPLAINTS

Age * Complaints given to Authorities					
Age		Complaints given to Authorities			Total
		Shopkeeper	Manufacturer	Government officials	
Below 25	Count	54	22	16	92
	% within Age	58.7%	23.9%	17.4%	100.0%
	% within Complaints given to Authorities	8.0%	5.3%	14.4%	7.7%
25-30	Count	160	124	39	323
	% within Age	49.5%	38.4%	12.1%	100.0%
	% within Complaints given to Authorities	23.8%	29.7%	35.1%	26.9%
31-36	Count	324	200	36	560
	% within Age	57.9%	35.7%	6.4%	100.0%
	% within Complaints given to Authorities	48.2%	47.8%	32.4%	46.6%
37-42	Count	98	51	14	163
	% within Age	60.1%	31.3%	8.6%	100.0%
	% within Complaints given to Authorities	14.6%	12.2%	12.6%	13.6%
Above 43	Count	36	21	6	63
	% within Age	57.1%	33.3%	9.5%	100.0%
	% within Complaints given to Authorities	5.4%	5.0%	5.4%	5.2%
Total	Count	672	418	111	1201
	% within Age	56.0%	34.8%	9.2%	100.0%
	% within Complaints given to Authorities	100.0%	100.0%	100.0%	100.0%

Source: Primary Data

Table 6 indicates the complaints given to the authorities in different age groups of mothers. Out of 1201 respondents, (46.6%) of the mothers are in the age group of 31-36 years. In it 57.9% of the mothers give complaint to the shopkeepers, 35.7% give to manufacturers and the remaining 6.4% of the mothers are give complaints to government officials. It is followed by (26.9%) mothers in the age group of 25-30 years. Among them, 49.5% of mothers give complaints to shopkeepers, 38.4% give to manufactures and the remaining 12.1% give to government officials. Further, 13.6% of the mothers are in the age group of 37-42 years. In which 60.1% of mothers give complaints to shopkeepers, 31.3% give to the manufacturers and the remaining 8.6% give to government officials. Further, 7.7% of the mothers are below 25 years of age. In it, 58.7% of mothers give complaints to shopkeeper, 23.9% give to the manufactures and the remaining 17.4% of the mothers give complaints to government officials. Further, 5.2% mothers are above 43 years of age. In which, 57.1% of mothers give complaints to shopkeepers, 33.3% to manufacturers and the remaining 9.5% to the government officials. It is found that majority of the mothers in the age group of 31-36 years give more complaint to the different authorities.

ASSOCIATION BETWEEN DIFFERENT AGE GROUP OF MOTHERS AND THEIR ATTITUDES IN LODGING OF COMPLAINTS AGAINST FOOD ADULTERATION

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.757 ^a	8	.004
Likelihood Ratio	22.163	8	.005
Linear-by-Linear association	5.150	1	.023
N of Valid Cases	1201		

Source: Primary Data

*Significant at five percent level

In this table, the 'P' value is less than 0.05 at 5% significance level. The null hypothesis is rejected. It is concluded that there is a significant association in between age of the mothers and their complaint giving attitude to authorities against food adulteration.

TABLE 7: MOTHERS EDUCATIONAL LEVEL AND ITS IMPACT IN LODGING OF COMPLAINTS

Educational Qualification		Authorities			Total
		Shopkeeper	Manufacturer	Government officials	
Illiterate	Count	141	101	29	271
	% within Educational Qualification	52.0%	37.3%	10.7%	100.0%
	% within Complaints given to Authorities	21.0%	24.2%	26.1%	22.6%
School level	Count	403	206	38	647
	% within Educational Qualification	62.3%	31.8%	5.9%	100.0%
	% within Complaints given to Authorities	60.0%	49.3%	34.2%	53.9%
College level	Count	128	111	44	283
	% within Educational Qualification	45.2%	39.2%	15.5%	100.0%
	% within Complaints given to Authorities	19.0%	26.6%	39.6%	23.6%
Total	Count	672	418	111	1201
	% within Educational Qualification	56.0%	34.8%	9.2%	100.0%
	% within Complaints given to Authorities	100.0%	100.0%	100.0%	100.0%

Source: Primary Data

Table 7 indicates the complaints given to different authorities by the mothers of different educational qualification. Out of 1201 respondents, 53.9% of mothers completed their school level education. Among them, 62.3% of mothers give complaints to shopkeeper, 31.8% give complaints to manufacturer and 5.9% give complaints to government officials. Further, 23.6% of mothers completed college level education. In it, 45.2% of mothers give complaints to shopkeeper, 39.2% give complaints to manufacturer and 15.5% give complaints to government officials. It is followed by 22.6% of illiterate mothers. Among them, 52% give complaints to shopkeeper, 37.3% give complaints to manufacturer and 10.7% give complaints to government officials. It is concluded that majority of mothers with school level education give complaints to shop keeper and manufacturer. Mothers with college level education give complaints to government officials.

ASSOCIATION BETWEEN MOTHERS EDUCATIONAL LEVEL AND ITS IMPACT IN LODGING OF COMPLAINTS

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.640 ^a	4	.000 [*]
Likelihood Ratio	34.949	4	.000
Linear-by-Linear Association	4.697	1	.030
N of Valid Cases	1201		

Source: Primary Data

*Significant at five percent level

The value of 'P' in this table is less than 0.05. Null hypothesis is rejected at 5% significance level. It is concluded that there is a significant association between educational qualification of mothers and their complaints given attitudes to different authorities. It is inferred that highly educated mothers give complaints to government officials whereas others give complaints to shopkeeper and manufacturer.

TABLE 8: OCCUPATION OF MOTHERS AND THEIR ATTITUDES IN LODGING COMPLAINTS

Occupation * Complaints given to Authorities					
Occupation		Complaints given to Authorities			Total
		Shopkeeper	Manufacturer	Government officials	
Housewife	Count	310	185	55	550
	% within Occupation	56.4%	33.6%	10.0%	100.0%
	% within Complaints given to Authorities	46.1%	44.3%	49.5%	45.8%
Employed	Count	158	181	41	380
	% within Occupation	41.6%	47.6%	10.8%	100.0%
	% within Complaints given to Authorities	23.5%	43.3%	36.9%	31.6%
Daily wager	Count	181	38	11	230
	% within Occupation	78.7%	16.5%	4.8%	100.0%
	% within Complaints given to Authorities	26.9%	9.1%	9.9%	19.2%
Unemployed	Count	23	14	4	41
	% within Occupation	56.1%	34.1%	9.8%	100.0%
	% within Complaints given to Authorities	3.4%	3.3%	3.6%	3.4%
Total	Count	672	418	111	1201
	% within Occupation	56.0%	34.8%	9.2%	100.0%
	% within Complaints given to Authorities	100.0%	100.0%	100.0%	100.0%

Source: Primary Data

Table 8 indicates the complaints given to authorities and occupation of mothers. Out of 1201 respondents, 45.8% are housewives. Among them, 56.4% of mothers give complaints to shopkeeper, 33.6% give complaints to manufacturer and 10% give complaints to government officials. It is followed by 31.6% of employed mothers. In it, 41.6% of mothers give complaints to shopkeeper, 47.6% give complaints to manufacturer and 10.8% give complaints to government officials. Further 19.2% of mothers get daily wager. Among them, 78.7% give complaints to shopkeeper, 16.5% give complaints to manufacturer and 4.8% give complaints to government officials. It is followed by 3.4% of unemployed mothers. In it, 56.1% give complaints to shopkeeper, 34.1% give complaints to manufacturer and 9.8% give complaints to government officials. Majority of the housewives give complaint to shopkeeper, manufacturer and government officials.

ASSOCIATION BETWEEN OCCUPATION OF MOTHERS AND THEIR ATTITUDES IN LODGING COMPLAINTS

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	81.871 ^a	6	.000 [*]
Likelihood Ratio	85.375	6	.000
Linear-by-Linear Association	10.577	1	.001
N of Valid Cases	1201		

Source: Primary Data

*Significant at five percent level

The value of 'P' in this table is less than 0.05. Null hypothesis is rejected at 5% significance level. It is concluded that there is a significant association between occupation of mothers and complaints given to authorities. It is inferred that housewives give more complaints, than others.

TABLE 9: IMPACT OF MONTHLY INCOME OF MOTHERS IN LODGING COMPLAINTS AGAINST FOOD ADULTERATION

Monthly Income		Authorities			Total
		Shopkeeper	Manufacturer	Government officials	
Below Rs.5000	Count	381	209	42	632
	% within Monthly Income	60.3%	33.1%	6.6%	100.0%
	% within Complaints given to Authorities	56.7%	50.0%	37.8%	52.6%
Rs.5000-Rs.15000	Count	213	163	44	420
	% within Monthly Income	50.7%	38.8%	10.5%	100.0%
	% within Complaints given to Authorities	31.7%	39.0%	39.6%	35.0%
Above Rs.15000	Count	78	46	25	149
	% within Monthly Income	52.3%	30.9%	16.8%	100.0%
	% within Complaints given to Authorities	11.6%	11.0%	22.5%	12.4%
Total	Count	672	418	111	1201
	% within Monthly Income	56.0%	34.8%	9.2%	100.0%
	% within Complaints given to Authorities	100.0%	100.0%	100.0%	100.0%

Source: Primary Data

Table 9 indicates the monthly income of mothers and their complaint giving attitudes to authorities. Out of 1201 respondents, 52.6% earn monthly income less than Rs 5000. Among them, 60.3% of mothers give complaints to shopkeeper, 33.1% give complaints to manufacturer and 6.6% give complaints to government officials. It is followed by 35% of the mothers' whose monthly income is between Rs 5000 – Rs 15000. In it, 50.7% of mothers give complaints to shopkeeper,

38.8% of mothers give complaints to manufacturer and 10.5% give complaints to government officials. Further 12.4% of mothers earn monthly income of above Rs15000. Among them, 52.3% of mothers give complaints to shopkeeper, 30.9% give complaints to manufacturer and 16.8% give complaints to government officials. It is concluded that majority of mothers whose monthly income is less than Rs 5000 give complaints to shopkeeper and manufacturer, and mothers earning monthly income of Rs.5000 – Rs.15000 give complaints to government officials.

ASSOCIATION BETWEEN THE INCOME OF MOTHERS AND THEIR COMPLAINTS GIVEN TO AUTHORITIES RESULTS OF CHI-SQUARE ANALYSIS

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.128 ^a	4	.000*
Likelihood Ratio	20.794	4	.000
Linear-by-Linear Association	14.315	1	.000
N of Valid Cases	1201		

Source: Primary Data

*Significant at five percent level

The value of 'P' in this table is less than 0.05. Null hypothesis is rejected at 5% significance level. It is concluded that there is significant association with monthly income of mothers and complaints given attitudes to different authorities. Mothers earning low income give more complaints to various authorities.

CONCLUSION

This study highlighted some gaps in adulterated food materials and the awareness in lodging of complaints in various authorities of shop keeper, government officials and manufacturers. Majority of the mothers had no confidence in the safe keeping and safe preparation of food items in the shop. The majority of the respondents were in the age group of 25-30 years and housewives. Majority of the respondents lodged complaints regarding adulterated food materials. In all districts, most of the consumers approached and complained about the adulteration to the shopkeepers. It is concluded that mothers in Tuticorin district do not give complaints against food adulteration and they consider it as a common practice and their complaints are ignored by traders and some of them do not know to whom to complain. It is concluded that there is significant association with the different districts and complaints given to authorities. A considerable percentage of respondents did not know whom to lodge complaints against the supply of adulterated food items. More than half of the respondents accepted that the adulteration is a common practice in India, the complaint given against the trader is waste. There is significant association with educational qualification of mothers and complaints given to authorities. It is inferred that highly educated mothers give complaints to government officials whereas others give complaints to shopkeeper and manufacturer. Majority of the housewives give complaint to shopkeeper, followed by in the manufacturer and government officials.

This study has analysed five different districts which have different characteristic features. The complaint given attitudes against the adulterated food differs one district to another. Some mothers were not lodged any complaints against the food adulteration. They gave different reasons, but majority of the mothers stated that the adulteration and unfair trade practices are common in India. Taking steps against this are waste of energy, time and money. Education plays vital role in lodging complaints against adulteration and unfair trade practices. The educated consumers can easy to move with government officials, manufacturers and traders to made complaints against unfair trade practices. How for the mothers level of education influence the consumers in lodging complaints against unfair trade practices (Table 7). The respondent's different levels of education, school level, college level and illiterate were asked about their complaint loading attitudes against the adulterated food items. Majority of the respondents in school level education (53.9%) lodged more complaints than others. This is followed by illiterate (22.6%), college level educated respondents (23.6%) who steps against the adulterated food. Least of the illiterate respondent's complaints against the unfair trade practices.

This study revealed that the attitudes of complaint based on the level of education. The illiterate respondents have low complaint given attitudes than the educated respondents. The occupation also one of the main factors influencing the complaint lodging attitudes of respondents against the unfair trade practices. This study revealed that the occupation of the mothers plays important role in lodging complaint against the adulterated food items. The house wives have more knowledge and attitudes in lodging complaints followed by employed, daily wages and unemployed. The present results indicate that there is a need to improve mother's knowledge in food adulteration and provide training in handling complaints against the adulteration and unfair trade practices of traders.

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INDIA AND UNITED ARAB EMIRATES - TRADE DIMENSIONS AND GROWTH TRENDS

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ABSTRACT

UAE has positioned itself as a major global destination of trade, investments and services. India's trade with UAE is expanding at an astounding pace, India's exports to UAE are diversified, includes gems, jewellery, vegetables, fruits, spices, engineering goods, tea, meat and its preparations, rice, textiles and apparel and chemicals etc. Import composition from UAE into India include pearls, precious/semi precious stones, gold, pulp and wastepaper, sulphur and unroasted iron pyrites, metalifer ore and metal scrap organic/inorganic chemicals etc. India's exports to UAE have increased substantially in the first decade of new millennium. UAE's share in India's total exports has gone up from 5.82 % in 2000-01 to 14.01% in 2010-11. UAE's share in India's total imports rose from 1.30% in 2000-01 to 7.91 % in 2010-11. The account of objectives (i) to study the between UAE- India Trade Dimensions and growth trend, (ii) the examine in future between countries implications of trade policies and findings. In this arise question How was the two-way trade between the two countries last year. The overall trend of India's trade with UAE indicates an upward movement during the first decade of the new millennium; India's increasing appetite for energy needs is bound to further speed up the process of India-UAE trade in the near future. Within this background bring to light India and United Arab Emirates - Trade Dimensions and Growth Trends

KEYWORDS

UAE's, India's, Direction, Export, Import.

INTRODUCTION

Positioned for exponential growth India and the UAE's are rediscovering each other as valued economic partners. Indian companies are arriving in the UAE in droves as the country has already positioned itself as a major global destination of trade investments and services. As India develops at feverish pace it is now ahead of Japan as the leading export market for Abu Dhabi's refined products absorbing over half of its gas-oil exports as well as substantial volume of Kerosene and LPG.

India-UAE non-oil trade valued at \$29,023.68 in 2007-2008. The two-way trade for 2007-2008 showed a 40 per cent growth over the previous year. The main items of exports from India included mineral fuels, natural or cultured pearls, cereals, gems and jewellery, manmade yarn, fabrics, metals, cotton yarn, marine products, machinery and equipment, plastic and linoleum products, tea and meat and preparations. Major items of imports from UAE include mineral fuels, mineral oils, natural or cultured pearls, precious or semi-precious stones, metal ores & metal scrap, sulphur and unroasted iron pyrites, electrical machinery and equipment and parts thereof, iron and steel etc. A large portion of India's exports to the UAE is transhipped from Dubai to other countries in the region such as Pakistan, Afghanistan, Iran, Iraq, Saudi Arabia, Yemen and, of late, even to East African countries. Thus, exports to the UAE have, in effect, opened up a huge regional market for Indian products. In this arise question How was the two-way trade between the two countries last year. The overall trend of India's trade with UAE indicates an upward movement during the first decade of the new millennium; India's increasing appetite for energy needs is bound to further speed up the process of India-UAE trade in the near future. Within this background bring to light India and United Arab Emirates - Trade Dimensions and Growth Trends

OBJECTIVES OF THE STUDY

1. To study the between UAE- India Trade Dimensions and growth trend.
2. To examine in future between countries implications of trade policies and findings.

METHODOLOGY

The present study is based on secondary data. The annual time series data are used for the entire period present work is from 1995-96 to 1999-00, which is divided into two sub periods 2001-2005 and 1995-200. Sub- periods are also made for short- term comparison. Wherever it is necessary, longer period time series data are used. Data are obtained from FAO, WITS, RBI hand book, Govt of India, peer-review journals. To examine the agriculture export performance, tools like, percentage, ratio, percentage, Co-efficient Variance, etc.

EXPORTS COMPOSITION FROM INDIA TO UAE AND IMPORT COMPOSITION OF INDIA FROM UAE

The areas in which India's exports to the UAE are well diversified, includes gems jewellery, vegetables, fruits, spices, engineering goods, tea, meat and its preparations, rice, textiles and apparel and chemicals besides raw cotton, accessories, manmade yarn, manufacture of metals, fabrics and made ups, marine products, machinery and instrument and plastic products.

Import Composition of India from UAE. Major items of Imports excluding oil imports comprise of the following:

- Pearls, precious/semi precious stones, gold.
- Pulp and wastepaper.
- Sulphur and unroasted iron pyrites
- Metalifer ore and metal scrap
- Organic/Inorganic chemicals etc.

GROWTH TRENDS INDIA–UAE RELATIONSHIPS

The following table provides details about the growth trends India–UAE trade between 2004-05 and 2008-09.

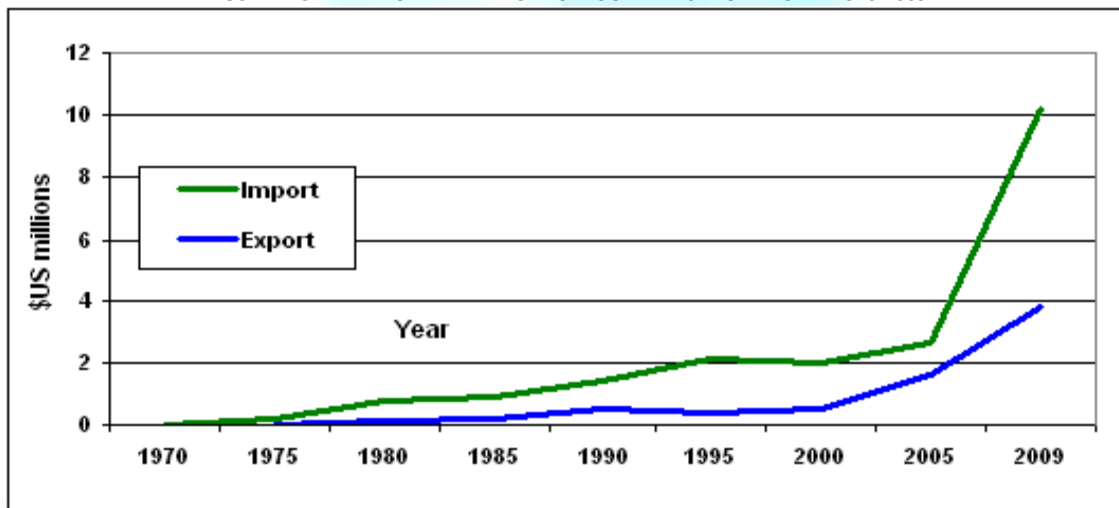
TABLE 1: INDIA’S TRADE WITH UAE (US \$ Million)

Sl.No		2004-05	2005-06	2006-07	2007-08	2008-09
1.	EXPORT	7347.88	8591.79	12021.77	15636.91	24477.48
2.	% Growth		16.93	39.92	30.07	56.54
3.	India’s Total export	83535.94	103090.53		163132.18	185295.36
4.	% Growth		23.41	22.62	29.05	13.59
5.	% Share	8.80	8.33	9.51	9.59	13.21
6.	IMPORT	4641.10	4354.08	8655.28	13482.61	23791.25
7.	% Growth	-6.18	98.79	55.77	76.46	
8.	India’s Total export	111517.43	149165.73		251654.01	303696.31
9.	% Growth		33.76	24.52	35.49	20.68
10.	% Share	4.16	2.92	4.66	5.36	7.83
11.	TOTAL TRADE	11988.98	12945.87	20677.05	29119.52	48268.72
12.	% Growth		7.98	59.72	40.83	65.76
13.	India’s Total export	195053.37	252256.26		414786.19	488991.67
14.	% Growth		29.33	23.74	32.88	17.89
15.	% Share	6.15	5.13	6.62	7.02	9.87
16.	TRADE BALANCE	2706.78	4237.71	3366.50	2154.30	686.23
17.	India’s Trade Balance	-27918.49	-46075.20	-59321.19	-88521.83	-118400.95

Source: FIEO News, May 2010

There has been a substantial increase in India’s trade with UAE during the 5 years from 2004-2005 to 2008-2009. Exports from India to UAE rose from US\$ 7347.88 million in 2004-2005 to US\$ 24477.48 million. Imports from UAE rose from US\$ 4641.10 million in 2004-2005 to US\$ 23791.25 million in 2008-2009. India’s total trade with UAE rose from US\$ 11988.98 million in 2004-2005 to US\$ 48268.72 million in 2008-2009. India’s trade balance shows a decline from US\$ 2706.78 million in 2004-2005 to US\$ 686.23 million in 2008-2009. The United Arab Emirates depends on international trade to foster its continued expansion. Figure 1 shows the growth of food imports in response to the demands of the economy, and to a lesser extent, the growth in exports as a result of U.A.E. Government initiatives on product diversification. This demand shows continued opportunity for exporters.

FIGURE 1: U.A.E. IMPORT AND EXPORT OF FOOD ITEMS FROM WORLD 1970-2009



Source: FAOSTAT, 2010

The countries that were most important for U.A.E. exports in 2009 included: Japan 26.5%; South Korea 10.9%; India 10.7%; Iran 7.5%; and Thailand 6.1% (Central Intelligence Agency [CIA], 2010). The countries with the highest import penetration into the U.A.E. in 2009 included China 12.9%; India 12.0%; the United States (U.S.) 8.6%; Germany 6.4% and Japan 6% (CIA 2010). With just 0.4% of total exports, the United Arab Emirates is Canada's largest market in the Middle East and North Africa, totaling CAD\$1.7 billion in 2009. These exports included grains, seeds and fruits, machinery, precious stones, metals and minerals, aircraft and aircraft simulators, as well as electrical, telecommunications, medical and electronic equipment. Imports from the U.A.E. to Canada dropped from CAD\$335 million in 2008 to CAD\$163 million and included mineral fuels and oils, chemicals, precious stones and minerals, metals, machinery, as well as cosmetics and textiles (Global Trade Atlas, 2010).

UAE’S SHARE IN INDIA’S TOTAL EXPORTS DURING THE FIRST DECADE OF THE NEW MILLENNIUM

There has been an expansion of a higher magnitude in the total exports earnings by India during the first decade of the New Millennium from 2000-01 to 2010. Similarly the share of UAE in the total exports of India too has gone up substantially during the corresponding period. Growth rate of the share of UAE in India’s exports as well as the growth rate of India’s total exports during 2000-01 to 2010-11 has been at a high level. The following table provides the details of the India–UAE export trade relations during the first decade (2000-01 to 2010-11) of the new millennium in terms of total export earnings of India and UAE’s share in the same.

TABLE 2: UAE'S SHARE IN INDIA'S TOTAL EXPORTS AND THE GROWTH RATE DURING 2000-01 TO 2010-2011 (values in US\$ million)

Year	India's Total Exports (US\$ Million)	UAE's Share in India's Total Exports (%)	Growth of UAE's share in India's Exports (%)	Growth of India's Exports (%)
2000-01	44560.29	5.82	24.72	21.01
2001-02	43826.72	5.68	-4.07	-1.65
2002-03	52719.43	6.31	33.54	20.29
2003-04	63842.55	8.02	54.04	21.10
2004-05	83535.94	8.79	43.36	30.85
2005-06	103090.53	8.33	16.93	23.41
2006-07	126414.05	9.50	39.92	22.62
2007-08	163132.18	9.58	30.07	29.05
2008-09	185295.36	13.21	56.54	13.59
2009-10	178751.43	13.40	-2.07	-3.53
2010-11 (April – June)	52709.81	14.01	--	--

Source: Department of Commerce – Government of India.

In this above table total exports of India in 2000-01 stood at US\$ 44560.29 million registering a growth of 21.01 percent over the previous year. The UAE's share in India's total exports rose to 5.82 per cent registering a growth of 24.72 per cent over the previous year. Thus the growth of UAE's share in India's total exports at 24.72 per cent in 2000-01 was higher than the latter's total exports growth of 21.01 per cent. This trend indicates growing trade relation of UAE's with India since the liberalization of India's economy from the early part of 90's. The high growth of UAE's trade with India is further observed during the subsequent period with a slowdown in the year 2001-02. India's total exports declined to US\$ 43826.72 million in 2001-02 and the exports registered a negative growth of -1.65 per cent over the previous year. Similarly UAE's share in India's exports declined to 5.68 per cent and the rate of growth too showed a negative trend with -4.07 per cent in 2001-02.

A good revival of the export growth from India and UAE's share in India's total exports has been recorded in the subsequent period. Total exports from India reached a high of US\$ 52719.43 million in 2002-03. It amounted to a growth rate of 20.29 per cent over the previous year, similarly UAE registered a high share of 6.31 per cent in India's total export earnings during the corresponding period. It accounted to a growth rate of 33.54 per cent over the previous year. India's total exports went up further to a high of US\$ 63842.55 million in 2003-04 with a growth rate of 21.10 per cent over the previous year similarly UAE's share in India's total exports went up by 8.02 per cent and growth rate of UAE's share in India's total export increased by 54.04 per cent. The year 2004-05 witnessed a further growth of India's total exports to US\$ 83535.94 million, registering a growth rate of 30.85 per cent over the previous year, similarly UAE's share in India's total exports went up to 8.79 per cent. Thus UAE's share in India's total exports grew at a higher rate than the growth rate of India's total exports.

The performance of India's export trade and the share of UAE in the total exports of India have been impressive during the year 2005-06 though at a lower level compared to the position in 2004-05. Total exports from India in 2005-06 stood at US\$ 103,090.53 million, which is much higher compared to the previous year. However the growth rate of Indian exports was at a lower level of 23.41 per cent. Similarly the share of UAE in India's total exports was lower at 8.33 per cent and the growth rate was at lower level 16.93 per cent.

There has been a steep rise in India's total exports during 2006-07. Total export rose to a high of US\$ 126414.05 million, registering a growth rate of 22.62 per cent UAE's share in India's total exports rose to 9.50 per cent and the growth rate was 39.92 per cent. This growth rate is much above the growth rate of India's total exports during the corresponding year.

The rising trend in the growth of India's export earnings and the UAE's share in the total export earnings has been sustained in the subsequent period in the first decade of the new millennium. The total export earnings of India in 2007-08 stood at US\$ 163132.18 million, with a growth rate of 29.05 per cent which is much above the growth rate of the previous year. The share of UAE in India's total export earnings has gone up to 9.58 per cent which is more than its share in the previous year. However the growth rate of this share slowed down to 30.07 per cent. The growth rate of UAE's share in India's total exports in 2007-08 is above the growth rate of India's total exports during this period.

India's total export earnings and the share of UAE in the total exports have been much above in the year 2008-09 compared to the previous year of 2007-08. The total exports earnings of India in 2008-09 amounted to US\$ 185295.36 million, with a growth rate of 13.59 per cent. The growth rate is lower compared to the previous year though the absolute amount of export earnings has been more. The UAE's share in the total export earnings during the year 2008-09 was higher at 13.21 per cent compared to the previous year. The growth rate of UAE's share in India's total export earnings was the highest at 56.54 percent during 2008-09 compared to the growth rate during all the entire period from 1996-97 to 2010-11. The performance of India's export trade during the year 2009-10 has been at a low level. Similarly the growth of UAE's share in India's exports too, has been much below the level recorded in 2008-09. The total export earnings of India in 2009-10 stood at US\$ 178751.43 million with negative growth rate of -3.53 per cent. The UAE's share in India's total export earnings was 13.40 per cent and the growth rate of the share in India's total exports was negative at -2.07 per cent.

The data regarding India's total earnings and the share of UAE in the same have been available for the period April-June 2010-11. The total export earnings of India during this period amounted to US\$ 52709.81 million UAE's share in India's total export earnings during this period stood at US\$ 7,385.39 million accounting for 14.01 per cent.

INDIA'S IMPORT TRADE WITH UAE'S IN THE FIRST DECADE OF THE NEW MILLENNIUM

There has been a tremendous increase in India's import trade during the first decade of the new millennium from 2000-01 to 2009-10. The impact of liberalization and the new trade environment in the Post WTO dispensation has been felt in the area of India's foreign trade. India's trade relations with United Arab Emirates have witnessed substantial growth. Import trade with UAE has grown substantially during this period.

The short-term objective of India's new five-year Foreign Trade Policy (2009-14) that was announced in August, 2009 is to arrest and reverse the declining trend of exports and to provide additional support especially to those sectors which have been hit badly by recession in the developed world. The government intends to achieve an annual export growth of 15 percent with an annual export target of US\$ 200 billion by March 2011 and around 25 percent per annum for the remaining three years ending 2014. The government's objective is to achieve an annual export growth of 15 percent with an annual export target of US\$ 200 billion by March 2011. In the remaining three years of the new Foreign Trade Policy (2009-2014), the country should be able to come back on the high export growth path of around 25 percent per annum, hopes country's Commerce and Industry minister Anand Sharma. By 2014, India's exports of goods and services are expected to double. The long term policy objective for the government is to double India's share in global trade by 2020. In order to meet these objectives, the government would follow a mix of policy measures including fiscal incentives, institutional changes, procedural rationalization, enhanced market access across the world and diversification of export markets. Improvement in infrastructure related to exports; bringing down transaction costs, and providing full refund of all indirect taxes and levies, would be the three pillars, which will support us to achieve this target. Endeavour will be made to see that the Goods and Services Tax rebates all indirect taxes and levies on exports. The details regarding the India's imports in the first decade of the new millennium and the share of UAE in India's imports are provided in the following table.

TABLE 3: INDIA'S IMPORTS AND UAE'S SHARE DURING THE FIRST DECADE OF THE NEW MILLENNIUM (values in US\$ million)

Year	India's Total Imports (US\$ Million)	UAE's Share in India's Total Imports (%)	Growth of UAE's share in India's Imports (%)	Growth of India's Imports (%)
2000-01	50536.45	1.30	-67.10	1.61
2001-02	51413.28	1.77	38.86	1.74
2002-03	61412.14	1.55	4.58	19.45
2003-04	78149.11	2.63	115.24	27.25
2004-05	111517.43	4.16	125.31	42.70
2005-06	149165.73	2.91	-6.18	33.76
2006-07	185735.24	4.66	98.79	24.52
2007-08	251654.01	5.35	55.77	35.49
2008-09	303696.31	7.83	76.46	20.68
2009-10	288372.88	6.76	-18.04	-5.05
2010-11 (April – June)	80454.91	7.91	---	--

Source: Department of Commerce – Government of India.

India's total import in the first year of the decade i.e. 2000-01 reached a high figure of US\$ 50536.45 million. The UAE's share in India's total imports accounted for 1.30 per cent growth rate of UAE's share indicated a negative trend. However the UAE's share in India's imports registered a positive increase of 1.77 per cent and the growth rate over the previous period reached a high of 38.86 per cent in 2001-02 which was much above the growth rate of India's total imports at 1.74 per cent. India's total imports amounted to US\$ 61412.14 million in 2002-03. The UAE's share was 1.55 per cent. With a growth rate of 4.58 per cent this was much less than the growth rate of India's imports of 19.45 per cent over the previous year.

A further rise in India's imports and a high growth rate of imports over the previous year has been observed during 2007-08. UAE's share in India's total imports have gone up the growth rate has slowed down during this period India's total imports rose to a higher level of US\$ 251654.01 million in 2007-08 registering higher growth rate of 35.49 per cent over the previous year. The share of UAE in India's imports went up to 5.35 per cent with a slower rate of growth of 55.77 per cent compared to the previous year's growth of 98.77 per cent. Total imports by India amounted to US\$ 303696.31 million in 2008-09 with a growth rate of 20.68 per cent over the previous year. The growth rate is lower than the previous year's growth rate of 35.49 per cent. However the UAE's share in India's total imports were higher at 7.83 per cent compared to the previous year. The growth rate of UAE's share in India's total imports was higher at 76.46 per cent compared to the previous year.

India's total imports in 2009-10 and growth rate over the previous year were lower. The growth rate was even negative. UAE's share in India's total imports was higher but the growth rate was lower during the year 2009-10. India's total imports accounted to US\$ 288372.88 million and the growth rate was negative at -5.05 per cent UAE's share in India's total imports was at 6.76 per cent but the growth rate was negative at -18.04 per cent. The data regarding India's total imports and the UAE's share in the same are available for the period from April to June in 2010-2011. During this period India's total imports accounted to US\$ 80454.91 million and the share of UAE in India's imports was higher at 7.91 per cent.

The details in the above table indicate a largely upward trend in the UAE's share in India's total imports during the decade from 2000-01 to 2010-11. It ranged from a minimum of 1.30 per cent in 2000-01 to a maximum of 7.91 per cent in 2010-11. However the growth of UAE's share in India's total imports has not been uniform and consistent. There are even negative trends of growth in UAE's share in India's total imports. The growth rate varied from a minimum of 4.58 per cent in 2002-03 to a maximum of 125.31 per cent in 2004-05 and negative growth of UAE's share in India's imports in the years 2005-06 and 2009-10. The data in the above table indicate a largely positive and increasing trend of UAE's share in India's growing import trade during the new millennium and during the entire period in the post liberalization and post WTO dispensation.

CONCLUSION

United Arab Emirates is India's top most trading partner in the entire WANA region, India's exports to UAE account for 6 percent of India's global exports. Approximately 50 percent of India's oil resources are derived from the Gulf Countries. There is thus a high degree of trade and economic complementarity and interdependence between India and UAEs. The two way trade between India and the United Arab Emirates (UAE) is expected to exceed \$ 25 billion from the current level of \$ 19 billion with trade balance remaining in India's favour. The trend would continue and even intensify in future as close linkages are established both bilaterally and diplomatically.

There has been good achievements in terms of trade diversification - both export and import composition - between India and UAEs. These trends indicate vast possibilities of further growth in trade and economic cooperation between the two countries. Despite some very useful benefits of the mutual trade relations between India and UAEs there are some areas of concern which needs to be removed and addressed so that suitable policies could be devised to promote the mutual trade of India and UAEs. The problem of severe competition from the Asian and advanced countries of the west is a matter of concern. There are also the problems of infrastructural and logistics as major hindrances to exports. International trade is an extremely competitive and dynamic arena. It is therefore essential that Indian traders need to be more concerned about the quality aspects of our exports trade with UAE.

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PROBLEMS OF GRANITE INDUSTRY IN CHITTOOR DISTRICT

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ABSTRACT

The granite industry is appropriately regarded as a backbone of Indian economy. The Granite Industry Constitutes a significant sector of the Mineral based industries in Indian economy in terms of its involvement to the country's industrial production, investment, employment and creation of industrial base. The article highlights the significance of the mineral based industries and their role in the economic reforms on growth of granite industry. India accounts for 30 per cent of the world's export of high quality natural stones like granite, marble, sandstone. India has vast resources of granite with about 120 varieties of different colours and textures. The manuscript focusing on several problems faced by the granite industry like raw materials, financial, marketing, labour, transportation, and tax problems. The study selected Chittoor District of Andhra Pradesh in India.

KEYWORDS

Chittoor, Development, Growth, Investment, Production.

INTRODUCTION

Granite is known as "King of Stones" because of its inherent characteristics such as extra fine mirror polish, scratch free glossy surface and durability. Indian granite has become the most sought after and extensively used stone material in building constructions and massive structural works throughout the world and is well known in the international market not only for its elegance and aesthetic quality but also for its durability. India has one of the best granite deposits in the world. With a varied diversity of more than 200 shades, India accounts for over 20 per cent of the total granite reserves across the world. India has emerged as one of the leading countries in the production and export of granite and other stones. India has enormous resources of granite with about 120 varieties of different colours and textures. The industry is producing a wide range of granite based products, viz. granite tiles, slabs/blocks, monuments, tombstones, table tops and several handicraft items like costume jewelry boxes, ashtrays, pen stands, paper weights etc.

Ever since the government of India pronounced granite as a Thrust Sector in 1990, the granite industry has taken a new turn. Today granite has emerged as a major foreign exchange earner. The stone industry, particularly the granite field, has received a wider publicity and corporate importance, only in the last few years. It is emerging now as a thrust export-area with several corporate houses, supported by expert professionals trained in all aspects, entering the sector with sophisticated world-class machinery and making it an organized one. Yet, it is a pity to note that many overseas buyers, including the Japanese, the regular importers of the Jet Black Material, which is considered to be the world's best variety and is found in abundance in Tamil Nadu, Andhra Pradesh and Karnataka have, of late, lost confidence in the supply of material owing to its interrupted schedule. This is mainly due to the inconsistent policies of the Governments towards this industry, together with political interference in mining lease and other procedures.

India would certainly play a vital and leading role in the granite sector in the years to come, provided there is co-operation between industries in this sector. Co-operation is a must to compete effectively in the international market, and cutthroat competition should be avoided at all costs in the interest of the industry in the long-run. India would emerge as a leading super market for granites, bringing in more foreign exchange to the country. Granite is widely used as a dimension stone and as flooring tiles in commercial buildings, monuments as well as private houses. Owing to its strength, it is also used as foundations for homes in various countries. With an increase in the number of acid rains in many parts of the world, this stone has begun to supplant marble as a monument material as it is much more durable. Refined or polished granite is also a popular choice for kitchen counter tops due to its requirement of low maintenance and aesthetic properties. In such cases, "granite" is a common term for all igneous rocks with large crystals, and not specifically to those with a granitic composition. Granite stones also find application for gravestones, memorials and other artifacts. Engineers generally use polished granite surfaces to establish a plan of reference, as they are relatively impervious and inflexible. The total granite reserves in the country are estimated around 42, 916 million cubic meters and it is one of the largest exporters of granite and granite products in the world. Geologically the southern and eastern belts of the nation are available in abundance in Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Assam, Bihar, Rajasthan, Orissa, Meghalaya and Madhya Pradesh.

DATA BASE AND METHODOLOGY

In the present study an attempt has been made to analyze the growth and development of granite industry. The study is based on the data drawn from the secondary sources. The secondary data were used and collected from various published and unpublished reports and working papers and books such as Reports and publications of Government of India, Government of Andhra Pradesh, Department of Mines and Geology, Indian Bureau of Mines, and District Industrial Centre.

REVIEW OF LITERATURE

- The details of different varieties of granite bodies/occurrences are available in the GSI unpublished report (1988) on "Regional Assessment of Granites as Dimensional and Decorative Stone in Rajasthan, India." In course of regional assessment it was observed that the high grade granite stones in Bilwara, and Rajsamand districts and granites of Malani igneous suite in Banter and Jaisalmer districts were important granite bodies.
- Dr. H.S. Yadav and A. RajanBabu(2003)pointed out that the main reason for slow uplift of granite industry is the lack of awareness among the entrepreneurs about the quality of blocks and careless marketing strategy. They are presenting the products of granite in the market on the fixed trend, which is being followed for the last fifty years, since the down of granite business.
- S. DhanaPandian and B. Gnanavel (2009) in their study on "An Investigation on the Effect of Incorporation of Granite and Marble Wastes in the Production of Bricks" observed that sawing and polishing processes of granite and marble industry generates large amount of wastes, which can seriously pollute and damage the environment. Therefore, the present work intends to study the sustainability of incorporation of granite and marble wastes in brick products. Granite and marble is a natural hard igneous rock. It is especially used for building and monuments.

OBJECTIVES

The main objectives of the present study are:

1. To analyze the growth and development of granite industry in Chittoor district.
2. To study the performance of granite industry in terms of production, investment and employment.
3. To identify the problems of granite industry in Chittoor district.

TOOLS AND TECHNIQUES

In order to analyze the growth and development of granite industry, the data were collected from the secondary sources. The data was analyzed with the help of statistical techniques. The statistical tools used in this study are simple percentages and averages to examine the performance of granite industries. The linear growth rates, coefficient of variation, values, 't' - test values were used to examine the growth of granite industries.

GROWTH AND DEVELOPMENT OF GRANITE INDUSTRY IN CHITTOOR DISTRICT

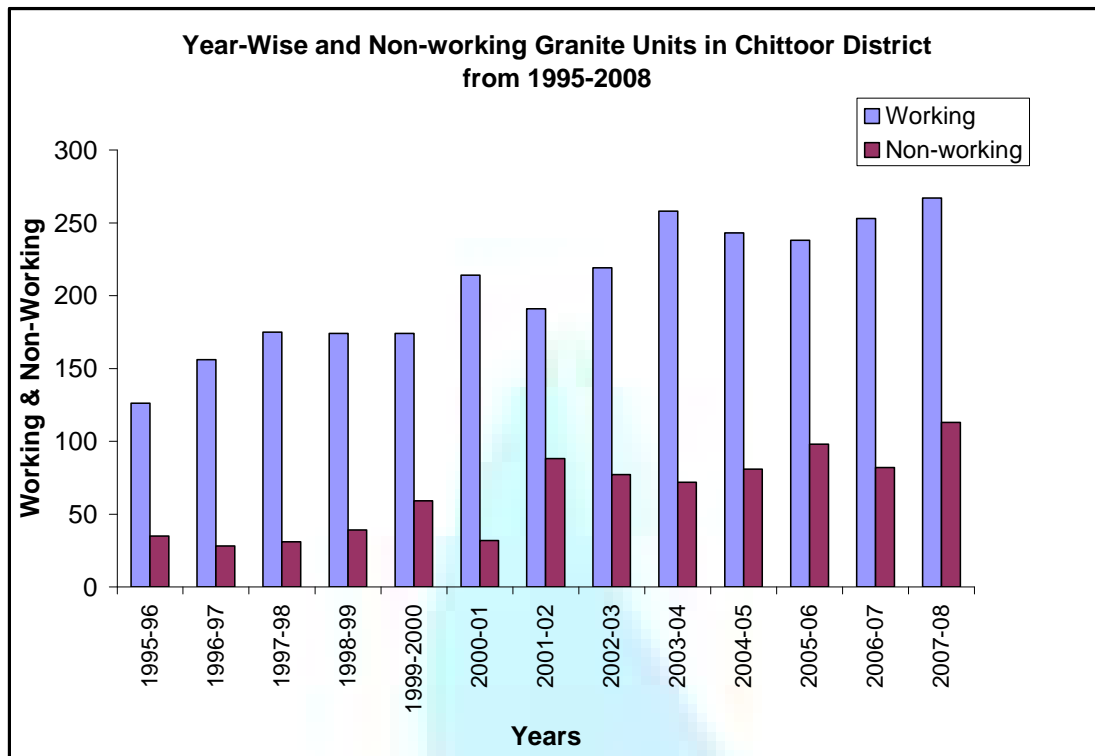
Granite industries play a pivotal role in the economic development of Chittoor district. Granite industries have the advantages of generating gainful employment, with low investment, diversifying the industrial base, reducing regional disparities through dispersal of industries into rural, semi-urban and backward areas. Granite industries including large, medium and small scale industries play a catalytic role in achieving the national or state, regional level objectives of increase industrial production, generation of additional employment, and more equitable distribution of income and means of production and reducing regional disparities. Recognizing the suitability of granite industries has been accorded due priority in the Chittoor district. The granite industry has an important role to play in small scale industries for industrial development in the district. The Chittoor district with 380 granite units and vast resources of granite is making all out efforts to exploit and optimize granite production establishment of small-scale industries and undertake value addition. It has identified in SSI sector as one of the growth engines for overall development of industry and infrastructure in Chittoor district. The production of granite industry has a significant place in small-scale industries in Chittoor district. The granite industries produced 23630.521 cubic meters of the production by 2007-08 in the Chittoor district. Now the demand for the granite stone from the people has increased in the Chittoor district.

TABLE 1: YEAR-WISE WORKING AND NON-WORKING GRANITE INDUSTRIES IN CHITTOOR DISTRICT

Sl. No.	Years	Working	Non-working	Total	Column 2 as a % of column 5	Column 3 as a % column 6
1.	1995-96	126	35	161	78.26	21.74
2.	1996-97	156	28	184	84.78	15.22
3.	1997-98	175	31	206	84.95	15.05
4.	1998-99	174	39	213	81.69	18.31
5.	1999-2000	174	59	233	74.68	25.32
6.	2000-01	214	32	246	86.99	13.01
7.	2001-02	191	88	279	68.46	31.54
8.	2002-03	219	77	296	73.99	26.01
9.	2003-04	258	72	330	78.18	21.82
10.	2004-05	243	81	324	75.00	25.00
11.	2005-06	238	98	336	70.83	29.17
12.	2006-07	253	82	335	75.52	24.48
13.	2007-08	267	113	380	70.26	29.74
	LGR	5.21	10.29	6.42		
	t-value	10.256**	6.738**	20.557 **		

Source: Ministry of Mines and Geology.

FIGURE 1: NUMBER OF WORKING AND NON WORKING GRANITE UNITS IN CHITTOOR DISTRICT



Source: Ministry of Mines and Geology.

The above table 1 and figure reveal that the working and non-working of granite units in Chittoor district from 1995-96 to 2007-2008. The data reveal that the total number of working units increased from 126 in 1995-96 to 267 units in 2007-08 and their percentages are 78.26 per cent in 1995-96 and 70.26 per cent in 2007-08 respectively. On the other hand the total number of non-working units increased from 35 in 1995-96 to 113 units in 2007-08, and their percentages include 21.74 per cent and 29.74 per cent respectively. Therefore the total number of working and non-working units increased from 161 in 1995-96 to 380 units by 2007-08. It indicates that the establishment and development of granite units in Chittoor district has been slow in position over the years.

The linear growth rate for the working units was calculated and it was found that there was a significant growth of 5.21 per cent. The linear growth rate for the non-working units was calculated and found as 10.29 per cent and significant at 1 per cent level. The linear growth rate for both working and non-working units was calculated and found as 6.42 per cent and significant at 1 per cent level.

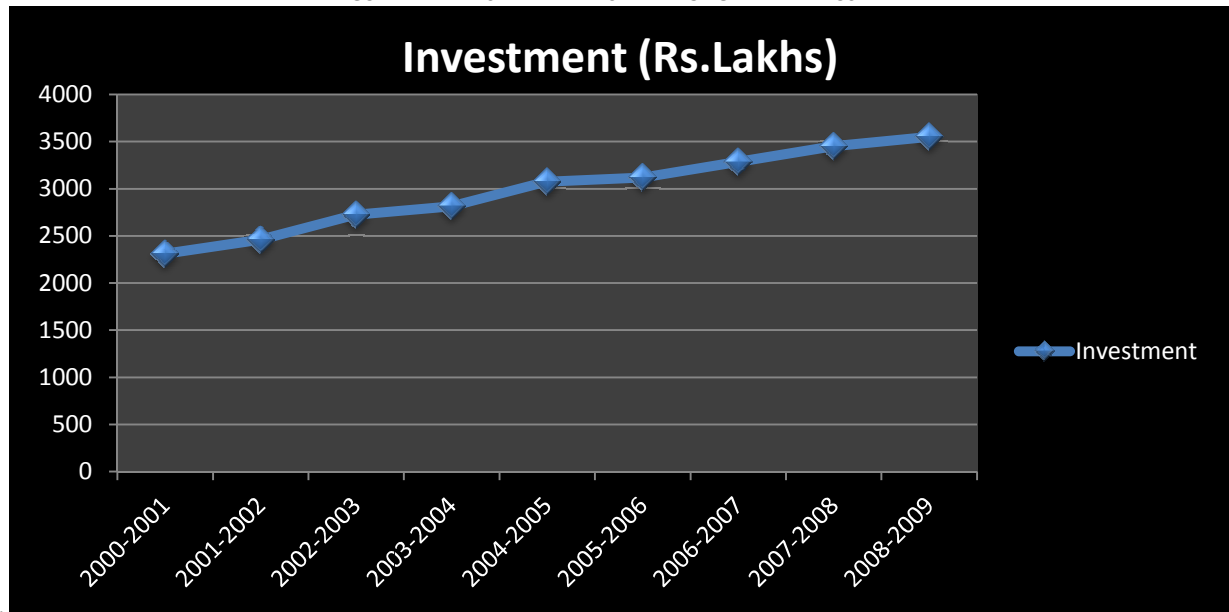
TABLE 2: GROWTH PATTERN IN INVESTMENT OF GRANITE INDUSTRY IN CHITTOOR DISTRICT (Rs. in Lakhs)

Sl. No.	Year	Investment
1.	2000-2001	2310
2.	2001-2002	2460
3.	2002-2003	2724
4.	2003-2004	2815
5.	2004-2005	3075
6.	2005-2006	3120
7.	2006-2007	3285
8.	2007-2008	3450
9.	2008-2009	3551

Source: Department of Mines and Geology, Chittoor, (DIC) District Industrial Centre, Chittoor.

The investment of granite industrial units (in lakhs) in Chittoor district from 2000-01 to 2008-09 is shown in Table 4.5. The investment, the table points out, increased from Rs.2, 310 lakhs in 2000-01 to Rs.3, 551 lakhs by 2008-09. This shows that the investment in lakhs increased considerably in the granite industrial units over the years. The granite industrial units in Chittoor district registered considerable growth in terms of investment over the years.

FIGURE 2: TRENDS IN THE INVESTMENT OF GRANITE INDUSTRY.



Source: (DIC) District Industrial Centre, Chittoor.

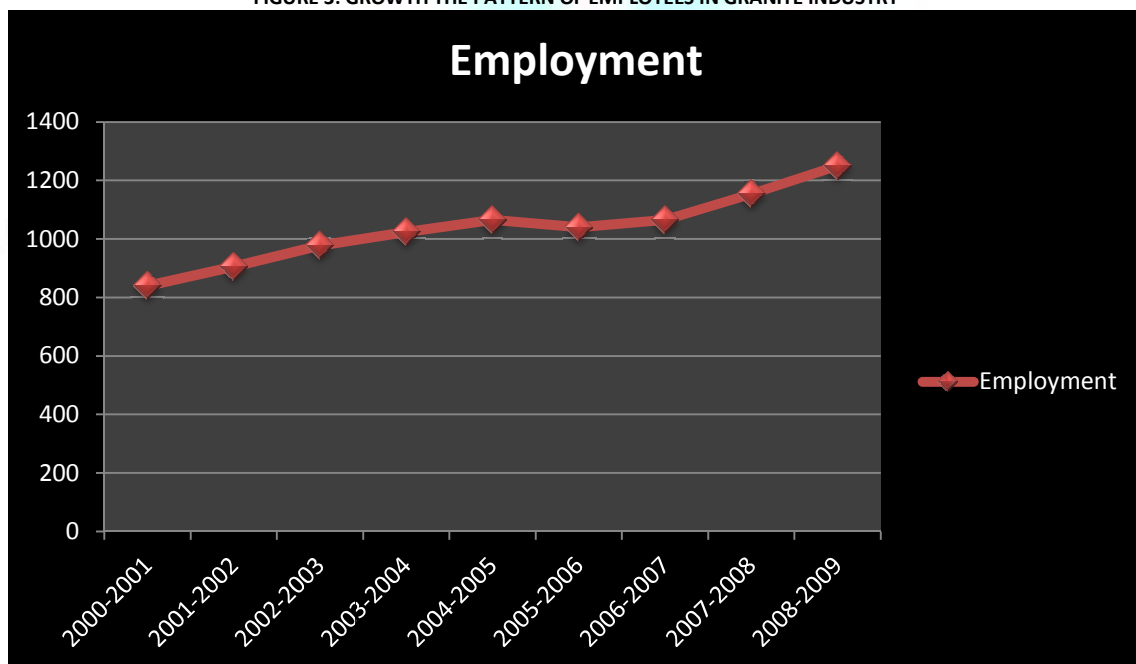
TABLE 3: GROWTH THE PATTERN OF EMPLOYEES IN GRANITE INDUSTRY

Sl. No.	Year	Employment
1.	2000-2001	840
2.	2001-2002	905
3.	2002-2003	978
4.	2003-2004	1024
5.	2004-2005	1065
6.	2005-2006	1040
7.	2006-2007	1065
8.	2007-2008	1154
9.	2008-2009	1250

Source: Annual report, 2010-11, Ministry of Micro, small and medium enterprises, www.msme.in

The employment in persons in the granite industrial units in Chittoor district – from 2000-01 to 2008-09 is shown in table 3. The data show an increase from 840 persons in 2000-01 to 1250 persons by 2008-09. This points out that the employment in persons has increased considerably in the granite industrial units over the years. Therefore the granite industrial units in Chittoor district have registered a considerable growth in terms of the employment over the years.

FIGURE 3: GROWTH THE PATTERN OF EMPLOYEES IN GRANITE INDUSTRY



Source: Annual report, 2010-11, Ministry of Micro, small and medium enterprises, www.msme.in

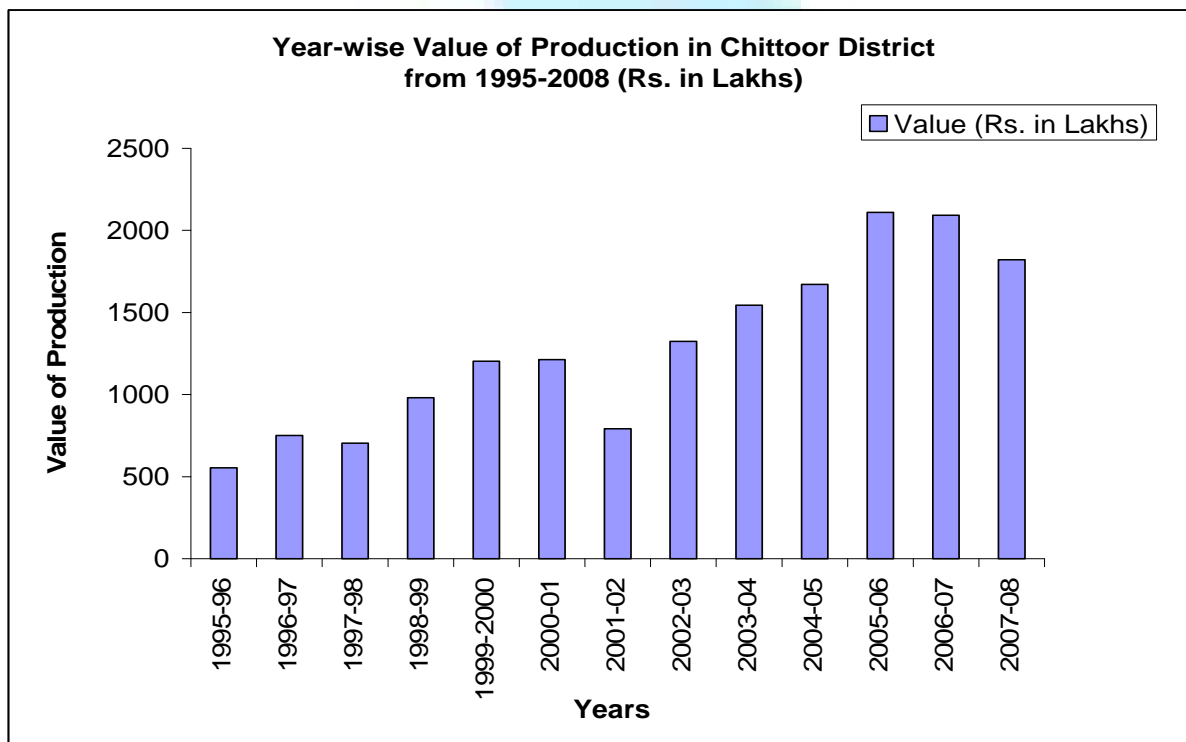
TABLE 4: GROWTH MODEL OF PRODUCTION IN GRANITE INDUSTRY IN CHITTOOR DISTRICT (Rs. in Lakhs)

Sl. No.	Year	Value	Increase of value	Percentage of increase	Value of production constraints (per day)
1.	1995-1996	552.91	-	-	1.51
2.	1996-1997	751.39	198.48	35.90	2.06
3.	1997-1998	705.00	-46.39	-6.17	1.93
4.	1998-1999	980.36	275.36	39.06	2.69
5.	1999-2000	1204.14	223.78	22.83	3.30
6.	2000-2001	1213.33	9.19	0.76	3.32
7.	2001-2002	791.31	-422.02	-34.78	2.17
8.	2002-2003	1325.52	534.21	67.51	3.63
9.	2003-2004	1545.42	219.9	16.59	4.23
10.	2004-2005	1670.67	125.259	8.11	4.58
11.	2005-2006	2111.06	440.384	26.36	5.78
12.	2006-2007	2092.43	-18.638	-0.88	5.73
13.	2007-2008	1821.53	-270.9	-12.95	4.99
	LGR	9.72			
	t-value	8.031**			

** Significant at 1 percent level

Source: Centre for industrial and economic research (CIER), New Delhi

FIGURE 4: TRENDS IN THE DEVELOPMENT OF GRANITE INDUSTRY AND THE PRODUCTION



Source: Centre for industrial and economic research (CIER), New Delhi.

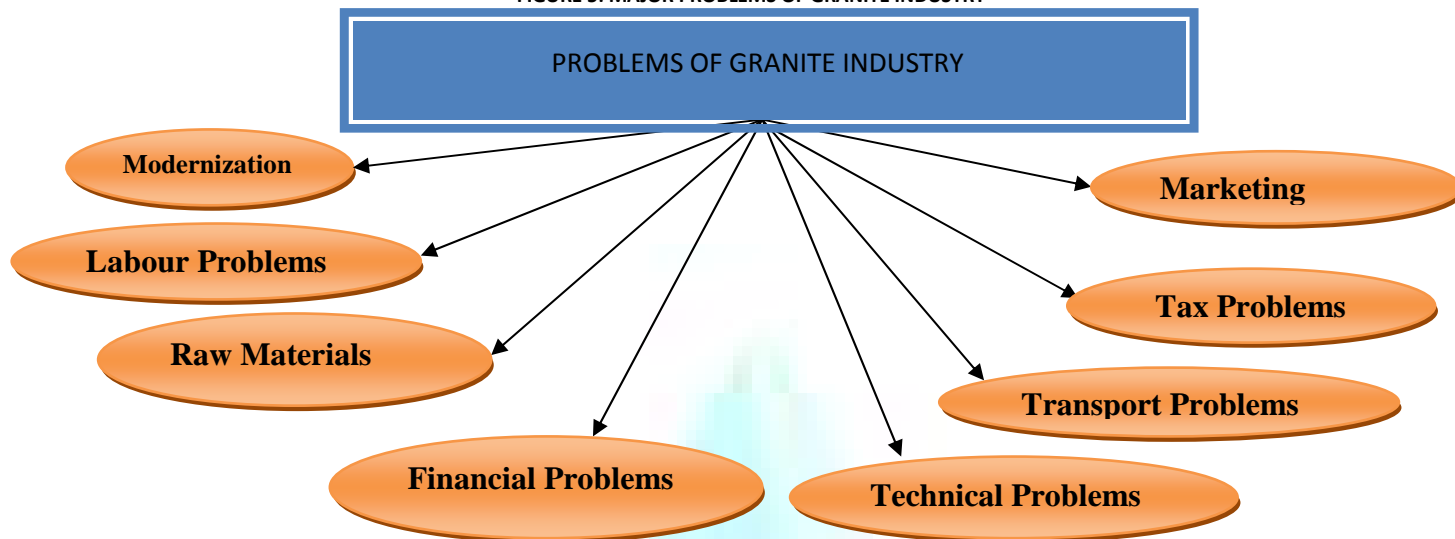
The above table and figure shows the value of production of granite units in Chittoor district from 1995-96 to 2007-08. It recorded an increase from Rs. 552.91 lakhs to 1821.525 lakhs. It was high in 2005-06 recording Rs.2111.06 lakhs with 26.36 percent, but the production value of granite in the district was negative in 1997-98, 2001-02, 2006-07 and 2007-08 respectively accounting for -6.17 percent, -34.78 percent, -0.88 percent and -12.95 percent.

The linear growth rate for the value of production of granite was calculated for a period of thirteen years, and it shows a significant growth at 9.72 percent. The value of production of granite in Chittoor district from 1995-96 to 2007-08 is shown in the above graph 4.

MAJOR PROBLEMS OF GRANITE INDUSTRY

The status of the Indian granite industry is a matter of concern for anyone who is involved in this industry. India is the world’s third largest producer of natural stones and fifth in export financial products. Even today the Indian share of world market is less than 10 percent. There is, however, a bright future for increasing the Indian share in the world market with its vast area of granite deposits spreading over more than 15 states and with wide variety of colours and skilled work force. The growth of the granite industry, which provides a lot of employment, particularly for the rural masses, is important for the socio - economic development of the country. The major problems observed include productivity, modernization, lab our, raw material, finance, technology, transport, taxation, power supply, marketing and lack of infrastructural facilities. The various types of problems being faced by the granite industry and a detailed study of each problem are presented as shown in figure 5.

FIGURE 5: MAJOR PROBLEMS OF GRANITE INDUSTRY

**MODERNIZATION**

The main obstacle for the slow rate of modernizing the quarry is due to very high rate of import duty on capital equipment like diamond wire saw machines, drilling equipment and on consumables like diamond wire, drilling rods etc. To encourage the industry and to modernize the quarry operations, the Government should consider granting mining industry 100 per cent export oriented unit status or full duty exemption for imports against export of blocks. Such help from the Government will not only make the quarry operations profitable but also can encourage entry of corporate companies into the granite sector.

LABOUR PROBLEMS

Labour is the crucial input for any enterprise and more crucial in the case of granite industry. Handling labourers is one of the most difficult tasks performed by the entrepreneurs because of the involvement of human element. The low productivity per worker and less man-hour utilization is another problem for the granite industry. The lack of exposure to modern quarrying and training for the workers is a major reason for the low productivity of the workers. The non-availability of local skilled labourers is a problem. The granite industrialists are sometimes forced to recruit unskilled workers and train them for a few months so effectively to employ them. It is right time that government and the industry should work in tandem to establish a training institute to educate and train the work force, which will help the mining industry to a great extent. Better utility of labour force with motivation for high productivity is essential for the growth and competitiveness of the granite industry.

RAW MATERIALS

Yet another major problem of the granite industry is the non-availability of raw material at standard prices. The scarcity of raw materials was found to be the major problem more so in the initial years, followed by the high cost of raw materials, non-availability of raw materials in the required quantities, poor quality of raw materials and lack of transport facilities to transport raw materials to the granite industries.

FINANCIAL PROBLEMS

The availability of timely and adequate finance at reasonable rate is an essential pre-requisite for the development of granite industries. Granite industries generally do not have sufficient funds of their own to meet the required fixed capital and working capital investment. The paucity of funds often makes it difficult for them to install modern machinery and tools and to maintain them properly. The high rate of interest charged by the financial institutions should be reduced to make the Indian granite products more viable in the world market. Incentives like liberal working capital norms, longer repayment schedules for loans etc. should be implemented immediately. There are various other indirect problems relating to finance like delays in the realization of bills, uneven supply of raw materials, increased production costs, problems of marketing etc. The financial institutions and banks insist on the provision of detailed information and project reports before providing financial assistance for granite industry units.

TECHNICAL PROBLEMS

One of the serious problems confronting the granite industry has been the non-adoption of sophisticated technology and modern equipment/machinery and this gives rise to several technical problems in production process. The ultimate quality and the productivity depend largely on the technical setup of the firms. Some of the technical problems faced by the granite industrial owners are (1) Unsuitability of the machinery to suit the quality and quantity of the granite product, (2) Inter-machinery balancing which brings proper interaction among the different stages of production, (3) Testing facilities for raw material, (4) Excess consumption to identify the granite deposits, (5) Excess consumption of power fuel and large number of projects generations, and (6) Excess consumption of raw materials. The consistent and upgrading the technology by installing new machines will improve the productivity and reduce production cost in the long run. For example, a stationary wire saw for dressing the blocks would increase the number of blades in the gang saw, thereby producing more granite slabs.

TRANSPORT PROBLEMS

Transporting the granite slabs is an important activity. The manufactured granite stone has to be transported to various marketing centers. Though some of the raw material and granite blocks are available in the local areas, other inputs have to be transported from various other places which require proper transportation facilities. The important problems of transportation include increase in transport costs, and inconvenience in engaging different modes of transport before the granite products are finally sent to the market.

TAX PROBLEMS

Payment of taxes on the manufactured granite productivity has become a major burden on the part of granite industrial entrepreneurs. The granite industrialists feel heavy burden to pay the sales tax, VAT, excise tax and other (municipal / local) taxes.

MARKETING PROBLEMS

Marketing strategy needs to be structured to suit the changing, growing and varying complexes of national and international markets. It has to be considered and adopted to meet the needs of dynamic markets with much greater care in the case of mineral based industries particularly in granite industries. Marketing problems of granite industries mostly arise due to lack of standardization, inadequacy of products and methods of design the slabs, use of low quality of stones, lack of precision and inconsistency in the finishing of the granite products etc. The market oriented problems from inadequate resources at the disposal of granite industries include identification of the market outlets and market characteristics of their products and also for tapping profitably the existing new market outlets and contexts. The poor marketing performance may lead to unrest in the field of granite industries. Marketing which is a major area of operation in granite industrial units often is neglected in many cases. Some of the marketing problems faced by granite industry owners include inefficient sales force, high cost of marketing, inadequate sales promotion, customer resistance, and high cost of transport for arrival market centers.

SUGGESTIONS

- Periodic interaction between the industries and government should be taken to facilitate the promotion of granite sector.
- The government should recognize the important of developing new products based on granite.
- Efforts should be taken to encourage Research and Development in this granite industry.
- Special efforts should be taken to put even small bits and pieces of granite to good economic use.
- The government should actively encourage the use of by-products for the use by the government departments.
- Regarding leasing pattern, fragmentation of leases should be avoided in order to provide a healthy development.

CONCLUSION

Unemployment and poverty are the two problems confronting the Indian economy. The only hope of solving the problems rural poverty and unemployment lies in the growth of the decentralized industrial sector constituting village and small industries. Because of their capital and labour intensive nature, these industries have the potential to provide gainful employment to the rural and semi-urban population. Among these small industries, granite industry is the one which provides gainful employment to the people. The granite industries are less capital intensive and labour absorbing. Several policies and programmes have been taken up to promote and develop granite industries. Capital assistance has been provided through a wide network of financial institution in the country. The policies and programmes should be periodically reviewed and reoriented to ensure that the no worthwhile and viable granite industrial units suffer. Besides, financial institutions have to play a crucial role to make the granite industries competitive and economically viable. Suitable strategy has to be evolved to develop granite industrial units technologically strong and compete with the other countries of the world in the context of globalization.

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TOWARDS SUSTAINABLE TOURISM: ISSUES AND STRATEGIES

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ABSTRACT

Tourism is a socio-cultural and economic event, which have multiple environmental consequences along with economic and social benefits. This may be due to the natural and environmental resources create tourism mosaic- the basis of tourism development. Moreover, tourism may be accepted not only as an economic activity that creates positive economic impulses and expand rapidly, but also as an activity, that can harm artificial and natural environment and thus, create social and cultural problems. It is known fact that tourism seems to be a stable at the same time less volatile growth sector. If the revenues are distributed to the relevant stakeholders, including the community and the efforts on tourism are based on a sustainable future target, this growth can be translated and transformed into development, for which, sustainable tourism and policy are suggested by leisure economists. Sustainable Tourism refers to tourism, that is, long-termed, integrated, participatory, and environmentally, socially, culturally and economically compatible. Whereas, Sustainable Tourism Policy (STP) deals with a set of regulations, rules, guidelines, directives, and development objectives and strategies. Besides, STP should provide high-quality tourism services that can maximise the benefits from leisure enjoyed by tourists' (guests) and can bring maximum revenue for the stakeholders (hosts) without compromising the tourism needs of the present and future generations. In other words, tourism resources must be made available to our childrens' children, for which, the present generations should use the tourism resources more efficiently and take efforts in conservation and preservation of natural environment. With this backdrop, the authors have made an attempt to study the importance of sustainability in tourism and its policy. While framing STP, geographical and environmental resources should be considered for the sustainable tourism which should have a proper linkage to the rest of the economy that will bring the sustainable development conceived by the development thinkers like J.C.Kumarappa, who was the first person propounded the concept of Economy of Permanence and whose idea was translated into the concept of Sustainable Development.

KEYWORDS

Sustainable tourism, Sustainable Development, tourism policy.

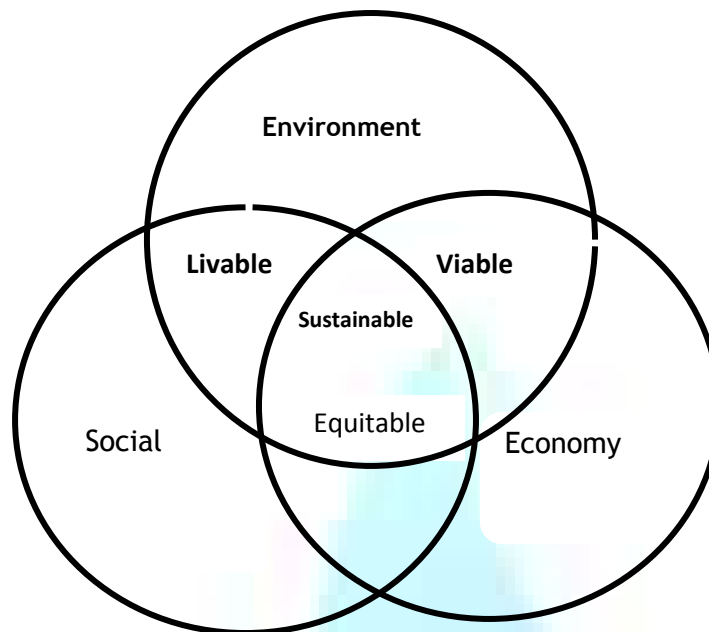
INTRODUCTION

ustainable Development (SD) is the slogan of 21st century, emerged from the ides of J.C.Kumarppa - a noted rural industrial economist- , who wrote a book entitled "Economy of Permanence". Later this concept was used by many others in their fields of specialisations. It is well known fact that Sustainable Tourism (ST) is one of the branches of SD, which seeks to improve the quality of human being, while living within the carrying capacity of supporting eco system, which performs the functions such as production function, information function, carrier function and regulatory function.(**World Conservation Union, UNEP, and World Wide Fund for Future, 1991**). Further, the base for ST is the segment of environment which includes lithosphere, hydrosphere and atmosphere and these spheres form part of biosphere, consisting of biotic and abiotic resources. These resources are considered as tourism resources thus, one can come to the conclusion that biosphere should be protected, preserved, and conserved for the sake of future generation, whose future needs are to be fulfilled. The needs of the present and the future generations are many and one such need is the desire for tourism along with other basic needs such as food, shelter and cloth. Tourism needs have been growing from primitive man to technological man. Hence, it is a time for relooking and redesigning the sustainable tourism policy aiming to achieve the economy of permanence vis-à-vis sustainable development.

SUSTAINABLE DEVELOPMENT: DEFINITIONS

Report of the World Commission on Environment and Development (**Brundtland Commission of 1987**) stated that "SD is development that meets the needs of the present without compromising the ability of future generations to meet their own needs". In the words of **Vellinga et al (1995)**, SD refers to maintenance and sustainable utilisation of the functions (goods and services) provided by natural ecosystems and biospheric process. Similar view is expressed by **Cruz et al, (2007)**. They say that SD represents a balance between the goals of environmental protection and human economic development and between the present and future needs. It implies that equity in meeting the needs of people and integration of sectoral actions across space and time. Further, SD has used the concept of sustainability and explained in terms of environmental sustainability, economic sustainability, and social sustainability (**Panchamukhi, 2010**). Further, SD led by motives like spirit of enquiry, love of beauty, search for knowledge and respect for nature. However, it also aims for quality tourism that creates the least damage to the natural, social and cultural environment. SD also emanates to help the poor, to achieve self reliant development, to promote the issues of health control, to adopt the appropriate technologies, and to provide food, clean water and shelter for all.

FIGURE 1: CONCEPTUALISATION OF SUSTAINABLE DEVELOPMENT



Sustainable development can also be achieved through the identified ST by increasing the levels of education and by promoting activism among travellers and making them more enthusiastic involving people to protect parks and other natural areas, and thus attracting more tourists (Pallavi Gupta). Development thinkers and the professionals have laid down certain SD indicators and they are: Pressure indicators, Impact Indicators and Sustainable Indicators. **Pressure Indicators:** It refers to flow variables. It shows development overtime of amount of emissions, discharges, depositions, extraction and interactions originating from a set of economic activities. It expresses the burden and takes places on stocks of environmental goods and services. **Impact Indicators:** It shows the development overtime of stocks and quantities of environmental goods and services. **Sustainable Indicators:** Difference between current and reference value should be added; and the reference values are based on scientific insights. Aggregating sustainability indicators could provide adequate information on an environmental system a whole.

SUSTAINABILITY: PRINCIPLES, COMPONENTS AND INDICATORS

SD principles refer to the environmental, economic, and socio-cultural aspects of development, and suitable balance must be established between these three dimensions (economic, social and environmental) to guarantee its long-term sustainability, and it advocates the wise use and conservation of resources in order to maintain their long-term viability (Eber, 1992). The essence of sustainability lies in finding balance between the development of tourism and tourist regions on the one side and the protection and preservation of the environment, resources and values of the regions and local communities on the other (Swarbrooke, 2005). In this context, one has to define the components of sustainability (economic, social and environmental) in the perspective of ST. Economic Sustainability is the ability of the local economy to sustain itself without causing irreversible damage to the natural resources base on which it depends, and implies maximising the productivity of the local economy (rural or urban) not in absolute terms but in the relation to the sustainability of social, natural, physical, and political capitals; Social Sustainability is the equity in distribution of resources among different such as gender equity, a variety of social systems, social justice, public participation, and cultural development; and Environmental Sustainability is the ability of the environment to function indefinitely without going into a decline from the stresses (such as soil, water, and air) that maintain life. When the environment is sustainable, humanity's present needs are met without endangering the welfare of future generations. (Ramaswamy and Sathis kumar, 2010)

SUSTAINABLE TOURISM: DEFINITIONS

The natural environment is an important resource for tourism; resources can be interpreted as natural (water, energy, landscape, biodiversity etc), cultural and social. For natural resources, water and energy are the key concerns for sustainability since both are extensively used by the tourism industry in number of areas, most often at rates far exceeding use by local population. The resource use in the name of tourism threatens to become unsustainable. With a degraded physical environment, the tourists' destinations are in danger of losing its original attraction. Tourism is an industry just like any other, industry characterised by rapid, short-term ventures which have often damaged those assets upon which they depend. It is reflected in the words of Koeman "Tourism kills tourism". Tourism is not only a pleasure trip to the visitors, but also the largest and the fastest developing industry. Tourism serves as the most effective drivers for the development of regional economies, of both developed and emerging economies; and it also acts as one of the socio-economic tools for SD of many nations. In fact, ST minimizes negative impacts, develops environmental friendly alternatives, provides background information for successful implementation of tourism projects, promotes equity in development, improves quality of life of local communities, provides high quality experience to visitors; and maintains tourism as a long term economic activity.

ST has paralleled the evolution of the wider concept of SD with a number of approaches being developed to reduce the impact of tourism on the environment through the creation of environmentally acceptable tourism products (eg eco-tourism and green tourism). ST may be regarded most basically as the application of the SD idea to the tourism sector. ST involves the minimization of negative impacts and the maximization of positive impacts. ST is deliberately planned from the beginning to benefits local residents, respects local culture, conserves natural resources, and educates both tourists and the local residents. It produces more benefits than the conventional tourism, and therefore the local community may benefit from ST and local community may not allow reducing the quality of natural resources. The basic objectives of ST are to retain and maintain the economic and social advantages of tourism development, while mitigating any undesirable environmental impacts on the tourism resources. These resources include physical, historic and natural environment, but also the social and cultural environment of the tourism destination. This is achieved by balancing the needs of the present and future tourists with those of the tourism destinations. ST development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments. In other words, ST is a level of tourism activity that can be maintained over the long term, because, it results in a net benefit for the social, economic, natural and cultural environments of the area in which it takes place. WTO defines "ST development meets the needs of the present tourists and host regions while protecting and enhancing opportunities for the future. It envisages the management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems." **World Conservation Union, (1996)** says that environmentally responsible travel and visitation to natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features, both past and present) in a way that promotes conservation, has a low visitor impact, and provides for beneficially active socio-

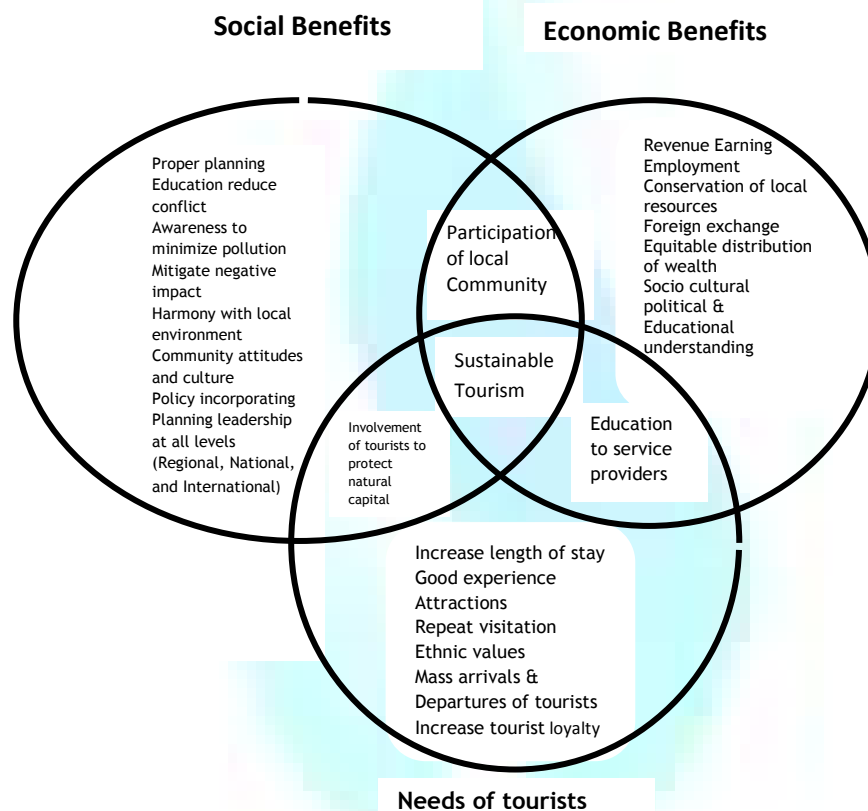
economic involvement of local peoples. **Beech and Chadwick** define ST is tourism that is economically, socio-culturally and environmentally sustainable. With ST, socio-cultural and environmental impacts are neither permanent nor irreversible. **Hunter (1997)** suggests that ST must be regarded as an 'adaptive paradigm' that accommodates both weak and strong interpretations of the SD idea. According to **Vera and Ivars (2001)**, ST is a process of quality change resulting from political initiatives that include the indispensable participation of the local population and that adapts the institutional and legal framework, and the planning and management tools, in order to achieve development, based on a balance between the conservation of existing natural and cultural resources, the economic viability of tourism and social equity in tourism development.

ST: OBJECTIVES, PRINCIPLES, INDICATORS, ISSUES AND STRATEGIES

The **objective** of ST is to retain the economic and social advantages of tourism development, the long term sustainability of tourism by reaching equilibrium between the environmental, social and economic aspects of development. Hence, environmental sustainability must remain a key component of ST.

The **principles** of ST are: using resources sustainably, reducing over-consumption and waste, maintaining diversity, integrating tourism into planning, supporting local economies, involving local communities, consulting stakeholders and the public training staff, marketing tourism responsibly and undertaking research (**Eber, 1992**). **Hamblin (2001)**, points out that tourism activity must carry the principles of Visitor satisfaction, Industry profitability, Common acceptance and Environmental protection which is commonly known as (VICE) because ST is based on what community considers to be acceptable, and it is subjective and value based concept.

FIGURE 2: SUSTAINABLE TOURISM VALUES



Source: Compiled by authors from various sources

ST indicators may be defined as "measures of the existence or severity of current issues, signals of upcoming situations or problems, measures of risk and potential need for action, and means to identify and measure the results of our actions. Indicators are information sets which are formally selected to be used on a regular basis to measure changes that are of importance for tourism development or management." (**UNWTO Guidebook, 2004**). ST indicators like the sustainability indicators are about integrating the tourism with environmental and socio-cultural indicators. Moreover, ST indicators should be formulated in such a way that the weak sustainability indicators must be identified and thus examined their sectoral linkages with the tourism related activities along with environmental resources, so as to achieve overall tourism sustainability in the long run. Besides, measuring the tourism patterns could be done through the use of ST indicators and estimate the economic, natural and socio-cultural environmental implications of tourism development. Tourism researchers have frequently used some of the indicators for ST development. The indicators are: water consumption, volume of tourists, occupancy rate of the main accommodations and restaurants, level of tourist satisfaction, level of satisfaction of the local population, number of tourist per km², existence of tourism plan in the community, number of people encroaching on vulnerable sites, ratio between tourists and local population at events, percentage of real estate development intended for tourism, percentage of jobs in the tourism sector held by local residents, average stay of tourists, percentage of return visits of tourists, total number of arrivals of tourists (annual average and in high season), volume of waste recycled, percentage of revenue generated by tourism in the community, energy consumption, canopy cover index, area of natural protected space, environmental vulnerability, local employment during low season, local population working in the tourism sector, ratio of jobs in tourism over total jobs, percentage of business and establishment open year-round, spending by tourists, use of renewable energy sources, and number of establishments that participate in the water conservation process (**Tanguay, 2011**). In addition to above, the indicators such as tourism assets (natural and cultural); tourism activity (frequenting and spending by characteristics of tourists); linkages with other sectors of the economy (that necessitate access to input-output matrix); and tourism-related leakages (that necessitate input-output matrix and data on origin of tourism operators) are used as gauge for tourism-related infrastructure (**Cernat et al 2007**). Site protection, pressure, intensity of use intensity, social impact, development control, waste management, planning, fragile ecosystems, consumer satisfaction, satisfaction of the inhabitants, contribution of tourism to the local economy, carrying capacity, site disturbance and interest are yet another indicators evolved by **WTO, (1997)**.

Moreover, tourism and leisure economists have further integrated different aspects of business environment in examining the concept of ST. According to them, sustainability assessment must be based on eight dimensions: political, economic, socio-cultural, production-related aspects, environmental impact, ecosystem quality, biodiversity and environmental policies (**Ko, 2004**). The above indicators can be considered as a guiding star for assessing the impact of ST on the host communities. The **WTO (1999)** has launched the Global Code of Ethics for tourism with a view to contributing to economic development, international understanding, peace, prosperity, and universal respect for, and observance of, human rights and fundamental freedoms which promote environmental, social

and economic principles for ST, particularly *Article 3* emphasis on Tourism, a factor of SD. Further, it addresses the environmental and social aspects of sustainability. Some of the issues in ST ecosystem, water, atmosphere, energy, waste, landscapes and nuisances, resilience and risk, security and safety, health, satisfaction, public participation, culture accessibility, investments, promotion of ecotourism, economic vitality, employment, marketing, distinction and traffic. Tourism **strategic planning** is essential for ST, for which one has understand the concepts if strong and weak sustainability. Strong Sustainability, considers physical and natural capital are not substitutes but decreases the natural capital can cause problems. It sacrifices current consumption to insure the welfare of future generations, and rates of consumption may cause irreversible damage and a loss of welfare in the long run. This should be achieved by conserving the stock of human capital, technological capability, natural resources and environmental quality (Brekke 1997). According to the **Strong Sustainability** tourism criteria, minimum amount of a number of different types of capital (economic, ecological, social) should be independently maintained, in (physical and biological) terms. The major motivation for this insistence is derived from the recognition that natural resources are essential inputs in production, consumption or welfare that cannot be substituted by physical or human capital. Even a small increase in tourism-related activity could result in unacceptable environmental or socio-cultural costs due to adoption if strong ST strategies. In **Weak Sustainability**, physical and natural capital are substitutes, and it tries to maintain total capital stock, decreases in natural capital over time will not be problematic in weak sustainability, if the development is non-diminishing from generation to generation. *Weak sustainable tourism* strategies apply to extensively modified environments such as the inner city, where the absence of undisturbed natural habitat makes tourism activity are not necessarily associated with environmental or social stress. Agenda 21 for the Travel and Tourism Industry (WTO et al., 1995), and the Worldwide Code of Ethics in Tourism (Santiago de Chile, 1999), argued that ST must highlight the essence of the sustainability paradigm as the balance between economic growth, environmental preservation and social justice (OMT, 1993; Butler, 1993; Coccossis, 1996). The traditional strategic planning process recommends the use of the end-ways-means model for action plan, but for sustaining the growth of tourism sector, we need mean- end strategy plan. This helps in institutional strengthening by building adequate infrastructure and by protecting the eco system.

CONCLUSION

There are three major linkages between tourism and SD viz: economic, social and environmental. ST has its own positive as well as negative impacts. The positive impacts are: increased foreign exchange earnings, increase employment opportunities, increased access to foreign direct investment, etc., and the negative impacts are: price changes on real incomes, reduced access to water and energy due to high demand, negative environmental impacts on health of human beings and wealth of nations. In tourism industry, idea of sustainability relates the three elements such as; the tourists, the place/local community and the service providers. The influences of these three elements are different but interrelated. Achieving ST requires motivation, determination and systematic planning. It also requires several steps to attain ST and they are: tourism operators have to improve existing tourism products without affecting the environmental resources, local government have to develop plans for strategic tourism development, tourism business have to create and improve the awareness of ST, tourism organisation have to identify new nature based tourism products, community groups have to consider the cost and benefits of tourism region, attraction managers have to effectively manage tourism resource without altering the environmental basis, indigenous community have to protect Indigenous Knowledge System (IKS) by conducting community meetings, regional development organisations have to check the issues of ST addressed adequately in regional planning, interpretation officers have to explore new avenue for strong decision making and everyone have to get together to discuss issues and develop common aims for long term benefit above all decision makers like bureaucrats and politicians could integrate economic planning with tourism planning by taking into consideration of tourism needs of the present and future generations. In short, ST implies, that making optimal use of environmental resources, maintaining ecological processes, helping in conservation of bio diversity, respecting the socio- cultural authenticity of host communities, conserving cultural heritage, contributing to inter-cultural understanding, distributing the socio-economic benefits to all stakeholders, creating employment and income earning opportunities, imparting social service attitudes to local communities and thus reducing regional and location specific poverty.

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ROLE OF EMOTIONAL INTELLIGENCE FOR MANAGERIAL EFFECTIVENESS IN THE CORPORATE WORLD

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ABSTRACT

El is a dynamic force which acts as guide to professional success. It is far more powerful than IQ. Without exaggerating the role of reason or IQ we should learn to recognize our emotions, understand them, and handle them effectively. It can be distinguished from IQ by its emphasis on personal and social competencies like self awareness, persistence, etc. But it cannot be a replacement for ability, knowledge, or job skills. IQ is still important in workplace success since intelligence is paramount especially in jobs that require technical and conceptual ability. Many studies have concluded that emotional intelligence plays an important role in performing manager's job. It is assortment of non- cognitive skills, capabilities, and competencies that influence a person's ability to succeed in coping with environment demands and pressures. Successful top managers particularly in multinational corporations developed high levels of emotional intelligence. Emotional intelligence will help managers who understand the emotion and abilities of their employees. . Thus this article will give focus on measure of emotional intelligence, gender emotion, emotion of managers and dimension of emotional intelligence and managerial effectiveness

KEYWORDS

Emotional intelligence, Managerial Effectiveness, Corporate World, Dimensions, Intelligence Quotient, Gender , Emotions, Skills, Emotional Quotient, Measures.

INTRODUCTION

 Several studies identified that the person who is having high level of intelligence will develop the positive attitude and varieties of emotional dimension. Some people have severe difficulty in expressing their emotion and understanding emotion of others. Psychologist calls this alexithymia. It is called lack of emotions. People who suffer from this rarely cry and smile. Thus those people are not suitable to sales and managerial position. They are not suitable to sales and managerial position because of their attitude and expressions towards the situations. They are suitable and well effective performers particularly in the field of information technology

EMOTIONAL INTELLIGENCE AND MANAGERIAL EFFECTIVENESS

Emotional Intelligence has become a vital part of how today's managers meet the significant challenges they face. Emotional Intelligence can help leaders in fulfilling the difficult leadership roles in the middle of the "Talent War", especially at the highest levels in organisations, emotional intelligence can give developing leaders a competitive edge .Over the past decade, emotional intelligence has not only come into being as a credible psychological construct, but a large amount of data has been supporting that EI plays a significant role in the success and failure of the managers, especially at the senior levels. There are some reports, which suggest that EI might even play a larger role in a managers success than IQ(Goleman, 1995). Whether IQ or EI contributes the most in managerial effectiveness is still debatable at this point. However, EI has been shown to play a significant role in managerial effectiveness.

There's no question IQ is by far the better determinant of career success, in the sense of predicting what kind of job you will be able to hold. It typically takes an IQ about 115 or above to be able to handle the cognitive complexity facing an accountant, a physician or a top executive. But here's the paradox: once you're in a high-IQ position, intellect loses its power to determine who will emerge as a productive employee or an effective leader. For that, how you handle yourself and your relationships — in other words, the emotional intelligence skill set — matters more than your IQ. In a high-IQ job pool, soft skills like discipline, drive and empathy mark those who emerge as outstanding.

REVIEW OF LITERATURE ON EMOTIONAL INTELLIGENCE

Emotions refer to a feeling state (including physiological responses and cognitions) that conveys information about relationships. Emotions are intense feelings that are directed towards someone or something, and are considered to be critical factors in employee behaviour. --Stephen P. Robbins. Traditionally, it has for long widely acknowledged that emotions and feelings of individual workers have lesser role in work contribution and effective work place management. Since one cannot smell emotions, touch emotions, taste emotions and measure or quantify emotions, this non-tangible phenomenon got only limited attention from management, at work place. Management considers emotions as too subjective and whimsical phenomenon, which contributes less to productivity and profit. While it has been reported by many researchers and authors that effective judgment of the work situation that depends on the exploration of emotional information. This information is closer to the intelligence of a person and needs to be thoroughly evaluated in to.

It's not "IQ versus emotional intelligence" — both have great value. **IQ** tells you what level of cognitive complexity a person can manage in their job: you need high levels for top management, the professions, the sciences, while lower levels work fine in lower echelons.

A person's innate ability to perceive and manage his/her own emotions in a manner that results in successful interactions with the environment, and if others are present, to also perceive and manage their emotions in a manner that results in successful interpersonal interactions (Thompson, 2006)

Emotional intelligence is a source of human energy, information and influence. It is a group of complex capabilities of individuals, which has been found to be associated with outstanding performance. High levels of emotional intelligence create a climate of trust where risk taking and learning flourish; on the contrary, low EI creates a climate of fear and anxiety.

It was Daniel Goleman who first brought the term "emotional intelligence" to a wide audience with his 1995 book of that name, and it was Goleman who first applied the concept to business with his 1998 HBR article, reprinted here. In his research at nearly 200 large, global companies, Goleman found that while the qualities traditionally associated with leadership—such as intelligence, toughness, determination, and vision—are required for success, they are insufficient. Truly effective leaders are also distinguished by a high degree of emotional intelligence, which includes self-awareness, self-regulation, motivation, empathy, and social skill.

These qualities may sound "soft" and unbusinesslike, but Goleman found direct ties between emotional intelligence and measurable business results. While emotional intelligence's relevance to business has continued to spark debate over the past six years, Goleman's article remains the definitive reference on the

subject, with a description of each component of emotional intelligence and a detailed discussion of how to recognize it in potential leaders, how and why it connects to performance, and how it can be learned.

Every businessperson knows a story about a highly intelligent, highly skilled executive who was promoted into a leadership position only to fail at the job. And they also know a story about someone with solid—but not extraordinary—intellectual abilities and technical skills who was promoted into a similar position and then soared.

Such anecdotes support the widespread belief that identifying individuals with the “right stuff” to be leaders is more art than science. After all, the personal styles of superb leaders vary: Some leaders are subdued and analytical; others shout their manifestos from the mountaintops. And just as important, different situations call for different types of leadership. Most mergers need a sensitive negotiator at the helm, whereas many turnarounds require a more forceful authority.

Most effective leaders are alike in one crucial way: They all have a high degree of what has come to be known as *emotional intelligence*. It's not that IQ and technical skills are irrelevant. They do matter, but mainly as “threshold capabilities”; that is, they are the entry-level requirements for executive positions. Without EI, a person can have the best training in the world, an incisive, analytical mind, and an endless supply of smart ideas, but he still won't make a great leader.

SKILLS OF EMOTIONAL INTELLIGENCE

Emotional Intelligence has the following skills such as

- knowing one's strengths, weaknesses, opportunities and threats drives and values of the person and impact on others
- controlling or redirecting disruptive impulses and moods
- relishing achievement for its own sake
- understanding other people's emotional makeup
- building rapport with others to move them in desired directions

MEASURES OF EMOTIONAL INTELLIGENCE

EI is the ability to acquire and apply knowledge from your emotions and the emotions of other; you can use the information about what you're feeling to help you make effective decisions about what to say or do (or not say or do) next, EI is NOT about being soft! It is a different way of being smart having the skill to use your emotions to help you make choices in- the- moment and have more effective control over yourself and your impact on others. There are three basic measures of emotional intelligence.

- a. Self- report measures of EI
- b. Ability based measures of EI
- c. Behavioral measures of EI
- d. Psychological measures of EI

GENDER AND EMOTIONS

Comparatively men women's show more emotional feelings and they are better able to read emotions of others. Woman's display more frequent expression both positive and negative emotions. In contrast to men, Woman also report more comfort in expressing emotions. Therefore this study identifies that women are better at reading non-verbal and gestures comparatively men. Women are more sensitive than men with regards to their emotions. Men are usually repressing their emotions than women. Men try to hide their feelings since it maybe viewed as a sign of weakness when they show their feelings.

FIVE DIMENSION OF EMOTIONAL INTELLIGENCE FOR MANAGERIAL EFFECTIVENESS

Managers have to develop some qualities and skills to perform their jobs in effective manners, in addition to some of the qualities managers have to develop emotional intelligence which refers non- cognitive skills, capabilities and competencies that influence manager's abilities to succeed in coping with environmental demand and pressures. Emotional intelligence is composed of five dimensions. It is presented in box no.1

BOX NO: 1

- Self- Awareness- Being aware of what you're feeling.
- Self- Management – The ability to manage one's own emotions and impulses
- Self- Motivation- The ability to persist in the face of setbacks and failures
- Empathy – The ability to sense how others are feeling
- Social skills – The ability to handle the emotions of others

FACIAL EXPRESSION CONVEYS EMOTION

There are dozens of emotions of both men and women based on the variety of situations. Facial expression conveys emotions of managers. One-way they are positive and other way they are negative. Positive emotions express favourable feelings. Negative emotions show unfavourable feelings of the managers. Most of the studies conclude that there are six broad categories of emotion. It is called emotional continuum. It has been presented box no. 2

BOX NO: 2

- Happiness
- Surprise
- Fear
- Sadness
- Anger
- Disgust

The above mentioned six situations explain different facial expressions to convey emotions of both men and women. All this expressions will analyze the situations depends upon the unfavorable or unfavorable feelings of employees working in the organization some people they have positive expression on the other hand some people have negative emotions particularly to understand the variety of situations thus most of the studies come to a conclusion of two broad category of emotions such as positive and negative emotions.

“People who rise to the top of their field, whether it's psychology, law, medicine, engineering or banking aren't just good at their jobs. They're affable, resilient and optimistic.”

-Dale Carnegie, 1936

MANAGERS AND ROLE OF EMOTIONAL QUOTIENT

All managers are made but not born. Managers have to study the emotions and emotional Intelligence of their employees particularly to understand their feelings towards the organizational involvement, work culture and attitude of their colleagues for favorable or unfavorable feelings. Managers have to maintain

emotional balance and express favorable emotions towards the environment and working conditions of an organization. Thus, managers have to play an important role to study the emotions of their employees.

As the ability to get things done through people is the Vital task of the managers, EQ is an important factor. If managers do not balance their IQ skills with EI like understanding and empathy, employees might feel insecure and unappreciated. At times they can even feel underestimated, criticized, and disrespected. These negative feeling can result in seething dissatisfaction leading to absenteeism, passivity, lack of productivity and attrition. As an employee with desired potential is scarce these days, only those who are adept in retaining employees can excel in their jobs, they must determine employee which has the skills and at the same time which has innate emotional strength.

Hence, companies are laying heavy emphasis on the need to integrate both the skills of the head and heart to manage employees better. The managers and professionals are designing programs to emotional intelligence in effective management of people. This helps in creating environment where employees feel trusted, valued, stay motivated, respected and rewarded leading to minimizing stress and reduce turnover, Even, recruitment and selection processes are geared towards selecting those who can balance the skills of the head and heart.

WHY EMOTIONAL INTELLIGENCE IMPORTANT AT WORK

Emotional intelligence is a set competencies, which direct and control one's feelings towards work and performance at work. The set of competencies is the ability of the individual being to control and manage his or her moods and impulses, which contribute to best of situational outcomes. Understanding one's own moods and impulses of others or any situation helps one to respond and behave accordance with expectations. In a work situation workers effective use of skill and knowledge in time depends on the effective regulation of emotions at work and his readiness to contribute to best in their target accomplishment. Knowing one's emotions and feelings as they occur, and tuning one's self to the charged situation, requires the emotional competency, emotional maturity and emotional sensitivity that determine the success of adaptability and adjustment with the change scenario. In a work situation, since it involves group of people with different ideas, suggestions, and opinions, effective conglomeration of all these determine the best outcome. Here the emotional intelligence plays a significant role at work. We can ask many questions in this context. Why do some people more involved in their work? Why do some people always create problems to the management and organisation? Why some people shows their personality structure that in tune with the organisational expectation. Why some people shows their self-interest more than organisational interest. In many cases the answer to the questions lies on emotional intelligence than organisational factors.

MANAGING EMOTION EFFECTIVELY IN WORK PLACE

Managers should manage emotions effectively from time to time depends upon the situation to work effectively and efficiently ultimately to achieve organization goals and objectives. They have to follow some principles and values to maintain their emotional expressions hence managers are required to follow the following important factors for managing their emotions effectively.

SUGGESTIONS TOWARDS EMOTIONAL INTELLIGENCE

The following tips of emotions intelligence that may help members to improve their self orientation and self awareness which produce proactivity and productivity at work.

- Develop better self awareness
- Be honest with yourself
- Maintain standards of integrity
- Always subject to self criticisms
- Be always sure about self worth and capacities
- Be aware of competencies and skill
- Focus on positive feelings
- Control your negative emotions like anger, irritation, excessive anxiety
- Be always realistic in your observation and understanding
- Always feel responsible to your actions
- Give positive weightage to all your emotions
- Be always empathetic than sympathetic
- Keep your good memories always bright
- Accept others feelings as you have
- Be conscious of productive management of emotions
- Do adopt win-win conflict resolution strategies
- Nurture better interpersonal relationship
- Control disruptive emotions and impulses
- Keep your mind always optimistic
- Align your self goal with organisational goal
- Encourage self directed change and learning
- Develop organizational culture that support learning

EVALUATING EMOTIONAL INTELLIGENCE

Most large companies today have employed trained psychologists to develop what are known as "competency models" to aid them in identifying, training, and promoting likely stars in the leadership firmament. The psychologists have also developed such models for lower-level positions.

When the ratio of technical skills, IQ, and emotional intelligence are calculated as ingredients of excellent performance, emotional intelligence proves to be twice as important as the others for jobs at all levels.

Emotional intelligence competencies are learned abilities like the drive to achieve and emotional self-control, both of which build on underlying EI components like self-management. Self-awareness is one of four EI domains (the others: self-management, social awareness and relationship management). A powerful way to boost self-awareness is to undergo a 360-degree evaluation by people you know well and trust evaluating you on the EI competencies.

Corporate surveys find that more than two-thirds of major businesses apply some aspect of emotional intelligence in their recruiting, in promotions, and particularly in leadership development. the data tells us to make unfounded claims that will sell their services.

The wish to believe EI offers a magical alternative to IQ no doubt has multiple drivers. For some, it may be a consolation for poor school grades; for others a code for humanizing the workplace. Still others see EI as an argument for more women in leadership.

To sum up the three abilities that distinguish the best managers from average in this corporate world are: self-awareness, which both lets you know your strengths and limits, and strengthens your inner ethical radar; self-management, which lets you lead yourself effectively; and empathy, which lets you read other people accurately.

CONCLUSION

Many are investigated dimensions of emotional intelligence (EI) by measuring related concepts, such as social skills, interpersonal competence, psychological maturity and emotional awareness, long before the term "emotional intelligence" came into use. Emotional intelligence is part of health and well-being. It is widely accepted around the world as a key element in our success, family life, physical fitness, self-esteem and creativity. Emotional Intelligence is increasingly relevant to organizational development and developing people, because the EQ principles provide a new way to understand and assess people's behaviours, management styles, attitudes, interpersonal skills, and potential. Emotional Intelligence is an important consideration in human resources planning, job profiling, recruitment interviewing and selection, management development, customer relations and customer service, and more.

In today's corporate world, the issue of emotional intelligence is widely emphasized. Researchers study its effects on employee productivity, commitment, leadership style, organisational success and well being in general. The emotionally intelligent manager promotes qualities that are instrumental in guiding organisation to success. Emotional intelligent managers foster self regulation, self awareness, motivation, empathy and social skills and effectively guide employees through the use of these skills. Managers who display these qualities promote working environment in which employees feel comfortable voicing their opinions, thereby promoting an environment that is successful and stable

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A STUDY ON TEACHER'S OPINION ABOUT ORGANIZATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES IN MATRICULATION HIGHER SECONDARY SCHOOLS IN VIRUDHUNAGAR DISTRICT

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ABSTRACT

The organisational climate that exists in a matriculation school and the infrastructural facilities provided by the school has a deep impact on the satisfaction of a teacher. This study tries to identify the key factors that add to the opinion about organizational climate and the infrastructural facilities. Thus, for this study we largely draw data from the primary census survey conducted among matriculation higher secondary teachers of virudhunagar District, TamilNadu. All the matriculation higher secondary teachers of virudhunagar District were contacted and their opinion about the Organisational Climate and Infrastructural facilities identified were gathered. There are 32 Matriculation Higher Secondary schools in virudhunagar District in which 475 teachers are having more than 3 years experience.

KEYWORDS

organisational climate, infrastructural facilities.

INTRODUCTION

Schools are the nurseries of the Nation' and 'Teachers are the Architects of the future' are no mere figurative expressions but truthful statements, as significant as they are suggestive. Victories are won, peace is preserved, progress is achieved, civilization is built up and history is made in educational institutions, which are the seed beds of culture, where children in whose hands quiver the destiny of the future, are trained and from their ranks will come out when they grow up, statesman and soldiers, patriots and philosophers who will determine the progress of the land. In their attitude to life and their approach to problems they will bear the imprint and the influence of the training they received at the hands of their teachers. The teacher's role is thus an important as his responsibility is onerous. The concept of Organizational climate and infrastructure facilities have become part of the standard rhetoric in contemporary discussion of school effectiveness

REVIEW OF LITERATURE

The concept of teacher job satisfaction is defined as the "teacher's affective relation to his or her teaching role and is a function of the perceived relationship between what one wants from teaching and what one perceives it is offering to a teacher". According to Spector (1997, 2), job satisfaction is defined as "simply how people feel about their different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs." Moreover, job satisfaction is defined as "the amount of importance a school places on its human resources". They also refer to it as job morale which according to Luthans, "has been replaced by job satisfaction". On the basis of the above definitions, in this study, the study use the concept of teacher job satisfaction to simply refer to the teachers' attitudes, perceptions and feelings that they have towards their job. Teacher job satisfaction refers to whether teachers are happy with their job or not. In other words, if teachers have positive attitudes or good feelings about their job, these qualities are taken to describe a satisfied dimension.

SIGNIFICANCE/NEED OF THE STUDY

A study on the opinion among the matriculation teachers about the organisational climate and infrastructural facilities will help to develop climate and infrastructure that make them effective teachers.

OBJECTIVES

The objectives of this study are

1. To identify the opinion of matriculation teachers about the organisational climate and infrastructural facilities.
2. To develop a model of over all opinion about the organisational climate and infrastructural facilities.
3. To factorize the organisational climate and infrastructural facilities into important ones.

HYPOTHESES

Hypothesis H0 – The various factors extracted from statements describing agreement towards Organizational climate and infrastructure facilities adopted do not vary with the religion of the respondents at 5%.

RESEARCH METHODOLOGY

The study has used a "Descriptive design" of conclusive nature. Census survey was adopted. The present study is geographically limited to virudhunagar District, TamilNadu. The study covers 32 Matriculation Higher Secondary schools in virudhunagar District, in which 475 teachers are having more than 3 years experience were met and the data was gathered through a structured questionnaire A pilot study was conducted with the initial questionnaire to sample of size 32, after knowing its drawbacks some questions were removed and some of the words were made simpler to improve understanding. The data thus collected was analyzed and interpreted with relevant statistical tools for drawing conclusions. For analyzing the data, SPSS (statistical package for social sciences) was used. Relevant tools such as percentage analysis, factor analysis, regression analysis, inferential statistics, and tests of hypothesis were used.

RESULTS AND DISCUSSION

OVER ALL OPINION ABOUT ORGANIZATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES

The table shows the opinion about Organizational climate and Infrastructural facilities.

TABLE 1: OVER ALL OPINION ABOUT ORGANIZATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES

OPINION	NUMBER OF TEACHERS	PERCENTAGE
Good	422	88.8
Fair	52	10.9
Poor	1	.2
Total	475	100.0

Source: Primary data

The above table shows that out of the total 475 school teachers of the study, 422 school teachers forming 88.8% felt good about the Organizational climate and Infrastructural facilities, 52 school teachers forming 10.9% felt the Organizational climate and Infrastructural facilities were fair, and 1 school teacher forming .2% felt the Organizational climate and Infrastructural facilities were poor.

It is clear that; the major proportion of the teachers felt good about the Organizational climate and Infrastructural facilities of their school.

AGREEMENT TOWARDS ORGANIZATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES

The table below shows the agreement towards organizational climate and infrastructural facilities.

TABLE 2: AGREEMENT TOWARDS ORGANIZATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES

STATEMENTS for organizational climate and infrastructural facilities	Mean	Std. Deviation	Highly disagree		Disagree		Neither agree nor disagree		Agree		Highly agree	
			Count	%	Count	%	Count	%	Count	%	Count	%
Adequate books, Journals magazines available.	4.3621	.72292	3	.6%	13	2.7%	12	2.5%	228	48.0%	219	46.1%
Well furnished staff room is provided.	3.9811	1.09547	7	1.5%	73	15.4%	28	5.9%	181	38.1%	186	39.2%
Everyone is given freedom to do the job effectively.	4.1895	.85308	1	.2%	26	5.5%	52	10.9%	199	41.9%	197	41.5%
There is good co-operation among staff.	4.1453	.83814	2	.4%	28	5.9%	41	8.6%	232	48.8%	172	36.2%
Everyone abide by the rules and regulations.	4.2274	.85369	12	2.5%	9	1.9%	32	6.7%	228	48.0%	194	40.8%
Browsing and photocopying facilities available.	3.7832	1.22446	14	2.9%	97	20.4%	43	9.1%	145	30.5%	176	37.1%
Fresh drinking water facilities available.	4.1832	1.03020	10	2.1%	43	9.1%	27	5.7%	165	34.7%	230	48.4%
The work causes more mental strain.	2.7768	1.17314	63	13.3%	167	35.2%	93	19.6%	117	24.6%	35	7.4%
My colleagues share dead line work loads.	3.4968	1.02165	20	4.2%	64	13.5%	115	24.2%	212	44.6%	64	13.5%
Communications are passed in time.	4.0505	.91031	8	1.7%	29	6.1%	50	10.5%	232	48.8%	156	32.8%
Variety of sports materials is available.	4.1811	.84747	2	.4%	27	5.7%	42	8.8%	216	45.5%	188	39.6%
Enough space for parking is provided.	4.1095	.94390	8	1.7%	36	7.6%	32	6.7%	219	46.1%	180	37.9%
I do get peace and rest in my free period.	3.7537	1.11016	23	4.8%	51	10.7%	74	15.6%	199	41.9%	128	26.9%
I can easily adjust myself to organization members.	4.2484	.80437	6	1.3%	15	3.2%	28	5.9%	232	48.8%	194	40.8%
Great care is taken for professional progress.	4.2842	.75001	7	1.5%	5	1.1%	28	5.9%	241	50.7%	194	40.8%
Computer lab and science lab are adequate.	4.3347	.82648	7	1.5%	14	2.9%	25	5.3%	196	41.3%	233	49.1%
Canteen facilities are satisfactory.	3.2358	1.32454	57	12.0%	106	22.3%	76	16.0%	140	29.5%	96	20.2%
I accept the responsibility willingly and discharge to the best.	4.1579	.91074	10	2.1%	22	4.6%	39	8.2%	216	45.5%	188	39.6%
I could voice my point of view though it is contradiction	3.5389	1.04339	21	4.4%	54	11.4%	130	27.4%	188	39.6%	82	17.3%
Security and discipline maintained properly.	4.3326	.73697	1	.2%	12	2.5%	34	7.2%	209	44.0%	219	46.1%
Adequate computers are available.	4.3726	.76727	5	1.1%	7	1.5%	33	6.9%	191	40.2%	239	50.3%
Essential equipments & requisite materials exist.	4.1705	.91309	11	2.3%	22	4.6%	32	6.7%	220	46.3%	190	40.0%
There are some more activities other than teaching.	4.2253	.74474	0	.0%	12	2.5%	54	11.4%	224	47.2%	185	38.9%
Any inter-personal conflict is off set among ourselves.	3.2337	1.17916	45	9.5%	92	19.4%	105	22.1%	173	36.4%	60	12.6%
All feel proud of the school	4.4358	.81234	2	.4%	24	5.1%	14	2.9%	160	33.7%	275	57.9%

Source: Computed from Primary data

Highest agreement towards organisational climate and infrastructural facilities was for all feel proud of the school with a mean score of 4.4358, Second highest agreement towards organisational climate and infrastructural facilities was for adequate computers are available with a mean score of 4.3726, and third highest agreement towards organisational climate and infrastructural facilities was for adequate books, Journals magazines available with a mean score of 4.3621.

Highest variation in agreement towards organizational climate and infrastructural facilities was for Canteen facilities are satisfactory with a standard deviation of 1.32454, Second highest variation in agreement towards organizational climate and infrastructural facilities was for browsing and photocopying facilities available with a standard deviation of 1.22446, and third highest variation in agreement towards organizational climate and infrastructural facilities was for any inter-personal conflict is off set among our selves with a standard deviation of 1.17916.

MODEL OF OVER ALL OPINION ABOUT ORGANISATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES FROM AGREEMENT TOWARDS ORGANISATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES

A model of over all opinion about organisational climate and infrastructural facilities has been built by having agreement towards organisational climate and infrastructural facilities such as All feel proud of the school, Canteen facilities are satisfactory., I could voice my point of view though it is contradiction, My colleagues share dead line work loads., Any inter-personal conflict is off set among ourselves., Adequate books, Journals magazines available., There are some more activities other than teaching., The work causes more mental strain., I do get peace and rest in my free period., Communications are passed in time., Computer lab and science lab are adequate., Browsing and photocopying facilities available., There is good co-operation among staff., Adequate computers are available., Great care is taken for professional progress., I accept the responsibility willingly and discharge to the best., Enough space for parking is provided., Variety of sports materials is available., Security and discipline maintained properly., Fresh drinking water facilities available., Everyone abide by the rules and regulations., Well furnished staff room is provided., Everyone is given freedom to do the job effectively., Essential equipments & requisite materials exist., I can easily adjust myself to organization members as predictors.

TABLE 3: SUMMARY OF OVER ALL OPINION ABOUT ORGANISATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES FROM AGREEMENT TOWARDS ORGANISATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES

R	R Square	Source of variation	Sum of Squares	df	Mean Square	F	Sig.
.981	.962	Regression	17.803	25	.712	9.974	.000
		Residual	32.058	449	.071		
		Total	49.861	474			

Over all opinion about organisational climate and infrastructural facilities = a + b1X1+ b2X2+.....+ b25X25

The power of the regression model is represented by the R2 is a highly healthy .962 and the F test of the model shows that the significance of the model is high as the significance of F is .000 which is less than .05. To decide which variables are good explanatory variables t-test for each variable is analysed and presented in table below.

TABLE 4: t-TEST SHOWING REGRESSION COEFFICIENTS ACCEPTED BY THE MODEL FOR OVER ALL OPINION ABOUT ORGANISATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES FROM AGREEMENT TOWARDS ORGANISATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES

Predictors	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.425	.142		17.137	.000
Adequate books, Journals magazines available.	.004	.020	.010	.213	.832
Well furnished staff room is provided.	.024	.016	.080	1.478	.140
Everyone is given freedom to do the job effectively.	-.040	.021	-.105	-1.870	.062
There is good co-operation among staff.	-.025	.019	-.065	-1.311	.191
Everyone abide by the rules and regulations.	-.035	.020	-.091	-1.727	.085
Browsing and photocopying facilities available.	-.011	.013	-.040	-.837	.403
Fresh drinking water facilities available.	.004	.016	.014	.264	.792
The work causes more mental strain.	.009	.012	.032	.735	.463
My colleagues share dead line work loads.	-.003	.013	-.008	-.194	.846
Communications are passed in time.	-.009	.016	-.026	-.573	.567
Variety of sports materials is available.	-.044	.019	-.116	-2.341	.020*
Enough space for parking is provided.	-.019	.017	-.054	-1.081	.280
I do get peace and rest in my free period.	.013	.013	.043	1.002	.317
I can easily adjust myself to organization members.	-.010	.023	-.026	-.445	.656
Great care is taken for professional progress.	-.006	.022	-.014	-.280	.780
Computer lab and science lab are adequate.	-.009	.019	-.024	-.502	.616
Canteen facilities are satisfactory.	-.021	.010	-.087	-2.049	.041*
I accept the responsibility willingly and discharge to the best.	.013	.019	.037	.686	.493
I could voice my point of view though it is contradiction	-.013	.013	-.041	-1.022	.307
Security and discipline maintained properly.	-.048	.022	-.109	-2.156	.032*
Adequate computers are available.	.042	.020	.100	2.097	.037*
Essential equipments & requisite materials exist.	-.089	.020	-.250	-4.460	.000*
There are some more activities other than teaching.	.000	.021	.001	.019	.985
Any inter-personal conflict is off set among ourselves.	-.009	.012	-.033	-.775	.439
All feel proud of the school	-.035	.021	-.088	-1.666	.097

All feel proud of the school -.035 .021 -.088 -1.666 .097
 * = significant at 5% (If the sig. of t is less than 0.05 it indicates that the concerned variable is significant in the model)

The model's t test shows that the predictors, Variety of sports materials is available, Canteen facilities are satisfactory, Security and discipline maintained properly, Adequate computers are available, and Essential equipments & requisite materials exist are significant in the estimation of over all opinion about organisational climate and infrastructural facilities.

FACTOR ANALYSIS OF STATEMENTS DESCRIBING AGREEMENT TOWARDS ORGANIZATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES

The statements describing the agreement towards Organizational climate and Infrastructural facilities were subjected to a factor analysis using Principal Component Analysis to identify the important Organizational climate and Infrastructural facilities. Kaiser-Meyer-Olkin Measure of Sampling Adequacy was computed and is shown below in table 5.

TABLE 5: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.904	
Bartlett's Test of Sphericity	Approx. Chi-Square	3976.895
	df	300
	Sig.	.000

Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) is .904. This means the sample size is adequate. Bartlett test of Sphericity is a statistical test for the presence of correlations among the variables and it clearly shows that the test static chi-square is significant as it is less than 0.05.

TABLE 6: TOTAL VARIANCE EXPLAINED

FACTOR COMPONENT	EXTRACTION SUMS OF SQUARED LOADINGS			ROTATION SUMS OF SQUARED LOADINGS		
	TOTAL	% OF VARIANCE	CUMULATIVE %	TOTAL	% OF VARIANCE	CUMULATIVE %
1	7.595	30.380	30.380	7.595	30.380	30.380
2	1.732	6.928	37.308	1.732	6.928	37.308
3	1.388	5.553	42.861	1.388	5.553	42.861
4	1.321	5.283	48.144	1.321	5.283	48.144
5	1.116	4.464	52.608	1.116	4.464	52.608
6	1.017	4.067	56.675	1.017	4.067	56.675

The above table shows the variance explained by the rotated Sums of Squared Loadings for all the six factor components. The 6 factors are able to explain 56.675% of the variance.

TABLE 7: ROTATED COMPONENT MATRIX

Variable	Factor Component					
	1	2	3	4	5	6
Great care is taken for professional progress.	.779	.217	.014	-.009	.093	-.011
Security and discipline maintained properly.	.708	.162	.204	.064	-.064	-.055
Essential equipments & requisite materials exist.	.618	.334	.263	.061	-.194	.174
Everyone abide by the rules and regulations.	.608	.158	.373	.060	-.072	.015
There is good co-operation among staff.	.471	.212	.313	.102	-.264	-.037
Communications are passed in time.	.436	.174	.188	.379	.043	-.238
Computer lab and science lab are adequate.	.428	.380	.224	-.346	-.096	.053
There are some more activities other than teaching.	.378	.377	.327	-.182	.077	-.053
Well furnished staff room is provided.	.089	.696	.189	.321	-.166	-.174
Adequate books, Journals magazines available.	.144	.691	-.020	.060	.138	.049
Browsing and photocopying facilities available.	.153	.602	.116	.175	-.172	.158
Fresh drinking water facilities available.	.213	.586	.331	-.020	-.135	-.025
Variety of sports materials is available.	.265	.550	.298	.118	.077	.038
Everyone is given freedom to do the job effectively.	.378	.525	.368	.051	-.046	-.205
Enough space for parking is provided.	.277	.500	.405	.006	.092	-.135
Adequate computers are available.	.390	.428	.093	.067	-.290	.123
I accept the responsibility willingly and discharge to the best.	.101	.181	.806	.049	.020	.076
I can easily adjust myself to organization members.	.293	.176	.735	-.062	-.069	.149
All feel proud of the school	.307	.276	.615	.035	-.103	.075
Canteen facilities are satisfactory.	-.173	.230	-.020	.701	.129	.087
I do get peace and rest in my free period.	.276	.117	-.022	.637	-.142	.019
Any inter-personal conflict is off set among ourselves.	-.172	.054	-.046	-.121	.786	.018
I could voice my point of view though it is contradiction	.290	-.226	.216	.312	.505	-.140
The work causes more mental strain.	-.054	-.043	-.399	.202	.494	.318
My colleagues share dead line work loads.	.006	.019	.180	.025	.029	.872

Extraction Method used was Principal Component Analysis. Rotation Method used was Varimax with Kaiser Normalization. The Rotation converged in 8 iterations.

The factor 1 is named as "Organizational climate"

The factor 2 is named as "Infrastructure"

The factor 3 is named as "Work culture"

The factor 4 is named as "Amenities"

The factor 5 is named as "Relationship"

The factor 6 is named as "Support From Colleagues"

ONE-WAY ANOVA BETWEEN RELIGION OF THE RESPONDENTS AND THE FACTORS EXTRACTED FROM STATEMENTS DESCRIBING AGREEMENT ORGANIZATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES

TABLE 8: ANOVA BETWEEN RELIGION OF THE RESPONDENTS AND THE FACTORS EXTRACTED FROM STATEMENTS DESCRIBING AGREEMENT TOWARDS ORGANIZATIONAL CLIMATE AND INFRASTRUCTURAL FACILITIES

FACTOR	Source of variation	Sum of Squares	df	Mean Square	F	Sig.
Organizational climate	Between Groups	.519	2	.259	.258	.772 [#]
	Within Groups	473.481	472	1.003		
	Total	474.000	474			
Infrastructure	Between Groups	1.979	2	.990	.990	.373 [#]
	Within Groups	472.021	472	1.000		
	Total	474.000	474			
Work culture	Between Groups	5.069	2	2.535	2.551	.079 [#]
	Within Groups	468.931	472	.993		
	Total	474.000	474			
Amenities	Between Groups	7.542	2	3.771	3.816	.023
	Within Groups	466.458	472	.988		
	Total	474.000	474			
Relationship	Between Groups	6.086	2	3.043	3.069	.047
	Within Groups	467.914	472	.991		
	Total	474.000	474			
Support From Colleagues	Between Groups	5.606	2	2.803	2.825	.060 [#]
	Within Groups	468.394	472	.992		
	Total	474.000	474			

#H0 accepted at 5%

Hypothesis H0 – The various factors extracted from statements describing agreement towards Organizational climate and Infrastructural facilities do not vary with the religion of the respondents at 5%.

The significance of 'F' is more than 0.05 for the factors Organizational climate, Infrastructure, Work culture, Support From Colleagues do not vary with religion of the respondents at 5%. The significance of 'F' is less than 0.05 for the factors Amenities and Relationship do vary with religion of the respondents at 5%.

CONCLUSION

It is clear that Organizational climate, Work Culture, Infrastructure, and Support From Colleagues are the key organizational climate aspects and Relationship and Amenities are the key infrastructural factors of the study. Perhaps one of the most important and significant characteristics of great work place is its organizational climate and infrastructural facility influences the success of an institution

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INDIAN TEXTILE INDUSTRY GROWTH AND DEVELOPMENT OPPORTUNITIES AND CHALLENGES OF COIMBATORE REGION

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ABSTRACT

Coimbatore is well known for its textile industries, engineering firms, automobile parts manufacturers, health care facilities, educational institutions and pleasant weather. It is the second largest city in Tamil Nadu and one of the fastest growing cities in India situated near foot hills of Nilgiris. Coimbatore is known as Manchester of South India. Now, most of the Indian Software companies have started their development centers in Coimbatore. 76% of India's total textile market is from Erode (Tex-City or Loom-City of India) and 56% of knitwear exports come from Tirupur. Coimbatore has a lot of opportunities in the future with the availability of chief labour, land, water and other raw material facilities etc. Coimbatore industry has become strong and is experiencing strong cyclicity, persistent pressure across the country overall lessening in price due to overcapacity and huge competition. It is getting good reputation in the global markets, rising SME's, attracting more FDI, exports etc. This research concentrates on the growth and development of Indian Textile Industry particularly in Coimbatore region. Further it discussed about the south Indian textile industry opportunities and challenges.

KEYWORDS

Coimbatore region, Textile, Growth, GDP.

INTRODUCTION

Indian economy is the ninth largest in the world on the basis of GDP, fourth largest one in terms of Purchasing Power Parity (PPP per capita is \$3586 in 2010 as per IMF 129th) and it is highly dependent on agriculture and around 52% of employment opportunities are available in agriculture and its allied sectors. Indian economy has strong economic growth on the basis of GDP, Exchange Reserve, export and import, agriculture, industrial and service sector etc, even though Gandhi contended that one country's economy is more dependent on agriculture and rural economy. Indian Textile Industry is one of the leading textile industries in the world. A few years back, it was largely an unorganized industry, but the sector assumed much significant changes in the backdrop of the liberalization of Indian economy in 1991. The liberal policies have provided much impetus to the Indian textile industry, which has now successfully emerged as one of the largest export industries at the global level. This industry heavily depends upon textile manufacturing firms. Next to agriculture, textiles play a major role in the country's economy in terms of exports.

REVIEW OF LITERATURE

Sudesh Kumar (2005) deals with the trend and development of SSI clusters and financing of SSIs. He carried out his study in Tirupur cluster, focusing on the reasons for its sickness and policy implications of government of India. Virambhai (2010) textile industry productivity and financial efficiency focused on industry's current position and its performance. It concluded the company/management should try to increase the production, minimize the cost and operating expenses, exercise proper control on liquidity position, reduction of power, fuel, borrowing funds, overheads, interest burden, etc. Nartlada (2009) investigated on the Strategic alliance & internationalization of SMEs. It found the problems from global competition and provided critical insights into the firm's strategy & challenges. Venu (2008) influence of technology adoption on Indian apparel manufacturing firms and its effect of organizational factors and competitive advantage are discussed. This study builds a knowledge base of the technology adoption in apparel manufacturing and influential factors in developing countries. Vanita Tripathi (2007) poor perform sectors, commented their peculiar features and growth, and pointed out that profitability and performance vary over time. It concluded, that large scale sector is effectively running in to Indian stock market with high premium, which are unprofitable to small scale firms. Abhijit& kaivan (2002) highly supported to the community people were participating and developing the investment of pattern of long term performance and argued that the investment difference can't be explained by productivity differences alone. Mogens et.al (2011) analysed the manufacturing firms with innovative activities, general characteristics of a firm, corporate governance, and industry competition level and market approach. He concluded that the innovation is influenced by networking activities; access of financial resources, firm's export orientation strategy, growth potentials and age of the firm and that the firm size does not influence the decision of innovation.

STATEMENT OF THE PROBLEM

In India, most of the ministries seek to develop and create sector growth and establishment, special economic zone etc, only on the capital city of the state, not other undeveloped areas. Chennai is the capital city of Tamil Nadu and has the largest population and is the most industrialized area. It has high density of population after Mumbai, Kolkata. Here, researcher seeks to find out a research gap as compared with the capital city of Chennai, Coimbatore is the well established and best in the agricultural cultivation area. As per Gross State Domestic Product (GSDP), the domestic (city) economic growth is highly concentrating on metropolitan city and not other places.

OBJECTIVES OF THE STUDY

The main objective of the study is to explore the growth and development of Indian textile industry and to identify the opportunities and challenges of Coimbatore textile region in south India.

METHODOLOGY

This study is conducted based on secondary data and theoretical information collected from the various journals, articles, reports, books, magazines, website etc, from the study period of 2011 to 2012.

SOUTH INDIAN ECONOMY

South Indian economy is highly dependent on agricultural and its related industrial areas. In this "Promised Land" the products of rice, sorghum, ragi and others products like areaca, coffee, pepper, cardamom, and tapioca are widely cultivated in the Nilgiri hills and Kodagu. Northern Karnataka, Rayalaseema and Telangana (economy of south India) regions have the recurrent droughts. As a result of this, farmers are selling their livestock in the market as well as they are debt-ridden. Sometime they tend to commit suicide in extreme condition. South India is a gateway to South. As per the Ministry of IT (Information Technology), after Bangalore (Silicon Valley of India), Chennai (Technological Park) and Hyderabad (Hi-Tech City), IT industries are concentrated more in Coimbatore. Chennai is famous for the automobile industry. 65% of heavy vehicles in India are manufactured in Chennai. Madurai region are producing 35% cotton in Tamil Nadu, Tirupur and Erode are the largest producer of cotton vests in India and it is called as "textile valley of India" as it is exporting more to the South East Asian countries. Erode is the Asia's largest market for turmeric. Kerala is one of the largest tourist visitor places and is receiving foreign reserves. Further it is the best in human development index and is highest rank in terms of literacy rate in India. Tamil Nadu is the second largest industrialized state (Second state after Maharashtra) in south India and fifth largest economy in India as per state Domestic product. It ranks third in FDI approvals after Delhi and Maharashtra. State investment constitutes 9.12% of the total FDI in India. Chennai is the second largest software exporter (Software development centre more than 25000 professional) of India and it is known as Health Capital of India and Banking Capital of India. Further, World Bank called it as Detroit of Asia as per attractive place for International corporations. It has a 110 industrial parks and estates, bio-technological park and agro export zones etc.

TEXTILE INDUSTRY

World textile was started in Britain as the spinning and weaving machines were invented in there. In recent years, the production of wool, cotton and silk all over the world has increased. Though this industry was started in the UK in the 19th century after the mechanization process, the textile production shifted to the Europe and North America. Periodically Japan, China and India took part in industrializing their economies and concentrated more on the development of this sector. Japan, India, Hong Kong and China of late are the leading producers because of their cheap labour supply and material, which are the important factors (Retrieved from www.economywatch.com).

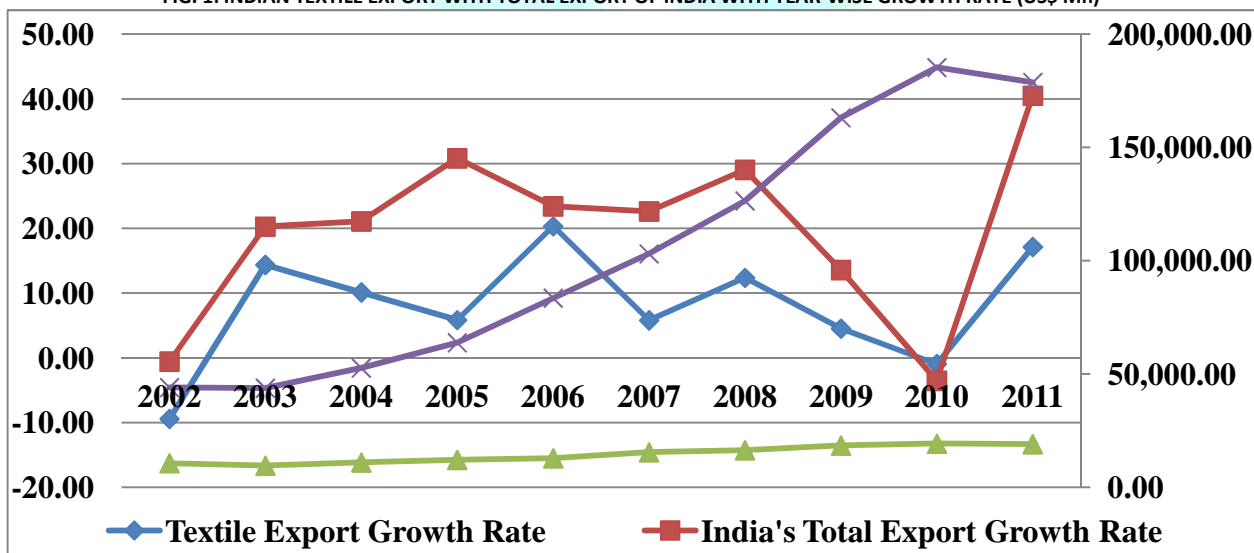
INDIAN TEXTILE INDUSTRY

Indian textile history is very old. India was famous in the 16th century for its textile exports, especially export from Gujarat. During the British period, the East India Company took control over foreign trade. The first Indian cotton cloth mill was established in 1818 at Fort Gloaster, near Kolkata. This mill failed to cater to the demands of the country and the second mill established in 1854 and KGN Daber had laid the foundation for modern cotton industry. It had been named as Bombay Spinning and Weaving Company. This Industry can be basically categorized into two segments: Organized and Unorganized. Unorganized textile industry is the largest in terms of numbers and it utilizes the traditional practices (Weaving and Spinning) in cloth production and hence is labour intensive in nature. Unorganized industry is characterized by the production of clothes either through weaving or spinning with the help of hands. Further, another important feature is that this industry is naturally considered as a decentralized one. It comprises three major segments viz., power loom, handloom, and hosiery. Apart from this, there are readymade garments, khadi, as well as carpet manufacturing units in the decentralized sector. Organized sector constitutes another half of the Indian textile industry with the immense importance given to capital intensive production process. This represents spinning/composite mills like spinning and weaving and processing facilities carried out under the same roof. This sector is characterized by sophisticated mills where technologically advanced machineries are utilized for mass production of textile products.

IMPORTANCE OF INDIAN TEXTILE INDUSTRY

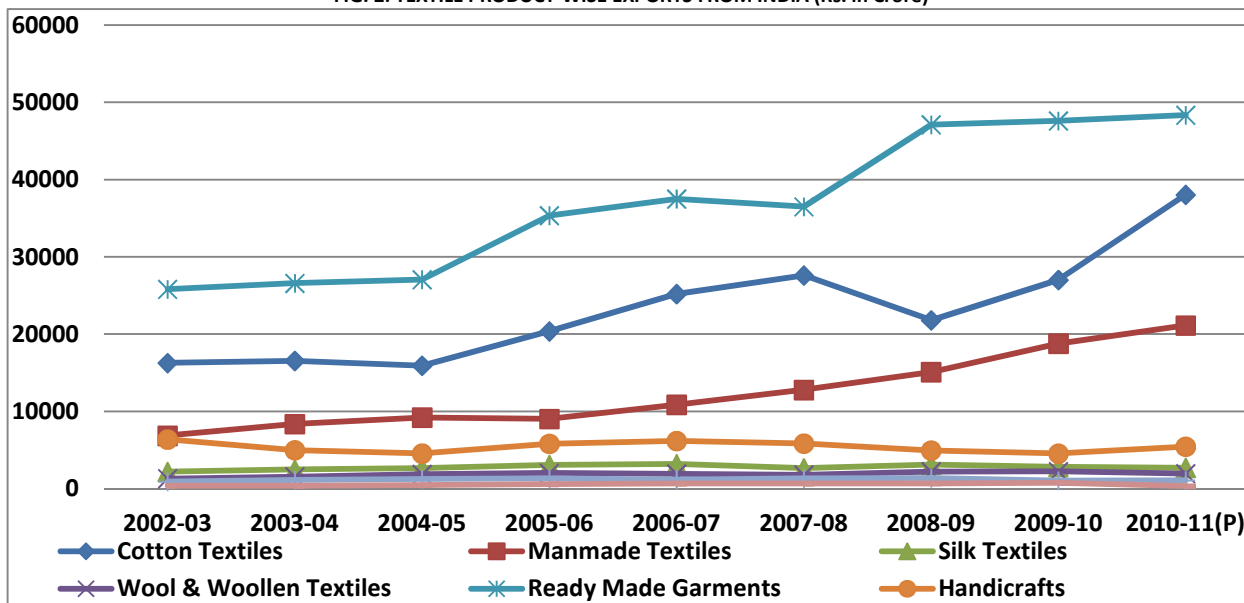
Indian textile industry is the second largest industry in the world after China and it is self reliant and independent industry and has greater diversification and versatility. One of the main objectives of the Eleventh Five Year Plan was to accelerate GDP growth from 8 to 10 percent and then maintain it at 10 percent as well as to increase the energy efficiency by 20 percent points in the Twelfth Five Year Plan in order to double the export income by 2016-17. As per AEPC, currently this industry contributes nearly 3 to 4 percentages to GDP; Next to agricultural sector, it generates employment for more than 35 million people and excise collections nearly 9 percent and it contributes to 16 percent share of the country's export. About 27 percent of the country's foreign exchange comes from the textile exports. It contributes to nearly 14 percentage of the total industrial production of the country.

FIG. 1: INDIAN TEXTILE EXPORT WITH TOTAL EXPORT OF INDIA WITH YEAR-WISE GROWTH RATE (US\$ Mn)



The forecast is that textiles exports will reach USD 35 billion by 2012. In the international market, India is the largest exporter of yarn and has 25% share in the world cotton yarn export market besides contributing to more than 12% of the world's production of textile fibers and yarn. While the Europe continues to be the India's major export market with 22% share in textiles and 43% in apparel, the US is the single largest buyer of Indian textiles and apparel with 10% and 32.6% share respectively. Other countries in the export list include the UAE, Saudi Arabia, Canada, Bangladesh, China, Turkey, and Japan. Spindleage has 23% share in the world spindle capacity, including handlooms with 61% in the world loom age. Garment/Apparel industry holds 12% of the country's total export and it is one of the largest foreign revenue contributors. According to AEPC advantages of India-fact sheet, India is the largest producer of jute products, second largest producer of silk and Cotton Yarn, second largest producer of cellulosic fibre/yarn, third largest producer of raw cotton, and fourth largest producer of synthetic fibers/yarn. India's textile export has increased from Rs. 48676.6 crores in the year 2001-02 to Rs. 106216.4 crores in the year 2010-11 (RBI Data).

FIG. 2: TEXTILE PRODUCT-WISE EXPORTS FROM INDIA (Rs. in Crore)



TAMIL NADU TEXTILE INDUSTRY IN COIMBATORE

Coimbatore is well known for its textile factories, engineering firms, automobile parts manufacturers, health care facilities, educational institutions and pleasant weather. It is the second largest city in Tamil Nadu and the fastest growing cities in India situated near the foot-hills of Nilgiris. Aluminium castings form major exports from Coimbatore according to Irular Tribal Chief Kovan and his clan (TEA-India). They are the earliest settlers and founders of Kovanpatti as a part of kongunadu. Later its surrounding forests were cleared and formed a new village called Kovanputhur. Coimbatore is called as Manchester of South India. Now, most of the Indian Software companies have started their development centers in Coimbatore. 76% of India’s total textile market is from Erode (Tex-City or Loom-City of India) and 56% of knitwear exports come from Tirupur. Tamil Nadu is one of the most important industrialized states in the country and the fifth largest economy in India at present on the basis of state domestic product at current prices (US\$ 36.78 bn) as well as exports (US\$ 5.5 bn). It is the eleventh largest state in India by area and the seventh most populous as well as the third largest India’s GDP contributor (Porter and Niels). As per Census-2005, this state’s economy largely depends on industries and agriculture. It has the highest number of business enterprises (10.56%) and stands second in total employment (9.97%) in India. Share of manufacturing sector in Tamil Nadu is 34%, services sector 45% and agriculture 21%. Among manufacturing industries, Textile, leather, Electronics, software, auto components, pharmaceuticals, etc are more in Tamil Nadu. The high Foreign Direct Investment (FDI) in Tamil Nadu is mainly on account of the following reasons- investment local administration, good railways, port and telecom network, adequate road connectivity and availability of low cost labour throughout the state. The state is also well known for its textile industries. The Madura Coats and Binny Mills were established by John Binny in 1876. Coimbatore, Madurai, Dindigul and Tirupur are the hub centers of Tamil Nadu textile business. Lakshmi Mills in Coimbatore was the first to come up in 1910, followed by Chandra Textiles, Gomathy Mills, GVG Textiles and KPR Mills.

TEXTILE INDUSTRY IN TAMIL NADU

TABLE 1

Item	All India	Tamil Nadu
Spinning Sector		
No. of Spinning Mills	3069	1889
Employment (in Lakhs)	8.94	2.40
Spindles (in Million)	39.27	18.92
Power loom Sector		
Power looms (in Lakhs)	19.03	3.66
Employment (in Lakhs)	47.57	9.14
Handloom Sector		
Handlooms (in Lakhs)	34.86	4.13
Weavers (in Lakhs)	65.50	6.08
Handloom Cloth Production (Billion. Sq. Mt)	6.00	0.70
Value (Rs. in Crores)	18000	17000
Other Sector		
Power Processing Units	2510	985
Hand Processing Units	10397	2614
Knitwear and Garment Units	8000	4000

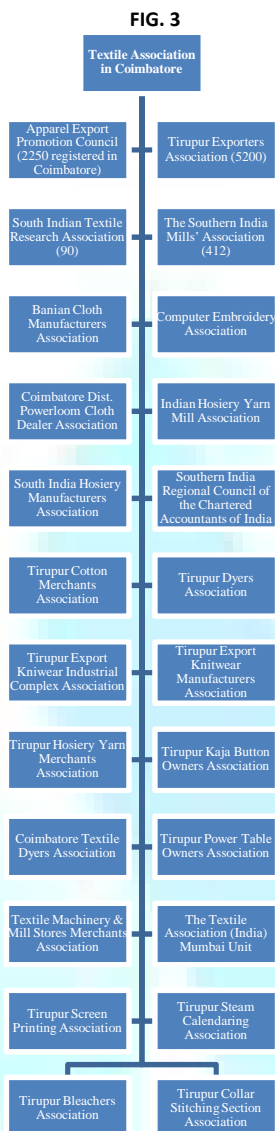
Source: investingintamilnadu.com

TABLE 2: FOREIGN TRADE THROUGH TAMIL NADU PORTS BY AIR AND SEA 2008-09

Description			Value of Foreign Trade (Rs. in Cr)	
			Tamil Nadu	All India
Exports	By Sea	81620	90603	645572
	By Air	8983		
Imports	By Sea	194052	230987	1090182
	By Air	36935		
Grand Total			321590	1735754

Source: DGCI&S, Kolkata and DES, Chennai-6.

Tamil Nadu alone has 47% of total spinning capacity in the country and accounts for more than 40% of yarn exports from India. **Tirupur and Coimbatore** manufacturing knitwear garments export with a ton of Rs.11000 Crores per annum. There are around 4000 knitwear and woven garment production units in the State, providing employment to around five lakhs peoples (available at: www.investinginTamilNadu.com).



Tirupur is an important trade centre of India and it is famous for knitted garment wear. Tirupur is a textile district of Tamil Nadu and it is popularly known as 'Banian City' or 'Knit City'. It is located 50 Kilometers from the east of Coimbatore district (**Manchester of South India**) and has a population of around 10 lakhs. Tirupur is a major source of foreign exchange for the country because of its exports. It has gained universal recognition as the leading source of Hosiery, Knitted Garments, Casual wear and Sportswear. The first knitwear unit was set up in 1925 and the growth of the industry was slow till late 1930s. Knitting was brought to this city by Gulam Kadar in 1937 who established "**Baby Knitting Industries**" in Kaderpet area of Tirupur. Subsequently, it emerged as the prominent centre for knitwear in South India by 1940s. In 1942, 34 units were engaged in the production of knitwear and composite mills and operations like bleaching and dyeing were located in the larger units. By 1961, the number of units had risen to 230 and the industry catered only to the domestic market till early 1970s. It was in 1980s that the export market began to expand and afterwards Tirupur emerged as the largest exporter of cotton knitwear in the country. Of late, more number of SME (Small and Medium Enterprises) and large scale enterprises are functioning in different forms of textile productions in and around the city producing 145000 tons of fabric annually. It provides employment to over 400000 people and accounts for more than 90 per cent of India's cotton knitwear export worth an estimated US\$ 1 billion per annum. The below chart showing the evidence of high-technology are gradually catching up to the national benchmark.

FIG. 4: STATE-WISE ENERGY CONSUMPTION BY TEXTILE INDUSTRY (1 MW&ABOVE) IN SOUTH INDIA

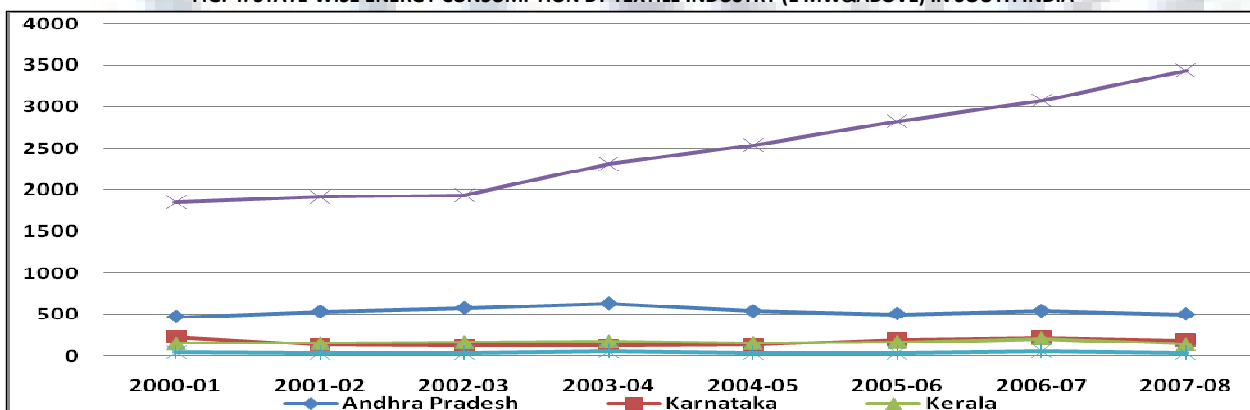
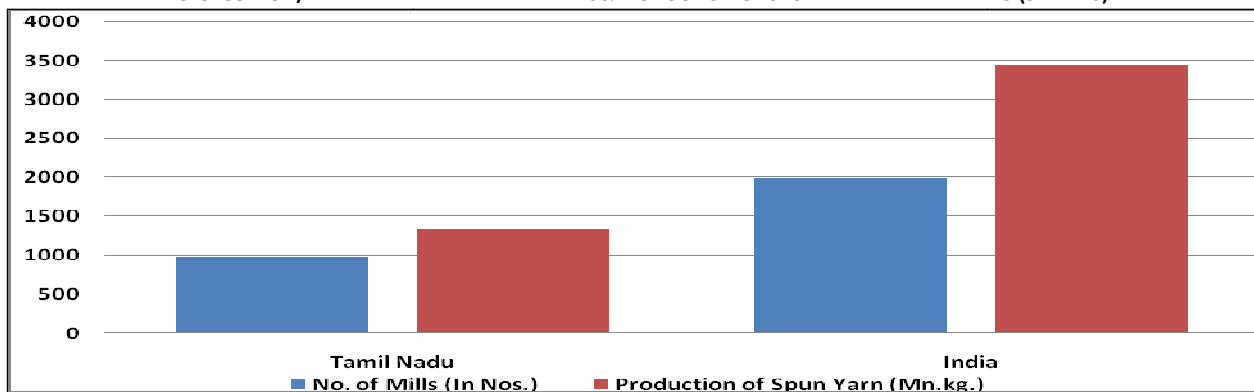


FIG. 5: COTTON/MAN-MADE FIBRE TEXTILE MILLS&PRODUCTION OF SPUN YARN IN TAMILNADU (31.12.10)



OPPORTUNITIES AND CHALLENGES

This Coimbatore city has lot of opportunities because of the cultivation area with sophisticated water facilities, chief land and labour etc. Coimbatore industry has become a tough industry and is experiencing strong cyclicality, persistent pressure across the country overall lessening in price due to overcapacity and huge competition. It has got a good reputation in the global markets, rising SME's, attracting more FDI, exports etc. Coimbatore is in much better position in manufacturing of consumer, industrial & economical products with good entrepreneurship compared to its other peers/like industrial area of Delhi, Rajkot, Ludhiana, Jalandhar, Ahmadabad etc. Indian textile manufacturing industries are ready to meet the competitive product equal to the price with high speed of sophisticated machine. E-business provides exclusive opportunities for enterprises to exchange goods and services between domestic as well as foreign countries with lot of FDI, exchange reserves etc. it's becoming a preferred IT destination with the city having several software parks, Special Economic Zones, education, health care, and other development centers also, further this city being a gateway to the other states. Coimbatore stock exchange limited is acting as linkages between investors and the textile industry. Recently CII study rated "Fourth Investor friendly city in India" and it's globally competitive for the industry of engineering, auto components, motor pump sets etc.

It is facing the challenges such as environmental issues and land pollution, child labour, factory background issues, unexpected loss, volatility on price of raw materials, threat of large scale industry, handling the slowdown etc. Threats such as domestic and international market competition need to improve the working conditions of the people who are involved in this profession and need to revamp consumer realization. Further, this textile region altering as a particular Gounter community oriented owners for these industrial parks, making slaver and creating them as a working community till death. Abhijit&kaivan brought out more than 65% of the Gounders occupying this industry & playing a substantial role of community identity in those region with the help of child labour. Plus he was wrongly mentioned communal investment is must & helped to function the capital market with their earlier long term performance. This report shows & helps to favourable of particular community people and not to all. Government should stop and encourage other undeveloped people by providing small and medium scale enterprises loans and schemes at different level. Supremacy of the small scale sector having the disjointed structure, shipping cost, high power cost, rising interest rate, transaction cost with distant labour. Further FDI are not coming highly to develop this industry as a good position, even though foreigners are not ready to invest this sector because the reason of meeting the loss continuously by few firm. Indian government is recently turning to avoid the bottlenecks, which delay its development. Whatever may be, in the recent time technology playing a lead role in its processed industry as well as maintaining their quality, with innovative products in the competitive world, at this moment Indian industry are facing this problem highly.

RECOMMENDATIONS

1. Creation of Textile-oriented Special Economic Zones
2. Government should take care for the development of apparel parks and small and medium scale enterprises also
3. Indian industry should improve their textile technology with high-tech innovation, management & negotiating skills, soft skills, product design and packaging etc.
4. Liberalized SEZ need to be implemented with tax, labor laws and other benefits.
5. Multi-facility transport (Road, Train and Airports)
6. Quality maintenance and cost-effective manpower etc.
7. Start up new courses on Textile manufacturing and its technology in various institutions with lot of attraction and students involvement

CONCLUSION

The study covered the textile industry of Coimbatore region. Therefore, the findings could not be generalized to the entire country. This research is fully theoretical oriented and not quantitative, therefore researcher cannot prove with the data. India has the strong economic background and the second largest exporter of textile and apparel products in the world-wide after china. India players to strengthen relationships with global traders and quality output easily facing Chinese competitors. Coimbatore region and its near district of Erode, Tirupur, Salem are getting good growth and development for the quality and quantity as well as low cost. In future it may attain first position in India's textile industry production and highest exports.

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ANNEXURE

TABLE 3: INDIAN TEXTILE EXPORT WITH TOTAL EXPORT OF INDIA WITH YEAR-WISE GROWTH RATE (US\$ Mn)

Year	Textile Export (US\$ Mn)	India's Total Export (US\$ Mn)	Textile Export Growth Rate	India's Total Export Growth Rate
2001-02	10,693.60	44,075.53		
2002-03	9,688.57	43,826.72	-9.40	-0.56
2003-04	11,081.14	52,719.43	14.37	20.29
2004-05	12,204.63	63,842.55	10.14	21.10
2005-06	12,918.49	83,535.94	5.85	30.85
2006-07	15,545.04	103,090.53	20.33	23.41
2007-08	16,448.35	126,414.05	5.81	22.62
2008-09	18,483.66	163,132.18	12.37	29.05
2009-10	19,323.82	185,295.36	4.55	13.59
2010-11	19,142.83	178,751.43	-0.94	-3.53
2011-12	22,423.93	251,135.89	17.14	40.49

Source: DGCI, Kolkata

TABLE 4: TEXTILE PRODUCT-WISE EXPORTS FROM INDIA (Rs. in Crore)

Items	Cotton Textiles	Manmade Textiles	Silk Textiles	Wool & Woollen Textiles	Ready Made Garments	Handicrafts	Jute	Coir & Coir Manufactures
2002-03	16267.77	6859.97	2184.13	1303.52	25815.4	6378.14	907.77	355
2003-04	16542.24	8368.83	2505.31	1553.07	26589.13	4987.36	1113.98	357.37
2004-05	15924.43	9214.25	2671.46	1874.07	27069.07	4555.37	1241.25	474.29
2005-06	20369.27	9029.9	3069.39	2018.52	35358.49	5819.89	1311.63	590.37
2006-07	25197.2	10863.39	3196.89	1919.36	37506.16	6181	1178.39	660.25
2007-08	27599.81	12785.02	2646.75	1783.13	36497.79	5844.12	1319.36	644.87
2008-09	21795.4	15090.76	3107.78	2199.49	47112.77	4949.23	1375.78	680.7
2009-10	27016.21	18783.13	2819.46	2224.14	47608.39	4548.91	1042.5	759.48
2010-11(P)	38038.19	21125.13	2708.02	1955.31	48355.57	5445.45	1082.85	832.81

Source: Ministry of Textile, Govt. of India

TABLE 5: COTTON/MAN-MADE FIBRE TEXTILE MILLS&PRODUCTION OF SPUN YARN IN TAMILNADU (31.12.10)

State	No. of Mills (In Nos.)	Production of Spun Yarn (Mn.kg.)
Tamil Nadu	990	1349.7
India	2000	3448.6

Source: Lok Sabha Unstarred Question No.865, dated on 25.02.2011 & Indiastat.com

TABLE 6: STATE-WISE ENERGY CONSUMPTION BY TEXTILE INDUSTRY (1 MW&ABOVE) IN SOUTH INDIA

Year/States	Andhra Pradesh	Karnataka	Kerala	Tamil Nadu	Pondicherry	Southern India	India
2000-01	472.39	236.37	156.47	1850.25	43.27	2758.8	8065.2
2001-02	535.79	134.59	156.97	1915.01	39.91	2782.3	7877.4
2002-03	580.41	124.2	170	1939.34	39.49	2853.4	8147.1
2003-04	629.25	128.95	179.87	2315.67	56.11	3309.9	8230.9
2004-05	541.15	140.71	162.28	2537.28	37	3418.4	8619.6
2005-06	505.05	200.98	173.95	2829.25	41.28	3750.5	9261
2006-07	543.86	221.32	212.42	3080.64	60.37	4118.6	9849.4
2007-08	501.65	193.92	147.91	3442.24	37.91	4323.6	9860.8

Source: Indiastat.com

PERSONALITY DEVELOPMENT

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ABSTRACT

Individual having the same proficiency in skill and physical power differ significantly with one another on such psychological traits. Personality development helps to prevent the reversal of such bio-physiological factors of performance such as strength, endurance, flexibility, relaxation and skill. Psychological differences are subtle as well as acute. Even twins, having similar appearance and constitution don't seem to possess the same dispositions and inclination towards behaviour.

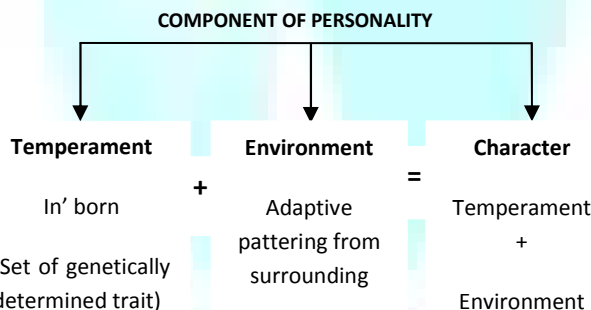
KEYWORDS

Personality development, behaviour study.

INTRODUCTION

Personality as being structured into the ego and super ego also fit into this class of definitions."

Individual having the same proficiency in skill and physical power differ significantly with one another on such psychological traits. Personality development helps to prevent the reversal of such bio-physiological factors of performance such as strength, endurance, flexibility, relaxation and skill. Psychological differences are subtle as well as acute. Even twins, having similar appearance and constitution don't seem to possess the same dispositions and inclination towards behaviour.



(Temperament with its dependence on genetic factors is sometimes referred to as "Nature" while the environment factors are called "Nurture". Individual differences exist between subjects in physical and psychological characteristics of personality as body-build, speed, strength, flexibility, Neuro-muscular co-ordination, endurance, physical fitness, attitudes, aptitudes, intelligence, level of motivation, emotional stability etc... So, personality is the individual's unique pattern trait that distinguishes him as an individual and account for his unique and relatively consistent way of interacting with his environment. Human is motivated by expectations of the future goal. The style of life is an abstraction that includes everything of living within some characteristics, plan or means of attaining the life goal. It is unique quality of personality which differentiates one person from the other. There are many way to reach the life goal. These different ways, represent a person's unique style of life, the route by which goal is sought. All aspects of an individual's life and details of his behaviour organize around this style of life. The role of education and sports factors which influence the development of personality in a unique pattern.

THEORY OF PERSONALITY

The term "Personality" is derived from the Latin word persona, which was the name give to the masks that actors and me characters were the portrayed. The term personality has been defined in various ways by the psychologists who worked on the development of personality and the variable influencing it development. There are various existing definition to describe personality in tolerable terms and concluded as follow;

According to price; "Personality is a sum total of all the biological innate, dispositions, impulses, tendencies and instincts of the individual and the dispositions and tendencies acquired by experience."

John Locke talked of "Thinking intelligent being that has reason and reflection and can consider self as itself."

Watson considered "Personality as the sum total one's behaviour"

According to Norman Cannon, "Personality is the dynamic organization of interlocking behaviour systems that each of us possesses, as one grows from biological newborn to bio-social adult in an environment of other individuals and cultured products"

Pearson described, "Personality is effect upon others of a living being's appearance and behaviour so far as they are interpreted as distinctive sign of that being."

Freud's conception of "Personality as being structured into the ego and super ego also fit into this class of definitions."

As per Allport, "Personality is the dynamic organization within the individual of those psycho-physical systems that determine his unique adjustments to his environment."

Eysenck defined personality as "the more or less stable and enduring organization of a person's character, temperament, intellect and physique which determine his unique adjustments to the environment."

The basic characteristics agreed by almost all psychologists as are:

- Mat personality is unique or No or two individual have alike personality.
- Its product of the experience of past accumulated by continue interaction with internal environment.
- The study of brings out clear & relevant differences among individuals.

CONCEPT OF PERSONALITY

Personality is "integration or emerging of all the parts of one's psychological life, the way one thinks, feels, acts, behaves." It seems reasonable to assume that constituencies in behaviour or predisposition to behave in a particular manner could influence one's athletic ability.

The physical fitness movement is a development that is receiving more attention in all segments of society. Good personality must have a good physique, good appearance, good bearing, good health etc... The common men assessment of personality veers around the body structure and physical appearance. The sound mind exists only in a sound body.

The biological, the psychological, the social and the emotional aspects of personality are clearly know to be inter-related and inter-department. They aren't isolated units. No single aspect is considered more important than the others. **Freud** believe that "Everything was pre-determined", the growth, the development, the personality etc... This narrow outlook is no longer in vogue. The self conscious in the individual makes him modify certain things about him. The individual knows "what he is, what others think about him, and what he himself is."

DIMENSIONS OF PERSONALITY

Personality has certain dimensions – some visible and some hidden. Each dimension has its specific purpose as well as area of operation and no aspect can be clearly understood without reference to the others. The important dimensions, which influence the personality, are explained below.

1. Physique is the plinth of personality. The physical appearance or how an individual looks like from outside is the prime factor of personality. The body structure of an individual is a matter of heredity but certain qualities may be acquired during the years of growth & development, social interaction, education and training which go to improve one's personality. No doubt one may not be able to increase one's height but weight, good appearance, smartness etc... may be acquired through efforts. Physical activity like, sports, yoga, martial art etc. help individual to improve his posture and health.
2. No one can make any contribution to the society unless one is mentally sound and has acquired adequate knowledge. An individual knows, living in Jungle without a human counterpart can't be said to possess any personality; he can't compare himself with the animals. That's why personality is a social attribute and characteristics when no society to recognize him. Mind and intellect distinguish man from animals. People having fewer opportunities for the acquisition of knowledge, educations etc... are considered backward. Many great orators, sculptors, politicians, religious leaders, teachers, sportsmen etc... possessed remarkable qualities of intellect and mind. Qualities of body and mind are no substitute of each other. Mental soundness and intellectual capability aren't merely frills of personality: they are basic attributes of man. A human being without good intellect and sound mind is no better than an animal.
3. Emotional stability is the hallmark of good personality. It's neither completely physical nor completely mental; it is a psycho-physiological construct. By emotional stability, it is meant that the individual must never come under the way of emotions. i.e. reactions arising out of the situations involving such feeling are as anger, fear, disgust, repulsion, hate etc..., people are unnecessarily touchy for nothing and become fussy over trivialities. Many people feel elated when they win but start crying, abusing the officials or curse their fate when they lose. Such situation reflects one's emotional status. Man isn't supposed to react to situations as animals do. Emotional stability leads to modest living and emotional instability is the root cause of adjustment, which blurs the entire image of one's personality. Pursuits of materialistic philosophy seem to be playing havoc with emotions of modern men.
4. There are ceaseless pressures from all sides on the human mind today. Frustrations, corroding anxieties, mental tension etc... have now become stern realities of life. Science has let loose a war on man's nerves. Arising out of our made race for material comforts, neural tension is badly telling upon our emotional balance. Generally, we can't control our feelings, when we eventually head towards disaster. Emotional stability is considered to be an ingredient of personality which is essential both in psychological as well as moral sense of term. Those who easily fall in tantrums like children over trifles should be deemed to possess inferior personality. Emotions are a great reservoir of energy. When emotional situation aren't controlled, like the flooded river, they create havoc. Emotions must be trained, channelized and sublimated so as to stabilize personality.
5. Man possesses the ability to learn to behave in acceptable ways and live in co-operation with others his compeers and counterparts; man can form a society in which and for which he lives and which in turn, watches his interests and fulfils his desires. Nature creates man, society humanizes him. Man doesn't live for only himself alone, he lives for others too. Sociability is an extension of the instinct of gregariousness. It is a refined way for co-existence. Animals, quite a few can be domesticated but not socialized. Good temperament, though they are basically inherited are right type of attitudes. They are developed in the environment in which the individual lives. Social dimensions have made personality a much wider concept. Early life experiences and value system prevalent in a society or community seems to make personality a highly flexible and dynamic construct.

DISTINCTIVE FEATURES & CHARACTERISTICS OF PERSONALITY

- Personality is something unique and specific
- Personality exhibits self-consciousness as one of its main characteristics
- The personality can be described and measured
- Personality may be further distinguished from temperament
- Learning and acquisition of experiences contribute towards growth and development of personality
- Every person's personality include distinctive feature
- Personality is the organization of a person's habits, attitudes and traits arises from the interplay of biological and cultural factors.

In view of the foregoing discussion regarding its characteristics, it may be said that, personality is a complex blend of a constantly evolving and changing patterns of one's unique behaviour, emerged as result of one's interaction with one's environment and directed towards some specific ends.

SUGGESTIONS FOR IMPROVING PERSONALITY

1. Educational institutes must provide broad opportunities for practicing right living and for learning all the technique, skill and habit necessary in democratic way of life.
2. Teacher & Trainers should have capability in the guiding of all fields, which is oriented for developing personality of the students and persons.'
3. Any teacher or trainer can't be expected to be expert in each field, they should be given motivation in many ways, so that the students grow and improve their personality.
4. The richest and broadest opportunities for developing personality, skill developing and the best habits formation can be provided through the co-operative efforts of principles, teachers, staff, trainers, student, parents and community too.
5. Human resources of the educational institutions should work together co-operatively as a team. They can make best provisions for maximum growth opportunities for every person, depending upon his/her stage of social, emotional and physical development with the help of the various activities.

6. Someone wants at level one daily section of sufficiently strenuous guided activities to develop in strength, flexibility and agility for developing their personality.
7. Provision should be made for close interrelationship of the education, physical education programmes at the primary, secondary, higher secondary and also higher level of study.
8. The persons need adequate and appropriate space indoors and outdoors, ample and suitable play materials varied and stimulating programmes offering through which they develop strong and well coordinated bodies, increase understanding of the relationship of body care to physical performance gain command of satisfying physical skills and enlarge their range of active, healthful recreational pursuits.
9. A system of standardized and meaningful records keeping one essential to insure continuity and progression at every level of study. These paperwork would show the manners engaged in by the students or person's, progress made, weakness, measurement and evaluation result which would be helpful in planning programmes and for developing their personality.

CONCLUSION

Any activity is able to increase physical efficiency, mental awareness and the development of certain qualities like perseverance, team work, team spirit, leadership, and obedience to rules, moderation in victory and balance in defeat are helpful for developing personality of the men. We may sum up the importance of likeable activity with a quotation from Aldous Huxley, a Like every other instrument that man has invented activity can be used for good purposes, used well, it can teach endurance and courage a sense of fair behaviour and a respect for rules, coordinated efforts and the subordination of personal interest to those of the group. The best wishes for creating the activity (likeable) and personality development of the youths of the universes.

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MEASURING EDUCATIONAL EFFICIENCY AND THE DETERMINANTS OF EFFICIENCY OF THE STUDENTS IN SALEM DISTRICT, TAMILNADU

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ABSTRACT

The present study intends to measure the educational efficiency among the college going students. For which, educational input fed to the students and the outcome derived from the students were contemplated in this study. Many qualitative variables were also incorporated with the aim to scale accurately the educational input and output. Further, the present study takes a modest attempt to determine the factors which are influencing the student's educational efficiency. In this connection, many requisite indicators were specified in the model. In this regard, the Ordinary Least Square (OLS) Regression model was employed. It was found from the analysis that, quality of the college, sex of the student, father's education, native of the student, expected rate of return were emerged as significant variables affecting the efficiency of the students.

KEYWORDS

Educational Input, Educational Output and Efficiency.

INTRODUCTION

India produces over three million graduates every year. Yet different sectors in the new economy face shortage of competent manpower. The reason behind this is Indian higher education system is not producing the quality graduates in sufficient numbers needed for the top-end of the knowledge economy. The educational outcomes are a key index of merit of a higher education system and students themselves. Apart from the innate ability there are umpteen numbers of factors determining the student's efficiency. It starts from the point of individual characteristics, family background to the college's quality.

A study in OECD countries on the role of deviations in students' characteristics to their performance showed that students whose parents (especially mothers) have high school certificates or higher qualifications perform better than their peers. Family affluence is also a very decisive factor, although students in less affluent families in some OECD countries perform better than the OECD average. The study itself discussed many other differences in student characteristics and background that may contribute to differences in student performance such as gender, family socioeconomic status, culture, language spoken at home and family structure (OECD, 2001).

There are several studies that discussed peer effects on student achievement. The results indicate that peer achievements have a positive effect on achievement growth. On the other hand, the variance in their achievements appears to have no effect (Hanushek et al., 2001). Another study (Hoxby, 2000) that used two methods in looking at the effects of peers with different gender and racial groups in Texan primary schools also found that students are affected by the performance of their peers. For instance, the study found evidence that both male and female test scores in math and reading improve by increasing the share of females in a class. On the other hand, the effects of an increase in a racial group in a class are not as convincing as gender with only one or two race groups being significant, and peers in the same racial group experience the effects highest. Moreover, this study also found that racial origin of peer achievement is not important, except within racial groups.

The direct link between Information Communication Technology (ICT) use and students' performance was in the heart of an extensive literature during the last two decades. Several studies have tried to explain the role and the added value of those technologies on classrooms and on student's performances. The first body of the literature explored the impact of computers uses. Since the Internet revolution, there's a shift in the literature that focuses more on the impact of online activities: use of Internet, use of educative online platforms, digital devices, use of blogs and wikis. Fuchs and Woessman (2004), used international data from the Programme for International Student Assessment (PISA). They show that while the bivariate correlation between the availability of ICTs and students' performance is strongly and significantly positive, the correlation becomes small and insignificant when other student environment characteristics are taken into consideration.

The effect of the rate of students framing is also subject of controversies. In certain studies, one finds that, when it is weak, it can have a positive effect on the students' performance. Thus, starting from the results in mathematics in 148 school institutions in England, Raudenbush and Willms (1995) showed that a reduction in this ratio from 25 to 16 would increase the students' performance. On the other hand, by using data collected in England between 1992 and 1996, Bradley and Taylor (1998) found that the number of the students by teacher does not have an effect on the students' performance. However, they obtained a significant but weak impact when they studied the relationship between the variation of this number between 1992 and 1998 and the variation of the performances on the examinations during the same period.

In recent empirical studies conducted in the United States, Rivkin et al. (2005) find that teachers in their first or second year of teaching are associated with lower students' performance in Texas, but teacher education and certification have no systematic relationship with performance. Jepsen and Rivkin (2002) obtain similar results using grade-level data from California. Preliminary results from Clotfelter et al. (2003) suggest positive impacts of teacher experience and teacher license test scores on student achievement in North Carolina. Betts et al. (2003) find mixed results for teacher characteristics using detailed individual-level data in the San Diego Unified School District.

Other studies stated that teachers are the most important influence on student progress, even more important than socioeconomic status and school location (Archer, 1999 and Armentano, 2003) that found that teacher qualifications are more important than class size. One study (Darling-Hammond, 2000) concluded that measures of teacher preparation and certification are by far the strongest correlates of student achievement in reading and mathematics.

Students' performance is a puzzling question in education science and economics. The general approach followed by economics is to suppose a model of added value based on the educational production function. This methodology consists of evaluating the effect of the educational inputs (characteristics and attitudes of the teachers, physical resources committed in the universities, the teaching organization, the rate of students framing, etc.) on the students' performance by controlling other inputs (socio-economic origin, characteristics and attitudes of the students) (Hanusek, 1996, Jaag, 2006; Lazear, 2001; Krueger, 1999, etc).

Apart from these factors, there are ample of factors say educational expenditure, expected rate of return, demand for educated youth in the near future, physique of the student, personal effort, consistent motivation, number of graduates in the family etc., also strongly influence the efficiency of the students. Therefore, the present work has taken an attempt to measure the students' efficiency and the determinants of efficiency of the students by incorporating the above said factors.

EFFICIENCY IN EDUCATIONAL SYSTEM

The conventional economic approach to the study of education is as similar to economic production. In economic production, given production objectives, prices, and technology, inputs are transformed into desired outputs. To describe an educational production function, it is therefore necessary to define and measure the inputs, outputs and the process by which the inputs are transformed into outputs. In very general terms, it is commonly recognized that educational outputs are functions of a number of types of inputs. The earliest frame works for educational production function with categories of inputs, which include student ability, family background and peer and school inputs was proposed by Eric Hanushek (1979).

$$Y = (I, St, F, Sc, P) \dots\dots\dots (1)$$

Where,

- Y = Outputs of education (all outcome such as learning outcomes, desirable changes in student attitudes and behavior)
- I = Student innate ability
- St = Characteristics of the student
- F = Family background inputs
- Sc = School inputs including teachers
- P = Characteristics of the peer group

The equation states that educational outputs are the results of interplay of many factors.

Efficiency is not the same thing as productivity. Efficiency refers to a comparison of inputs and their related outputs. A more efficient system obtains more output for a given set of resource inputs, or achieves comparable levels of output for fewer inputs, other things being equal. Daniel Rogers, defined efficiency as either achieving the greatest amount of output from a given set of inputs or achieving a specified amount of outputs utilizing a minimum quantity of inputs. Productivity on the other hand, is the amount of output per unit of input. Blaug and Woodhall, Vaizey, et.al distinguished between internal measurement and external measurement of productivity. Internal measurements are concerned with ratios and external measurements with real resources and costs measured by units determined for the economy in general. Similarly, index of efficiency measures the ratio of educational outputs to the corresponding index of educational expenditure in real terms. The index of educational variables, which are selected both from qualitative and quantitative aspects of all levels of education. According to Blaug, the efficiency can be defined at one point in time, in the context of the existing level of technical knowledge, whereas productivity is almost always measured between two calendar dates.

While using the educational production framework, it can be distinguished into several concepts of efficiency in education to which cost analysis can be applied. These are internal efficiency external efficiency, technical efficiency and economic efficiency. The internal efficiency of education compares the costs of education to the outputs or reflects within education, such as the acquisition of cognitive and non-cognitive skills. Education production is said to be more internally efficient when it can produce more desired outputs given the same resources. The external efficiency of education compares the costs of education to the benefits of education that are external to educational production, such as higher productivity and earnings in post schooling work. It provides a measure of the profitability of investing in education. Whereas external and internal efficiency are defined with respect to the boundary of educational production, technical efficiency and economic efficiency concern the very nature of educational production.

MEASURING EFFICIENCY

In the simplest case, where a process or organizational unit or decision making unit (DMU) has a single input and single output, the efficiency is defined, as in engineering, as

$$\text{Efficiency} = \text{Output} / \text{Input}$$

However, more typically, processes, organizational units and even students have multiple incommensurable inputs and outputs, making it difficult to make comparisons among units or to arrive at an overall measure or performance or efficiency of managerial and operating practices that can then be used for ranking purposes. This feature leads to the problem of aggregation, particularly so in regard to organizations in the not – for – profit and social sectors, where it is difficult to estimate or quantify in monetary terms the cost of inputs and the price of outputs.

In the case of units in the education and health sectors, it becomes extremely difficult to agree on what the monetary value is corresponding to various kinds of surgery or health care provided by a hospital or the outputs of an academic institution in terms of degrees or research papers or patents or student's quality. Moreover, in many situations, there is lack of knowledge of the exact relationship in terms of mathematical formulas among the various inputs and outputs. In other words, the production function is not known. The Data Envelopment Analysis (DEA) approach aims to overcome these complexities the idea of aggregation of inputs and outputs by using weightage.

AGGREGATION OF INPUTS AND OUTPUTS

Multiple inputs and outputs are to be linearly aggregated using weights. Hence the virtual input of a decision making unit (DMU) is defined as the weighted sum of inputs and virtual output as the weighted sum of outputs. Given these virtual inputs and outputs, the efficiency of the DMU in converting the inputs to outputs can be defined as the ratio of virtual output to virtual input. Hence,

$$\text{Efficiency} = \frac{\text{Virtual output}}{\text{Virtual input}} \dots\dots\dots(2)$$

In other words,

$$\text{Efficiency} = \frac{\text{Weighted Sum of Outputs}}{\text{Weighted Sum of inputs}} \dots\dots\dots (3)$$

Using the usual notation, this can be written in algebraic terms as:

$$j = \frac{u_1y_{1j} + u_2y_{2j} + \dots}{v_1x_{1j} + v_2x_{2j} + \dots} \dots\dots\dots (4)$$

Where,

- u₁ = weight given to output 1
- y_{1j} = amount of output 1 from unit j
- v₁ = weight given to input 1
- x_{1j} = amount of input 1 to unit j

In this mode only, the current study follows to measure the efficiency of the students. It has been discussed briefly in the successive parts.

OBJECTIVES OF THE STUDY

The present study intends to deal the following objectives.

- To assess the level of efficiency and efficiency inequality among students.
- To ascertain the determinants of efficiency difference among students.

METHODOLOGY OF THE STUDY

SAMPLING DESIGN

To accomplish the above said objectives, the present study depends on the primary data only. The primary sample study was restricted to Salem district, which consists of six taluks. As far as the higher educational institutions are concerned, all type of colleges are available viz arts and science, engineering, medical, nursing, management, catering and hotel management, dental, law and so on. As many as 40 colleges are running with various streams of education. Salem district was selected for the present study, the rationale behind this is, this district is one of the emerging regions in education wise at Tamilnadu. Further, this is the last resort to get quality higher education for the students residing in the nearby districts say Dharmapuri, Krishnagiri, Karur, Namakkal, etc. There are umpteen students selecting this junction to pursue their higher education from the surrounding districts. Moreover, various types of colleges in terms of quality can be found easily. For instance, world class institutions say Sona College of engineering are running and worst performing colleges which are crying for basic amenities are also being operated. However, the students are demanding such type of colleges as well. Hence, the researcher selected this field to study the objectives.

Sample size was restricted to 514 students due to the time and resource constraint. Sample colleges are Government Arts College, Salem; Government College of Engineering, Salem; Mohan Kumaramangalam Government Medical College, Salem; Periyar University College of Arts and Science (PRUCAS), Mettur Dam; Sri Sarada college for Women, Salem; Sona College of Technology, Salem; Vinayaka Mission’s Kirupananda Variyar Medical College, Salem; Vysya College, Salem and The Central Law College, Salem. From the selection of sample colleges to the selection of sample students, multi stage sampling technique was adopted. Sample students were divided proportionately by respective of their stream of education say General education and Professional education. Other kinds of education were ignored in this study, due to the low strength in terms of colleges and students. This study has taken only under graduate students, as sample (i.e., those who are studying colleges after completing the higher secondary school exam). More specifically, students those who are studying in the fall semester were only included in the study. The reason behind this is, it is assumed that they only have good college experience and know well about the quality of their institutions than other students. Moreover, they only the best opt to make study regarding the efficiency.

TECHNIQUES OF DATA COLLECTION

To collect the primary data, well structured and pre-tested interview schedule was framed and language Tamil was used. The schedule consists of information on demographic and socio-economic profile as well as data on family size, wealth of the family, Student’s and parent’s educational aspiration, student’s studying habit, previous course’s mark details, family’s investment behavior, accessibility and availability of colleges, educational loans and its interest rates loss of income due to the present study, expected returns from the study, expected non-pecuniary benefits and so on. Apart from this, to assess the quality of higher educational institution, students were asked umpteen questions under various categories viz., college’s standard, teachers’ ability and activities and other sort of facilities provided in the college.

MEASUREMENT OF STUDENT’S EFFICIENCY

To avoid the aggregation problem in measuring the efficiency of the students, weightage system was used to the input and output variables. The below table explains the educational inputs and outputs taken to measurement and its given weightage.

TABLE 1: INPUT AND OUTPUT PARAMETERS AND THEIR WEIGHTAGES

Input Parameters	Weightage	Output Parameters	Weightage
College Quality	3	Marks obtained	3
Available time to study per day	2	English Fluency	2
Daily studying hours	2	Technical proficiency	2
Person in home to clear doubts	2	Research publication	2
Extra coaching class	2	Awards & honours	2
Advanced educational facilities	2	Self-reliance	2
Investment behavior of the family	2	Certificate / Diploma courses	2
Physique of the student	2	Articulation skill	2
Living arrangement (Separated or grouped)	2	Written skill	2
Parents education	1	Creation & innovation	2
Number of graduates in the family	1	Problem handling skill	1
Parents aspiration	1	Debate skill	1
Students aspiration	1	Sports and culture	1
Constant motivation	1	Discipline	1
Loan facility	1	Leadership	1
Basic facilities	1	Extra-curricular activities	1
Conducive climate	1	Participation in seminar / workshop	1

While the weightage was assigned to the input and output variables, its educational importance and theoretical background were pondered carefully. Weightages were given in the range between 1 and 3. The highly important factors on the student efficiency were assigned as 3, moderate influential factors and low impact factors were given weightage by 2 and 1 respectively. In this connection, in the input side college quality was given as high weightage by 3. Following this, availability of time to study, hours of studying daily, person in home to clear doubts, extra-coaching class, advanced educational facilities, investment behaviour of the family, physique of the student and living style i.e., whether the student is separated or grouped were put under single category as moderately useful factors and given weightage was 2. The remaining variables such as parents education, number of graduates in the family, parents and students higher educational aspiration, constant motivation, loan facility, basic facilities to engage study and conducive climate to study were categorized as least important factors and the weightage was 1.

As far as the outcome side is considered, average marks obtained so far in the course was given more weightage (3) rather than other things. Next to this, English fluency, technical proficiency, awards and honours received, publication in journals, self-reliance certificate, Diploma courses studied during the course, articulation skill, written skill and creative and innovative skills were taken as moderately influencing factor and the weightage given was 2. And problem handling skill, debating skill, sports and cultural activities, discipline, leadership quality, extra-curricular activities and participation in seminar / workshop / conference were taken as least important variables and the given weightage was 1.

By using above given weightage to the input and output factors, the student’s efficiency formula was framed.

$$\text{Student's Efficiency (SE)} = \frac{\text{Weighted sum of educational outputs}}{\text{Weighted sum of educational inputs}} \dots\dots\dots (5)$$

$$\text{Specifically, Student's Efficiency} = \frac{3(\text{Marks}) + 2(\text{English Fluency}) + 2(\text{Technical proficiency}) + 2(\text{Research publication}) + 2(\text{Awards\&honours}) + 2(\text{Self-reliance}) + 2(\text{Certificate / Diploma courses}) + 2(\text{Articulation skill}) + 2(\text{Written skill}) + 2(\text{Creation \& innovation}) + 1(\text{Problem handling}) + 1(\text{Debate skill}) + 1(\text{Sports and culture}) + 1(\text{Discipline}) + 1(\text{Leadership}) + 1(\text{Extra-curricular}) + 1(\text{Participation in seminar workshop})}{3(\text{College quality}) + 2(\text{Available time to study per day}) + 2(\text{Daily studying hours}) + 2(\text{Person in home to clear doubts}) + 2(\text{Extra coaching class}) + 2(\text{Advanced educational facilities}) + 2(\text{Investment behaviour of the family}) + 2(\text{Physique of the student}) + 2(\text{Living style}) + 1(\text{Parents education}) + 1(\text{Number of graduates in the family}) + 1(\text{Parents aspiration}) + 1(\text{Students aspiration}) + 1(\text{Constant motivation}) + 1(\text{Loan facility}) + 1(\text{Basic facilities}) + 1(\text{Conducive climate})}$$

.....(6)

EDUCATIONAL EFFICIENCY INEQUALITY AMONG STUDENTS

With the aim to check whether there is any difference in the educational efficiency among students studying in colleges which have various status in terms of its quality. In this connection, the statistical tool one sample ‘t’ statistic was employed and the result is given below.

TABLE 2: ‘t’ – STATISTICS

Variable	Mean	Standard Deviation	Standard Error Mean
Students’ Efficiency	24.34	5.00	0.22
Variable	t – Value	Mean Difference	Significance (Two tailed)
Students’ Efficiency	110.34	24.34	0.000

Source: computed from the primary data.

The above table elucidates the result of one sample ‘t’ statistic. It was an attempt taken to check whether there is any significant difference in the mean of students’ efficiency. Hence it was hypothesized that there is no mean difference in the efficiency of students and the one sample ‘t’ test was employed to check. It is revealed from the result that, there is a significant mean difference in the efficiency of the students. The mean difference is 24.34, standard deviation is 5.00, the ‘t’ value is 110.34, the standard error of the mean is 0.22 and the result is significant at 1 per cent level of significance. Hence it can be interpreted from the result that there is a difference in the mean of students’ efficiency, and it is proved through the statistical test.

SPECIFICATION OF MODEL – DETERMINANTS OF STUDENT’S EFFICIENCY

Further, an attempt was taken to find out the determinants of efficiency inequality among the students. The endogenous factor used to run the regression analysis was student’s efficiency which was derived by employing the above framed equation. The exogenous variables were selected with the help of theoretical support and the previous works. The student’s efficiency function was erected as following.

$$SE = \beta_0 + \beta_1 X_{11} + \beta_2 X_{21} + \dots + \beta_k X_{ki} + U_i \quad \dots \dots \dots (7)$$

Where,

SE = Students’ efficiency,

β_0 = Constant,

X_{11} to X_{ki} explains the explanatory variables used in the study,

β_1 to β_k explains the co-efficient value of respective exogenous variables.

U_i = error term

The exogenous variables selected for analyzing the students efficiency is listed in the below table with the expected sign and the explanatory variables mentioned in the above equation has been elucidated in the same.

FACTORS INFLUENCING THE STUDENT EFFICIENCY

In the present study, it is intend to explore the factors which are responsible for efficiency difference among the students. The model covered the independent variables such as quality of the college where the students pursuing, sex of the student, parental education, number of graduates in the family, educational aspiration of parents and student, motivation, native of the respondent, previous course achievement, educational expenditure per year, employability in future, expected rate of return from the higher educational investment, conducive climate to study, physique of the student, living arrangements of the students, family source to clear subject doubts, extra coaching class and advanced educational facilities available to the student. The dependent variable is the student’s efficiency which was measured by the aforementioned formula.

TABLE 3: FACTORS DETERMINING THE STUDENTS EFFICIENCY

Code of the Variable	Variable Type	Expansion of the code	Coefficient	t value	Expected sign
Constant		27.819	+		
CQ	Q	Weighted College Quality (Calculated through the students’ perception)	-0.793	-23.929*	+
SX	D	Sex of the student - Male = 1; Female = 0	-0.059	-1.812***	+
FE	Q	Fathers education in years	0.120	2.790*	+
ME	Q	Mothers education in years	-0.012	-0.290	+
NG	Q	Number of graduates in the family	-0.03	-0.094	+
PEA	D	Parent’s educational aspiration on student’s higher education - High = 1; Low=0	-0.045	-1.436	+
SEA	D	Student’s educational aspiration on higher education High = 1; Low=0	0.012	0.377	+
MT	D	Continuous motivation - Yes = 1; No=0	0.034	1.121	+
SH	Q	Studying hours daily	0.062	1.894	+
CM	D	Community of the student - Forward Caste = 1; Otherwise = 0			+
NT	D	Native of the respondent - Town / City = 1; Village = 0	0.068	2.167**	+
PA	D	Previous course achievement - Yes = 1; No=0	0.144	4.815*	+
EXP	Q	Educational Expenditure per year	0.136	4.159	-
DEF	D	Demand for graduates in future - High = 1; Low = 0	0.049	1.644	+
MEC	Q	Expected rate of return from Higher educational investment	0.117	3.514*	+
CCS	D	Having conducive climate to study - Yes = 1; No = 0	-0.017	-0.489	+
PHY	D	Physique of the student - Normal = 1; Handicapped = 0	0.019	0.635	+
SEP	D	Living arrangements - With family support = 1; Seperated = 0	0.028	0.888	+
DBT	D	Family source to clear subject - Yes = 1; No = 0	0.012	0.366	-
EXC	D	Extra Coaching class - Yes = 1; No = 0	0.008	0.256	+
AF	D	Advanced educational facilities - Yes = 1; No= 0	0.000	-0.004	+
R² value = 0.58					

Source: computed from the primary data.

Q = Quantitative variable and D = Dummy variable

* Significant at 1 per cent level, ** Significant at 5 per cent level, *** Significant at 10 per cent level

The regression results reveal that the variables say quality of the college, sex of the student, native, fathers' education, studying hours daily, previous course achievement, educational expenditure and expected rate of return are having statistically significant relationship with the dependent variable named the student's efficiency. The R^2 value states that, the 58 per cent of the explanatory variables explained the dependent variable. While consider the relationship between the endogenous and exogenous variables, it is found that native of the student, fathers education, students higher educational aspiration, continuous motivation, studying hours daily, previous course achievements, educational expenditure, employability in future expected rate of return, physique of the student, living arrangements, having person to explain the subject doubts and special coaching class, are directly related. It is also inferred from this result that, independent variables such as quality of the college, sex, mothers' education, number of graduate in the family, parent's educational aspiration and the conducive climate to study are negatively connected to the dependent variable. The justification for some factors influencing the student's efficiency is given below.

DISCUSSION OF RESULT

Whether the quality of the college affects the efficiency of the students is an important query taken into account for studying the determinants of student's efficiency. It is often expected that the students who are studying in a high quality college would be more efficient when compared to the others. Therefore, an attempt was made to test the impact of the quality of the college on the student's efficiency. As expected, quality of the college affected the efficiency of the students at 1 per cent level of significance. But unexpectedly, it had emerged as negatively related significant factor in affecting the student's efficiency. This was due to the reason that the term used here was not educational production but educational efficiency. Hence, those who gave larger amount of output by utilizing limited input could be said to be efficient. In this study, the efficiency concept was only explored. It could be interpreted from the table that those who studied in a less quality college were more efficient rather than the students who pursued their study in high quality colleges. The rationale behind this was, less quality college students met only scarce resources from their colleges and home; hence they were urged to expose hard work so that they were producing output as much as they could do by eating limited input. On the contrary, students who studied quality colleges enjoyed many resources both from their colleges and from their family side. But, they could not give output as much as they get input. Hence, as far as the efficiency is concerned, less quality college students were highly efficient than the ones in the high quality colleges. For this reason, it could not be concluded that the students who were studying in quality colleges were not producing anything, but it should be interpreted that they needed more input to transform the large amount of output.

Sex of the student emerged as a significant variable at 10 per cent level of significance. This variable was selected to construct the model, since a father, think tank of a family, much preferred his son to study in a quality college and investing much on his son for the sake of getting efficiency rather than concentrating on their daughters. Hence, it was expected that male students would be more efficient than the female students. As expected, it came out as a significant variable, but the result revealed that female students are more efficient than the male students. It was due to the reason that because of some prejudices, girls used to meet only scarce resources, but they were ready to work hard and the girls were not vulnerable to time wasting habits when compared to the boys. Due to these reasons, girl students have been achieving more than the boys in the public examinations. It was evident that the position of state first in school education and University first rank were got by girls in the recent past. Therefore, it is proved from this study that girl students are more efficient than the boys. It was found from the result that father's education emerged as positively influencing factor on the student's efficiency at 1 per cent level of significance. It was unforeseen that mother's education did not influence on the student's efficiency. It could be interpreted that father, the think tank of a family, he took all decisions regarding the child what to do and how to do and led by proper guidance to become efficient than the mother in a family. It is noted that most of the households are male headed households and always the decision taken by the head is the final one.

Daily studying hours did not play a significant role on the student's efficiency in the present study. Though the result showed the positive relationship between the studying hours and efficiency, it could not come out as significant. It might be interpreted that how long the student was studying daily did not matter, but how depth he was studying mattered. It is noted that some students study for a short time, but they could understand well. And some spend many hours to study, their efficiency is low and this may be due to low concentration on the studies or their low capacity. It indicates that the students need not spend more time on studying; it is enough to take less time with much concentration.

It was hypothesized that student's previous course achievement would influence the student's efficiency. In order to test this hypothesis, the researcher also introduced the previous course's achievement as one of the factors which might determine the efficiency of the student. The regression result supported the hypothesis and it positively emerged at 1 per cent level of significance on the efficiency of the student. It might be due to the reason of two way causal relationships. However, it was proved that previous course's achievement was one of the dominant factors affecting the student's efficiency. Since it made the student to be a self-inspirator and induces more to do further achievement.

It was expected that expenditure made on education would influence more on the efficiency of the students. Since higher education students need to purchase costly books, and learn computer courses and other things, they require large amount of money. Therefore, educational expenditure per year incurred by the student was added as an important variable affecting the student's efficiency. On the contrary to the expectation, this variable could not emerge as a significant one. It was due to the reason that getting knowledge and becoming efficient was not a matter of spending large amount, but a matter of capacity and innate ability. It is worthy to mention that some efficient students are getting knowledge from the experts at free of cost, experts are also not reluctant to transfer knowledge to the students for money matters. Further, Government college students are studying with the subsidy given by Government and in many places free education is available to the students who had scored high marks in the previous course. Hence, educational expenditure was not a determining factor for the student's efficiency.

Expected rate of return from the higher educational investment influenced positively at 1 per cent level of significance on student's efficiency. This might be interpreted as those who would expect more return from the investment, they tried hard and took pain to enhance their efficiency. It was due to the reason that some students were pursuing their higher education by borrowing loans or credit from local money lenders. So automatically they would expect more. Keeping the borrowings in mind, they expected more return and worked more efficiently than others.

CONCLUSION

It is observed from the above analysis that, many industrial needs from the higher education students are not fulfilled satisfactorily. It is noted that, efficiency of the students are self-evaluated. Some of the total sample students themselves are confessing that they are lack in English fluency, technical proficiency, articulation skill, written skills, self-reliance, problem handling capacity, debating power, leadership quality and so on. It is hard to find that where the mistakes happen whether in the supply side or demand side. It cannot be said that, all the students are being lack in these skills. Hence the difference of efficiency arises between the students. It is resulted from the analysis that, factors such as quality of the college, gender, location, father's education, studying hours daily, previous course achievement, educational expenditure and expected rate of return from the educational investment are influencing more the student's efficiency rather than other variables.

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EFFECTIVENESS OF QUALITY OF WORK LIFE POLICIES AND PRACTICES IN THE PUBLIC SECTOR ORGANIZATIONS –A STUDY

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ABSTRACT

Public Sector Units (PSUs) in India are either wholly or substantially owned by Government. These companies are operating in a highly complex and competitive environment. On one hand, these organizations have to compete with both local companies and MNCs to retain the market share or leadership, and on the other hand it is regulated and controlled by Government in matters such as fixation of remuneration, investments, expansions and other major decisions. Managing business in such a complex environment requires competent, effective and loyal workforce to run the organization profitably and create value to the stakeholders. Some organizations support their people to help them to balance the work-life because the benefits of QWL initiative in an organization go to both employees and employers. The present study examines existing policies and practices that influence the development of work-life balance that are excellent for people as well as for the organization in Bangalore based Govt. Public Sector Organizations in the manufacturing segment and which are serving the society successfully for last few decades.

KEYWORDS

Quality of Work Life, Policies, Public Sector Units.

INTRODUCTION

Life at work is an integral part of total life space. Quality of Work Life (QWL) is therefore conceptualized as a sub-set of the quality of life, which is all-inclusive notion of life and living conditions. QWL is the quality of the content of relationship between human beings and their work (<http://www.highbeam.com/doc/igi-189653414.html>). The QWL may have different connotations to different persons and hence the factors contributing to QWL are also varied. Thus the concept of QWL is broad and diverse. There are several strands of thought which have been active in the continuous process of humanizing work like workplace environment, wage-work Life at work is an integral part of total life space. Quality of Work Life (QWL) is therefore conceptualized as a sub-set of the quality of life, which is all-inclusive notion of life and living bargain, safety and security, protection and extension of human rights in the society, protection against the exercise of arbitrary authority by the employer, need for meaningful and satisfying work, participation in the decisions that affect work situation (<http://www.jstor.org/pss/4375055>). As the concept of working life is complex and consists of different components, some authors like Walton of the view that these components of working life are interrelated and should be seen as constituting an integrated whole rather than as separate and discrete. Walton proposes eight major conceptual categories which provide a framework for analysis of the salient features together that make up the quality of work life. These are; i) Adequate and fair compensation ii) Safe and healthy working condition iii) Immediate opportunity to develop human capacities iv) Opportunity for continued growth and security v) Social integration in the organization vi) A proper balance between work and total life space vii) Social relevance of work life viii) Constitutionalism in the work area.

Based on the above integrated approach of Walton, the study examines the QWL policies and practices to comprehend and analyze its effectiveness and outcome on the organizational performance in selected PSUs. These Public enterprises are bodies with corporate form set up and wholly or substantially owned by the Government, for the purpose of undertaking activities of an industrial, manufacturing, trading or allied nature (including the provision of not merely goods but also economic services) on commercial lines (Ramaswamy, 1991). The rationale of public investment and the role of public enterprises as perceived include achieving self-sufficiency in the manufacture of the plant and equipment needed for other industries need for accelerating the rate of growth, speeding up industrialization, ensuring equitable distribution, and so on. The selected PSU organizations are consistently performing well over the last few decades in spite of social, economic, technological, political, and market changes, especially after liberalization and globalization. Also, by and large, these organizations are able to retain loyal and competent employees who become the most important resource in the organization and capable of making valuable contribution. These Successful organizations support and provide facilities to their employees to facilitate them to balance the work-life. This is because the benefits of QWL initiative in an organization go to both employees and employers. Employees trust that with QWL initiative they feel safe, relatively satisfied, and able to progress in their career. QWL are equally beneficial to the employers, because it positively nurtures a more flexible, loyal, motivated workforce and better Employee relations. It is one of the essential components in determining the organizational competitiveness. Today's workforce is realizing the importance of relationships and is trying to strike a balance between career and personal lives. As a result, organizations are coming up with new and innovative policies and ideas to improve the quality of work life of their competent workforce.

REVIEW OF LITERATURE

An appraisal of literature on the theme shows that very few studies have been undertaken concerning to effectiveness of QWL policies and practices in the PSUs and its impact. A review of existing literature on the subject matter shows that in India a chain of experiments and projects concerning to QWL started after a workshop was organized by Fred Emery, for senior managers and union leaders in 1973. The first experiment was done in Bharat Heavy Electricals Limited and later in Hindustan Machine Tools Ltd, both were PSUs. These were made by National Labour Institute, New Delhi. National Productivity Council initiated experimental projects in other PSUs like Rashtriya Chemicals and Fertilizers Ltd, Hindustan Shipyard Ltd., and other selected organizations. These experiments were reviewed by Kanawaty and others (1981). They identified factors which facilitate or impede the introduction of job and work place redesign (dspace.vidyanidhi.org.in:8080/dspace/bitstream/.../MAU-1994-076-2.pdf). The National Productivity Council conducted a survey in 1990, concerning QWL practices in Indian Industry covering 47 organizations. The study examines the QWL policies and practices which are in vogue and aid in promoting better QWL of employees, harmony, subsistence of competent workforce and progressive growth of the organization performance over decades.

STATEMENT OF THE PROBLEM

Work is an integral part of our everyday life. It does influence the overall quality of our life. A happy and healthy employee will give better turnover, make good decisions, and positively contribute to the organizational goal. An assured good quality of work life will not only attract young and new talent but also retain an

existing experienced talent. There are several factors that influence and decide the Quality of Work Life like work environment, nature of job, growth and development, career prospects, opportunities, people, safety, rewards, meaningful and autonomy in the job, and others. How effectively these issues are addressed through policies and practices by an organization determine the degree of QWL of people. Higher the degree of QWL implies more loyal, flexible and motivated workforce which is essential in determining the organizational competitiveness and success.

OBJECTIVES

The main objectives of the study are

- 1) To identify the policies and practices concerning to QWL.
- 2) To study its effectiveness on quality of work life and organizational performance.

METHODOLOGY

Sample Size - The present study is conducted in selected Govt. PSUs located at Bangalore. These are basically manufacturing units spread across different verticals. The data is collected from both primary and secondary sources. The total 65 number of respondents from different PSUs are randomly selected. All are workers.

Measuring Instrument-It contains 52 questions and the scale includes Walton’s eight major conceptual factors of QWL. A higher score on the QWL scale indicates “better Quality of Working Life”. The policies & practices related to QWL will be studied under the Walton’s eight major conceptual areas as given below.

Measuring Scales are Adequate and fair compensation

The typical impetus to work is to earn a living. Therefore, satisfaction one derives through income from the work depends upon the fulfillment of financial needs adequately by pay or compensation. Therefore QWL is affected by income from the work. Policies that is studied here is - Wage policy.

Safe and healthy working condition

Policies and procedures concerning to safety, working environment conditions and welfare measures to promote good employee health and safety are focused. Policies studied under this factor are – Health and Safety policy, Welfare measures.

Immediate opportunity to develop human capacities

Focuses on how an organization enables an employee to use and develop skills, opportunity to participate in planning one’s task and decision making. Policies that is studied here is – Work policy.

Opportunity for continued growth and security

This shows whether an organization provides an opportunity for creativity, growth, personality development, and of work security.

Social integration in the organization

This covers on the nature of personal relationships and sense of community in work organization.

Constitutionalism in the work area

The key aspects here are whether organization takes care for the welfare of all, provide equitable treatment, privacy, and others.

Work and total life space

An individual’s work experience can have positive or negative effects on other spheres of life. This covers areas such as social and individual requirements are considered, whether the job affect the life, and determines the balanced role of work in life.

The Social relevance of work life

The concept raises the social relevance of both organizations to the society and to the individual.

ANALYSIS AND INTERPRETATION OF DATA

TABLE 1: ADEQUATE INCOME AND FAIR COMPENSATION OF THE SAMPLE RESPONDENTS N=65

Sl.No	QWL Scales	Yes (Percentage)	No (Percentage)
1	Are you satisfied with your Income from the work	47(72)	18(28)
2	Are your financial needs fulfilled adequately by your pay?	45(69)	20(31)
3	Would you continue to be in the present job regardless of pay received?	52(80)	13(20)
4	Do you feel that you are over compensated in your job?	23(35)	42(65)

Above table shows that 72 percent of the workers are satisfied with the income which they get from the work. Income is related to the financial security of the job. Economic needs are the basic needs in the era of the financial capitalism. 69% of the workers feel that they are adequately paid by the organization. 80% of them are ready to continue to be in present job regardless of pay. 35%of the workers opinions that, they are over compensated and65%are of the opinion that they are properly compensated.

It is very interesting to note that, in PSU s workers are satisfied with their income from the job and other financial and compensatory benefits. Regardless of their income they want to continue with the same job, it means they are not worried about their income but they need job security. The job security is well assured in public sector. The quality of work life of workers in PSUs determined to large extent by the job security factor than the income.

TABLE 2: SAFE AND HEALTHY WORKING CONDITION OF THE SAMPLE RESPONDENTS N=65

Sl.No	QWL Scales	Yes (Percentage)	No (Percentage)
1	Do you think that members in this organization are so occupied with their duties that they can hardly spare time for their co-workers?	14(21)	51(79)
2	Does the working condition have risk of illness and injury?	4(6)	61(94)
3	Is your organization overcrowded and dirty?	2(3)	63(97)
4	Do you feel that your working conditions are dehumanized?	0(0)	65(100)
5	Is the noise and illumination of working place is irritating?	2(3)	63(97)

From the above table it can be perceived that only 21% of the workers have revealed that the members in the organization are so occupied with their duties and spend little time with their co workers but 79% of the workers are not compliance with this opinion. They accept that with their duties they also care for co workers, share pain and pleasure. 100% respondents accept that the working conditions are so humanized, and 97% are of the opinion that the working place is not irritating and no noise and illumination.

From the above data in the public sector it can be identified that safe and healthy working condition measures are properly taken care off. Safety and healthy policy has improved the quality of work life of the workers in public sector.

TABLE 3: OPPORTUNITY FOR CONTINUED GROWTH AND SECURITY OF THE SAMPLE RESPONDENTS N=65

Sl.No	QWL Scales	Yes (Percentage)	No (Percentage)
1	Does your work involve corporate planning, research and development?	43(66)	22(44)
2	Is your work too challenging and trying the limit your ability?	7(11)	58(89)
3	Are there any facilities and opportunity for individual creative work in the organization?	60(92)	5(8)
4	Do you think that you could use newly acquired knowledge for further work assignment?	55(85)	10(15)
5	Is your work group based by which your own achievements are not given importance?	6(9)	59(91)
6	Do you get opportunities to improve your job?	64(98)	1(2)
7	Does the information passed from one person to another person in this organization deliberately made inaccurate?.	2(3)	63(97)

From the above table, it is shown as 66% of respondents feel that their work involves corporate planning research and development, where as 44% have neglected this. 89% of respondents have found that their work is not challenging and it do not limit their ability.92% have accepted that they have facilities and opportunities for their individual creative work in the organization and 85% of them think, they could use newly acquired knowledge for further work assignment.91% of the selected workers of the opinion that there individual achievements also properly recognized and importance is given in their work group and also 98% of them accept that they have an opportunity to improve their job too. 97% of the respondents feel that information passed from one person to another in the organization is accurate and they are well informed of the organization.

From the above analysis it is inferred that the workers in the public sector are satisfied with opportunities for their continued growth and for the improvement of their individual abilities. But it is very important to note that slightly less than 50% of the respondents are not satisfied with corporate planning, research and development in their work. it calls for further concentration on this issue in public sector.

TABLE 4: IMMEDIATE OPPORTUNITIES TO DEVELOP HUMAN CAPACITIES OF THE SAMPLE RESPONDENTS N=65

Sl.No	QWL Scales	Yes (Percentage)	No (Percentage)
1	Does the information passed from one person to another person in this organization deliberately made inaccurate?	2(3)	63(97)
2	Do you agree that almost everyone here knows - who is working under whom?	59(91)	6(9)
3	Are your ideas to bring new changes in the organization appreciated?	65(100)	0(0)
4	Do you get an opportunities to participate in technical planning of your work?	56(86)	9(14)
5	Do you get adequate information about what is going on in other departments and units in the organization?	51(78)	14(22)
6	Do you have freedom of taking decision for your job and implement them?	55(85)	10(15)
7	Does your job provide with meaningful information about total work process and results?	63(97)	2(3)
8	Is your job characterized by unitary and meaningful results?	61(94)	4(6)
9	Does the organization facilitates the self-improvement for members?	65(100)	0(0)
10	Do you get correct information about your work, duties, etc.?	65(100)	0(0)
11	Do you feel isolation from your organization in terms of total tasks?	1(2)	64(98)

From this table 97% of the respondents accept, the information passed from one person to another in the organization is not deliberately made inaccurate. 91% of them know the hierarchy in the organization and who is working under whom 100% respondents accept that there is appreciation of their ideas to bring new changes in the organization. 86% agree, they get opportunities to participate in technical planning of their work.78% feel that they get adequate information about other departments and units of the organization. Among respondents, 85% say they have freedom of taking decision in their job and implement them.97% of them accept, their jobs provide with meaningful information about total work process and results.94% of them also accepted that their job is characterized by unitary and meaning full results. 100% of them feel organization provides the facilities for the self improvement of the workers, and they have correct information about their work results etc. 98% feel that they are not isolated from their organization in terms of total tasks.

It is pointed out that highest numbers of respondents are satisfied with the immediate opportunities to develop human capacities. They have best opportunities, to grow individually, for individual recognition, to participate in work plan and have access for complete information of their work and organization. Thus public sectors are more transparent.Transparency in the organization and opportunities to develop human capacities inculcate the quality of work life of the workers.

TABLE 5: SOCIAL INTEGRATION IN THE WORK ORGANIZATION OF THE SAMPLE RESPONDENTS N=65

Sl.No	QWL Scales	Yes (Percentage)	No (Percentage)
1	Does the all members of the work organization have the sense of one community?	64(98)	1(2)
2	Do you identify yourself as a member of the organization on the basis of skill and potentialities without regard of race, sex, age, etc.?	65(100)	0(0)
3	"Working in group" is no problem here. Do you agree with this statement?	59(90)	6(10)
4	Are the people in higher levels aware of the problems?	53(81)	12(19)
5	Do the members of different levels work as a member of team?	57(88)	8(12)
6	Do you prefer to accomplish work individually than in the team?	6(9)	59(91)
7	Do you think that member of senior staff pay attention to grievances of the junior staff?	55(85)	10(15)
8	Are your views taken into account in resolving working problems?	53(81)	12(19)
9	Do you co-operate with your co-workers.	57(88)	8(12)
10	Do you think inter-group relations of the organization are satisfactory?	60(92)	5(8)
11	Does the organization encourage reciprocal help?	63(97)	2(3)

In this table 98% of the respondents in organization feel sense of one community. 100%accepts that they are identified as members of the organization on the basis of skill and potentialities with out regard of race caste, sex, etc. 90% of respondents accept working in group concept.81% of them feel, the people in higher levels are aware of the problems.88%of respondents agree that the members of the different levels of work as members of a team. 91% of them do not prefer to accomplish work individually than in the team.85% are happy that members of the senior staff pay attention to grievances of the junior staff.81%of respondents have said that their views are taken into account in resolving working problems.88% of them agree they co-operate with their co workers.92% of the respondents feel satisfactory with respect to their inter group relations and 97% of them say organization encourage reciprocal help.

From the above responses it can be concluded that in public sector the maximum workers feel and express that they enjoy equal treatment, group work spirit, opportunity for individual skill and abilities, mutual co-ordination, help and care, "top to bottom" and "bottom to top" approach in the work coordination etc. The social integration and harmoniousness in the organization provides more work satisfaction. It is good condition to be fulfilled in all organizations in private sector also. to bring about a good quality of work life and resolve to maintain better industrial relations.

TABLE 6: CONSTITUTIONALISM IN THE WORK ORGANIZATION OF THE SAMPLE RESPONDENTS N=65

Sl.No	QWL Scales	Yes (Percentage)	No (Percentage)
1	Does the organization take care of welfare of persons of all ages?	59(90)	6(10)
2	Do you receive equal treatment in all matters like employee compensation, job, security, etc.?	55(85)	10(15)
3	Does your organization believe that there is "one best way for everyone".?	4(6)	61(94)

From the above table it is revealed that 90% of the respondents are satisfactory with the organizations care for welfare of persons of all ages. 85% of them say, they receive equal treatment all matters like employee compensation job security etc. 94% of them do not accept that the organization believe that there is one best way for every one because every individuals problems and grievances are not similar with that of another.

From this analysis it is proved that constitutionalism in the work organization provides an opportunity to enjoy equality welfare etc. such treatment in public sector in accordance with the constitutional provisions, which are properly implemented. Such constitutional rights of workers extend quality of work life in public sector.

TABLE 7: WORK AND TOTAL LIFE SPACE OF THE SAMPLE RESPONDENTS N=65

Sl.No	QWL Scales	Yes (Percentage)	No (Percentage)
1	Does your job satisfying your needs in general on the job?	51(78)	14(22)
2	Do you neglect your health due to your job?	4(6)	61(94)
3	Are your social and individual requirements neglected in the organization?	3(5)	62(95)
	Does the energy and time spent on the job affect your life adversely?	0(0)	65(100)

From the above table 78% of respondents agree that their jobs satisfy their needs in general on job. 94% of them do not agree that they neglect their health due to their job. 95% of them do not agree that their social and individual requirements neglected in the organization and 100% respondents do not accept that the energy and time spent on the job effect their life adversely.

From the above analysis it can be inferred that, the work and total life space of the workers in public sector organizations are very good. Only a negligible percentage of the respondents do not agree with this. They enjoy more job satisfaction, good health and life. They would not feel monotonous on job.

TABLE 8: THE SOCIAL RELEVANCE OF WORKING LIFE OF THE SAMPLE RESPONDENTS N=65

Sl.No	QWL Scales	Yes (Percentage)	No (Percentage)
1	Does your organization function as a socially responsible unit?	65(100)	0(0)
2	Do you think that your job lowers your social prestige?	4(6)	61(94)
3	Does your job have improved social security scheme?	60(92)	5(8)
4	Do you feel that organization is too heavily production oriented?	55(85)	10(10)
5	Does your work life match the social life you lead?	58(89)	7(11)
6	Is your organization aware of methods of prevention of industrial pollution?	65(100)	0(0)

From the above table it is shown that 100% of respondents agree that organization function as a socially responsible unit. 94% of the total respondents disagree that their job lowers their social prestige. 92% of them say their jobs have improved social security scheme. Among total respondents 85% have felt that their work life match the social life they lead. and 100% of them agree that their organization aware of methods of preventing of industrial pollution.

From the above table it is very clear that the public sector organization has good social relevance by having social responsibilities taking good social security measures, controlling pollution, upholding workers social life and their social prestige, and ultimately bringing out more production. The social relevance of working life is also taken into account to measure quality of work life. If the social relevance of work life is very high the quality of work life also more and vis-versa.

FINDINGS AND SUGGESTIONS

1. It is very interesting to note that, in PSU s workers are satisfied with their income from the job and other financial and compensatory benefits. Regardless of their income they want to continue with the same job, it means they are not worried about their income but they need job security. The job security is well assured in public sector. The quality of work life of workers in PSUs determined to large extent by the job security factor than the income
2. From this study it can be identified that safe and healthy working condition measures are properly taken care off. Safety and health policy has improved the quality of work life of the workers in public sector.
3. From the above analysis it is inferred that the workers in the public sector are satisfied with opportunities for their continued growth and for the improvement of their individual abilities. But it is very important to note that slightly less than 50% of the respondents are not satisfied with corporate planning, research and development in their work. it calls for further concentration on this issue in public sector
4. It is pointed out that highest number of respondents are satisfied with the immediate opportunities to develop human capacities. They have best opportunities to grow individually, for individual recognition to participate in work plan and have access for complete information of their work and organization. Thus public sectors are more transparent. Transparency in the organization and opportunities to develop human capacities inculcate the quality of work life of the workers.
5. it identified that in public sector the maximum workers feel and express that they enjoy equal treatment, group work spirit, opportunity for individual skill and abilities, mutual co- operation, help and care, "top to bottom" and "bottom to top" approach in the work coordination etc. The social integration and harmoniousness in the organization provides more work satisfaction. it is good condition to be fulfilled in all organizations in private sector also. To bring about a good quality of work life and resolve to maintain better industrial relations.
6. From this study it is proved that constitutionalism in the work organization provides an opportunity to enjoy equality, welfare etc. such treatment in public sector in accordance with the constituently provisions, which are properly implemented. Such constitutional rights of workers extend quality of work life in public sector.
7. From the above analysis it can be inferred that, the work and total life space of the workers in public sector organizations is very good. Only a negligible percentage of the respondents do not agree with this. They enjoy more job satisfaction, good health and life. they would not feel "monotonous on job",
8. It is very clear that the public sector organization has good social relevance by having social responsibilities taking good social security measures controlling pollution up holding works social life and their social prestige, and ultimately bringing out more production. the social relevance of working life is also taken into account to measure quality of work life. If the social relevance of work life is very high the quality of work life also more and vis-versa.

CONCLUSION

The present study is on the "Effectiveness of quality of work life policies and practices in the public sector organizations". Present study covers the QWL policies and practices followed in the public sector units. The laws passed by the pre and post- independent governments of India and the Indian constitutional provisions have provided wide scope for good quality of work life in PSUs. Indian economy is a mixed economy with the co-existence both private and public sectors.

This study shows the quality of work life is higher in the public sector. Workers in the public sector are getting adequate pay and compensation. Various policies and practices in the public sector are implemented effectively, as a consequence safe and healthy conditions are maintained. There are ample opportunities to develop human capacities and to have job satisfaction. The present study is interesting in the era of globalization, liberalization and privatization, because at this

juncture privatization of the public sectors has become the order of the day. Public sector is facing major challenge of criticism from the vested interests of the private sector. In this critical context present study exhibits the human face of the public sector.

SCOPE FOR FURTHER RESEARCH

1. Positive practice environments for health care professionals
2. Teamwork and high performance work organization

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THE LEVEL OF JOB SATISFACTION AND OPPURTUNITIES AMONG WOMEN ENTREPRENEURS IN TAMILNADU

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ABSTRACT

Entrepreneurship Development among women is considered as a possible approach to economic empowerment of women, but women entrepreneurs are facing considerable challenges and severe competition apart from the various constraints a women face. She gains a sense of satisfaction from the work she undertakes. Job satisfaction is an attitude which results from a balancing and summation of many specific likes and dislike experienced in connection with the job. Satisfaction in job is a socio-economic motive and women do undertake jobs with this motive. In the present paper, an attempt has been made to analyse the level of job satisfaction of the women entrepreneurs in Coimbatore District, with a comparative approach of rural and urban women.

KEYWORDS

job satisfaction, women entrepreneur.

INTRODUCTION

Empowerment of women is the need of the day, as it is only the surest way of making women as partners in development and bringing them in the main stream of development, not only as mere beneficiaries but also contributors. If women are empowered the day is not far away for them to succeed in their job carrier.

Women's education too, often spreads this way, more specifically, through same sex effects i.e., an educated women is far more likely to send her daughter to school than an uneducated women. Also, she is likely to maintain better conditions of nutrition and hygiene in her household and there by improve her family's health. The presence of large number female teachers may encourage parents to send their daughters to school. Thus education is a fundamental tool for women's empowerment. This education brings job opportunity for a woman and makes her as a bread winner for her family. The job will be successful only if they have satisfaction in their undertakings.

Satisfaction relates to the feeling of contentment that an individual experiences with the fulfillment of one's wants or aspirations. In employment such contentment is derived from achieving the desired goal of fulfilling the financial, social or personal needs. Job satisfaction is an attitude which results from balancing and summation of many specific likes and dislikes experienced in connection with the job. According to Srivastava(1983), job satisfaction has many inter related factors like working conditions, job security, job structure, compensation and supervision etc. It is also a function of an individual's level of aspiration.

The main factors that contribute towards achieving job satisfaction are training, work, earnings, educational qualification, appreciation and recognition for their work both in work place and at home. The main factors that determine the level of satisfaction will depend on the amount of income they earn in order to reduce the financial constraints. Satisfaction in job is a socio-economic motive and women do undertake jobs with this motive. This view has been amply supported in the works of Rathore (1991), Prasad et.al (1994) and Speitzer (1995).

REVIEW OF LITERATURE

Entrepreneurship of women plays vital role in the national development. Entrepreneurs embark on spiritual ventures are integrated ingredients of economic progress. The enterprise hopes of creating wealth and start small business such as restraints and bicycles repair shops and other sorts of garages who entirely innovate new technology and products. Yet entrepreneurship is not enough to propel economic progress. Entrepreneurship is considered desirable because it can contribute to the generation of employment, distribution of wealth and introduction of new products. Drukar (1984), Hisrich (1986), Vesper (1986), Mineral John (1995), Kirehloff (1991), opined and advocated the importance of entrepreneurship to foster and gain impetus. India is committing enormous resources to small business enterprises like south East Asian countries like Malaysia and Singapore. Ethics and women leadership efficiency and management are limited in their scope due to bottlenecks. Switch on and get light is difficult rather a hard nut to be cracked in under developed country like India.

Satisfaction in job is a socio-economic motive and women do undertake jobs with this motive this view has been amply supported in the works of Kapoor Bhattacharya (1963), Arora et.al (1965), Rapoport and Rapoport (1974) and Nischol (1975). The level of satisfaction that the women enjoy in their occupations will inturn affects their work-home role management.

Job satisfaction is an attitude which results from a balancing and summation of many specific likes and dislikes experienced in connection with the job. According to Srivastava (1983), job satisfaction has many inter related factors like working conditions, job security, job structure, compensation and supervision etc. It is also a function of an individual's level of aspiration.

Subbalakshmi (2008) in her work found that, women as entrepreneurs are much more satisfied because now they feel that the community is looking at them as leaders and decision makers.

Tamilmani (2009), has pointed out that apart from the economic development witnessed as a result of taking up entrepreneurship, the women members agreed that they have a higher level of job satisfaction because now they are socially upgraded.

OBJECTIVE OF THE STUDY

This study is carried out to analyse the level of job satisfaction among the women entrepreneurs of both rural and urban areas in Coimbatore district and to measure the variation of satisfaction in job between these two groups of women.

METHODOLOGY

In this paper the level of job satisfaction among the women who have taken up entrepreneurship as their occupation were considered for detailed analysis. For present study Coimbatore district was selected as the research area. In Coimbatore District 200 women were selected from the rural area of Anaimalai block and 200 women were selected from the urban area of Coimbatore corporation limit. Totally 400 women entrepreneurs were interviewed based on purposive sampling technique. Related to the nature of the activity women were categorized as manufacturers, traders and women belonging to service sector.

PERIOD OF THE STUDY

The primary data for the study has been collected from sample women entrepreneurs in Coimbatore district during the period from January 2011 to June 2011.

RESEARCH TECHNIQUE

For the present study scaling technique is applied to analyse the results. Direct judgement method, a variant of quantitative judgement method was used to measure the reasons for starting the enterprise. Using the limited category response method, the respondents were asked to mark their preferences on a five-point scale as follows.

+2	Strongly agree
+1	Agree
0	Neutral
-1	Disagree
-2	Strongly disagree

Here the score ranges between +2 and -2. If the score is closer to 2, it indicates that the item is preferred very much by the respondents and if the value is closer to -2, it indicates their disagreement for the item. In the present study scaling technique was applied for the opinion based on the level of job satisfaction.

ANALYSIS AND DISCUSSION

The respondents were asked to state their opinions based on the level of satisfaction they receive in their work, with regard to their earnings, education and appreciation for their work. The direct judgment method was used for rating the responses given by the study group, the limited response category sub case was applied on a five point scale with the designated attribute such as ‘fully satisfied’, ‘partly satisfied’, ‘neutral’, ‘partly dissatisfied’ and ‘fully dissatisfied’. Specified numerical weights were assigned to each attribute as +2, +1, 0, -1 and -2 respectively. The calculated scores of each criteria sector-wise and area-wise are given in the following table.

TABLE 1: AVERAGE SCORES ASSIGNED ON JOB SATISFACTION

AREA SECTOR	RURAL				URBAN			
	MANUFACTURING	TRADING	SERVICE	TOTAL	MANUFACTURING	TRADING	SERVICE	TOTAL
Satisfaction in training	1.55	1.6	1.62	1.63	1.50	0.0	1.56	1.56
Satisfaction in job	1.71	1.66	1.64	1.69	1.59	1.43	1.75	1.64
Satisfaction in earnings	1.37	1.42	1.32	1.38	0.98	0.59	0.69	0.79
Educational qualifications	-0.93	-0.64	-0.11	-0.09	-0.37	-0.43	0.0	-0.20
Work appreciated in own field	1.52	1.52	1.64	1.54	1.70	1.57	1.84	1.75
Work appreciated at home	1.43	1.38	1.50	1.43	1.49	1.39	1.38	1.42

Source: Calculations base on field survey, 2011.

In rural area, the women entrepreneurs were fully satisfied with their job as well as on the training they had, the scores assigned being 1.69 and 1.63 respectively. They were also very much satisfied with the appreciation which they receive at the work place (score = 1.54) and at home (score = 1.43). Sector-wise analysis also revealed the same findings. Most of the women during the interview schedule said that if they had better education, they could have been placed in a better white collared job. The women in the three sectors were satisfied with their earnings.

In urban area, it was the appreciation of work at their own field (score = 1.75) and job satisfaction (score = 1.64) were the criteria which gave more satisfaction to the women. Satisfaction in training and appreciation of work at home were the criteria on which the women entrepreneurs were again satisfied the scores assigned being 1.64 and 1.42 respectively. For the level of satisfaction with respect to earnings the urban women were not very much satisfied (score = 0.79). as in the case of rural area, the women of urban area also showed their dissatisfaction on their educational qualifications. The score for educational qualification indicated that the women were dissatisfied. The women in trading sector had no training with respect to the women of urban area.

Among the various criteria in the above analysis, only a limited number of women had undergone training in their related fields. In rural area, only 25.41% of women in manufacturing sector had undergone training and it was 10.0% in the trading sector and 92.86% in service sector. Similarly, in urban area only 14.04% of the women in manufacturing sector had undergone training, and none of the women in trading sector had training and 80.81% had training in service sector. The above percentages in the three sectors indicated that the women in service sector had training when compared with the women of other sectors, both in rural and urban areas.

The above analysis clearly indicated that women from both rural and urban areas were fully satisfied in their jobs but were partly dissatisfied on the educational qualifications they acquired.

OPINION BASED ON OPPORTUNITIES

The respondents of the study were asked during their interview, whether they would be able to produce better results, if better opportunities were made available to them. For this, any women if optimistic will definitely say that she will produce better results if better opportunities are provided to her. Some of the opportunities like ‘credit availability’, ‘marketing of the products’, ‘government assistance’, ‘facility to earn more’ and ‘bulk orders’ were placed before them and the women entrepreneurs were asked to mark one among these opportunities or by marking ‘none’, which indicate that they are not in the position or not interested to use any of the opportunities. The following table indicates the responses of the women entrepreneurs regarding this issue in both rural and urban areas.

TABLE 2: OPINION ON BETTER RESULTS WITH OPPORTUNITIES (Number stated)

AREA SECTOR OPINION	RURAL				URBAN				GRAND TOTAL
	MANUFACTURING	TRADING	SERVICE	TOTAL	MANUFACTURING	TRADING	SERVICE	TOTAL	
Credit availability	19(15.57)	11(22.0)	4(14.29)	34(17.0)	11(19.30)	18(40.91)	31(31.31)	60(30.0)	94(23.5)
Marketing of the products	12(9.84)	8(6.0)	2(7.14)	22(11.0)	6(10.53)	4(9.09)	8(8.08)	18(9.0)	40(10.0)
Government assistance	27(22.13)	14(28.0)	9(32.14)	50(25.0)	19(33.33)	13(29.55)	28(28.28)	60(30.3)	110(27.5)
Facility to earn more	21(17.21)	12(24.0)	11(39.29)	44(22.00)	12(21.05)	6(13.64)	21(21.21)	39(19.5)	83(20.75)
Bulk orders	30(24.59)	3(6.0)	1(3.57)	34(17.0)	7(12.28)	3(6.82)	10(10.10)	20(10.0)	54(13.5)
None	13(10.660)	2(4.0)	1(3.57)	16(8.0)	2(3.51)	0(0.0)	1(1.01)	3(1.50)	19(4.75)
Total	122(100)	50(100)	28(100)	200(100)	57(100)	44(100)	99(100)	200(100)	400(100)

Source: Field survey, 2011.

Figure in brackets indicates the percentage to column total.

From the above table, it is clear that more than 90% of the women both in rural and urban areas and in the various sectors like manufacturing, trading and services opined that they would produce better results if better opportunities were provided to them. The overall picture showed that 27.5% of the women marked ‘Government assistance’ as the required opportunities. In rural area, 25% of the women marked ‘Government assistance’. Out of the total respondents 8% stated that they do not need any opportunity to proceed further. Sector wise analysis showed that women in manufacturing sector(24.59%) gave more importance for ‘bulk orders’, in trading sector 28% of them marked ‘Government assistance’ and in service sector 32.29% of them marked ‘facility to earn more’ as their required opportunity.

In urban area, 30% stated that with 'credit availability' they could produce better results. Similarly another 30% needed 'Government assistance' for better results. Sector wise analysis showed that 33.33% of the women in manufacturing sector opted for 'Government assistance', in trading 'credit availability' with 40.91% of the women and in service sector 31.31% of the women stated the same opportunity to produce better results.

The above analysis clearly implied that the requirement for rural women entrepreneurs was 'Government assistance' and in urban area it was 'credit availability' and 'Government assistance'.

SUGGESTIONS

1. As majority of the respondents quoted that they were not satisfied on their educational qualifications, measures should be taken to strengthen the literacy for women.
2. Re-orientation of educational system for women with due emphasis on career guidance, entrepreneurship awareness should start with school curriculum itself.
3. Group entrepreneurship should be promoted to bring out the hidden talents of the individual entrepreneur.
4. Publicizing the various incentive schemes of government and other agencies to rural women entrepreneurs is a must, to promote entrepreneurship in far-flung (remote) rural areas.
5. Follow-up support in marketing the products of women entrepreneurs should be properly executed.
6. The skill of the existing women entrepreneurs should be upgraded.

FINDINGS

Women entrepreneurs were asked to mark their level of satisfaction for the 'training' they had, 'job satisfaction', their 'earnings', their 'educational qualifications', the 'appreciation for work in their own field' and 'appreciation they received for work at home'. Based on a five point scaling technique, it was found that in rural area women entrepreneurs were fully satisfied with their job as well as on the training they had, scores assigned being 1.69 and 1.63 respectively. In urban area it was the appreciation of their work at their own field (score = 1.75) and job satisfaction (score = 1.64) were the factors which gave them higher level of satisfaction. The women entrepreneurs of all the three sectors both in rural and urban areas were not satisfied with the educational qualification they acquired.

The respondents of the study were asked during the interview schedule on their opinion about the results they expected if better opportunity were made available to them. In rural area, sector wise analysis showed that women in manufacturing sector (24.59%) gave more importance for 'bulk orders' in trading sector 28% of them stated 'government assistance' and in service sector 32.9% stated 'facility to earn more' as their required opportunity. In urban area, 33.33% of the women in manufacturing sector opted for 'government assistance', in trading it was 'credit availability' by 40.91% of the women and in service sector also 31.31% of the women opted for 'credit availability'.

CONCLUSION

The study reveals the importance of women education and government assistance in supporting women entrepreneurs and assisting them in venturing success in their business. There is a need to adopt an integrated and holistic approach towards the upliftment and empowerment of women. It is necessary to raise the economic and social status of the women so as to make them participate in the main stream of the national development. The schemes implemented for women should have their focus on rural women. In a society there should be a balanced development for the progress of the economy.

It may be concluded that women have shifted traditional assumptions about their roles and capabilities. There has been a marked change, and it has been for the better. Many of its benefits however have yet to touch the majority and all of us continue to experience various forms of gender discrimination. If laws designed to address the concerns of women are to have a dramatic and positive impact on women's lives, they must be sensitive to the social, economic and political disempowerment of women throughout the world. The most important measure for their success should be the extent, to which they enable women to interpret, apply and enforce laws of their own making, incorporating their own voices, values and concerns.

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SUB-PRIME CRISIS: CONCEPT AND ORIGIN

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ABSTRACT

The present sub-prime crisis was the unplanned consequences of two phenomena. First, this was a crisis made mainly by the US Federal Reserve Board during the period of easy money and financial deregulation from the mid 1990s until today. Second, US over-consumption and over-borrowing led to unprecedented housing and consumer credit bubbles in the US and other countries, notably those that shared American's policy orientation. With the financial deregulation, banks take hundreds of housing loans that they have made, bundle them up, cut them up into separate pieces, mixing loans of different quality. The bank converts a set of such loans into saleable financial assets such as bond through a process known as securitization. What happened was the value of houses came crashing down because many borrowers were defaulting on involvements and lots of houses were being sold off to repay debts— the security one holds become practically worthless. This was the climate under which banks found it difficult to raise loans from other banks using securitized loan assets as collateral. A number of such loans turned sour and hence become sub-prime when the housing markets begin to collapse. To overcome the global financial crisis, America as well as Britain have opted policy of Nationalization—the direct government control. America in particular, celebrated laissez-faire capitalism and has been deeply skeptical of government interventions. Now America is talking about nationalization, it seems that laissez-faire policy is over. The paper aims to explain the concept, origin and measure to over the sub-prime crisis.

KEYWORDS

laissez-faire policy, securitization, sub-prime crisis.

INTRODUCTION

The present sub-prime crisis is the first big crisis of the age of globalization. Financial meltdown has indeed shaken the world as never before. In fact the present meltdown is not a simple financial crisis. It is the global capitalist crisis. Capitalist economy has to analyzed as a system of production and as a system of markets. These do not exist independently of one another. In the real world they always exist together, so that the tendencies of production find expression only through the workings of the market. The production cycle is ruled by exchange value which appears on the market in the form of money. Money therefore has a contradictory role in a market economy—it is both a medium of exchange and a store of value. On the market all that can be observed are commodities (C) with a definite price being exchanged for money (M), money then being exchanged for other commodities - a perpetual process of C ► M ► C. At this level the only thing that seems important about commodities is their price—their value in terms of money. Money must also flow and circulate hence it is called currency coming from the root word current. Money must constantly flow. If it does not, it leads to stagnation. It capitalism could not create sufficient markets, sufficient demand, in which to sell its ever-increasing output, then production would be interrupted and the economy would stagnate. Before going to know how this present crisis came into being. Let us have some conceptual framework of crisis.

CONCEPTUAL FRAMEWORK OF CRISIS

Crisis is a complex phenomenon, and the term itself has many meanings. It was first used in medical science to denote the point in the progress of a disease at which an important development in change takes place which is decisive for recovery or death. It has since been used metaphorically to refer to similar turning points in the development of society. Marx used the term in the main to refer to economic and commercial crisis which were interruptions to production and process of capital accumulation, and took the form of (i) goods piling up because they could not be sold profitably, (ii) Widespread bankruptcies, (iii) financial panics, (iv) cut backs in production, and (v) mounting unemployment. But he also spoke of the periodic economic crisis that crowned the trade cycle, through which the capitalist economy developed¹. Marx always insisted that capitalism was a contradictory mode of production and that to explain it required twofold analysis—in terms of value and in terms of money. The former was the sphere of production and social relations, the latter the sphere of the market and price. Only by grasping both together could be actual nature of capitalism, its origins, development and ultimate limits, be understood.

Baran and Sweezy's conception of monopoly capitalism is built on two supports—an under consumption theory of crisis and the concept of the 'economic surplus'. The first was developed by Sweezy in his book². *The theory of capitalist development*. In his words: 'The specific form of capitalist crisis is an interruption of the circulation process induced by a decline in the rate of profit below its usual level' In discussing the causes of crisis, Sweezy argued strongly that there were two distinct theories of crisis in Marx. The first was the long term tendency of the rate of profit to fall in the course of capital accumulation, due to the increasing proportion of machinery to labour in value terms (the rising organic composition of capital). The organic composition of capital expresses the relationship between living labour and the means of production in the process of production in terms of value (exchange value) and of use. The rate of exploitation could not be raised fast enough to offset the cost of investment in plant and machinery. The second theory of crisis in Marx, according to Sweezy, saw crisis arising from problems of realization that is from problems of market. It may be that there arises a disproportion between different sectors of the economy, the capital good sector on the one hand and the consumer goods sector on the other. Output and capacity in one was ahead of output and capacity in the other, because economic production as a whole is unplanned and chaotic.²

Crisis which also arises from the anarchic and unplanned character of capitalism and from other sources will come and go. The capitalists want to limit wages and to dismiss workers. The purchasing power of the mass of the population grows rather slowly under capitalism. There is thus a constant contradiction between the rapid growth of producing power and the much slower growth in consuming power in society.³ To ensure that society's consuming power matches its producing power, capitalists came with innovative ideas like plastic money i.e. credit card etc. This periodically results in crisis. Periodic crisis remain therefore an integral part of capitalism. So business cycles consisting of phases of boom, recession, depression, recovery and boom again constitute an inevitable feature of capitalism as a system. To ultra monetarists all slumps and booms, crisis and recessions were due primarily to change in the money supply, and that therefore, government and central banks were responsible for them. Steady growth without inflation would be achieved, if government knows how to manage monetary supply properly without interfering in the working of the free enterprise economy.⁴

In a capitalist economy, demand is a constraint problem. Under capitalism there is always tension between rising productive power and slowly growing consuming power. The inability of capitalism to ensure adequate growth of consuming power—'Demand' in line with the rapid growth of productive forces is the basis for the periodic recurrence of demand crisis under capitalism.⁵

Everyone agrees that the capitalist world is gripped by crises. But what are its causes and what are the most likely outcomes. It is the realization that progress within the framework of capitalism may no longer be possible that is slowly changing the context of politics throughout the capitalist world.

ORIGIN OF CRISIS

Today we know that sub-prime lending was only a small fraction of the problem. Even bad home loans in general were only part of what went wrong. We are living in a world of troubled borrowers, ranging from shopping mall developers to European "miracle" economies. And new kind of debt trouble just keep emerging. How did this global crisis happen? Why is it so spread? Paul Krugman suggests the answer can be found in a speech of Ben Bernanke, the Federal Reserve Chairman, gave four years ago. The speech, titled "The Global Saving Glut and the U.S. Current Account Deficit" offered a novel explanation for the rapid rise of the U.S. trade deficit in the early 21st century. The causes, argued Bernanke, not lay in America but in Asia.⁵

In the mid 1990s, he pointed out the emerging economies of Asia had been major importers of capital, borrowing abroad to finance their development. Asia recovered smartly in 1999-2000 over its financial crisis of 1997-98 then anybody thought possible because-out of the blue-the U.S. emerged as last resort. This enabled third world countries to build up stupendous forex reserves of \$ 4 trillion. But after the Asian financial crisis of 1997-98, these countries began protecting themselves by amassing huge war chests of foreign assets, in effect exporting capital to the rest of the world. The result was a world awash in cheap money, looking for somewhere to go. Most of that money went to United States hence giant trade deficit because trade deficit is the flip side of capital inflows.

Ben Bernanke ought to know that the situation in the western financial markets is attributed to the change in the social structure of its society. Social system has much impact on the economic phenomenon of the country. Social institution, habit and attitudes are influencing the productive activities and expenditure patterns substantially⁷. Savings and investments patterns are considerably influenced by cultural and social considerations, Japan, building perhaps more on a local culture than on an international social philosophy, has built a capitalist developmental state which is contrasted with the USA regulatory state. However Japan's success is explained more by its high savings rate and its successful industrial relations system than by its industrial policy.⁸

Underlying the American economic failure is the US interest in maintaining an extravagant consumerist life style for its population at the expense of the savings of the rest of the world. It was the unplanned consequences of two phenomena. First, this was a crisis made mainly by the US Federal Reserve Board during the period of easy money and financial deregulation from the mid 1990s until today. American bankers, empowered by a quarter century deregulatory zeal facilitated a consumption spree aided by low interest rates and low prices of Asian manufactures. Consumers and capitalists raise their expenditure and therefore their demand for cash. Initially, this is financed from existing cash balances from an expansion of credit, from running down bank deposits, and the like. This reduces the amount of liquidity in the system. Second, Asian governments reinforced this trend by keeping their currencies undervalued and export cheap, and by investing their forex reserves in US gilts, keeping US interest rates low. US over-consumption and over-borrowing led to unprecedented housing and consumer credit bubbles in the US and other countries, notably those that shared American's policy orientation. Greenspan stoked two bubbles, the bubbles of 1998-2001 and the subsequent housing bubbles. In both cases, increase in asset values led US households to think that they had become vastly wealthier, tempting them into massive increase in their borrowing and spending. The rise in consumption based on this wealth in turn raised house prices further, convincing households and lenders to ratchet up the bubble another notch. This has all come crashing down because several highly leveraged institutions such as Bear Stearns and Lehman Brothers, have gone bankrupt. Investment banks i.e. Morgan Stanley and Goldman Sachs have converted themselves into ordinary banks. Two decades of the dominances of the global financial sector by a handful of American investment banks is over.⁹ In a book entitled, "The sub-prime solution" written by Robert J Shiller states that the housing market was indeed a bubble fed by irrational exuberance that bore no relation to reality. Thus his diagnosis of the crisis is basically that it was a result of bad judgements and unjustified risks undertaken by people acting irrationally. George Cooper takes the analysis a step further in his book entitled, "The Origin of Financial Crisis". Cooper's starting point is the falsity of Efficient Market Hypothesis (EMH). EMH hypothesis holds that markets are self-correcting mechanism that left to themselves converge to the most efficient equilibrium. Unfortunately market fails to reach to a stable equilibrium, instead this produces credit bubbles that burst and led to crisis. Thus Keynes has always advocated for interference by the government in the market to prevent major crisis, which is result of Financial Instability Hypothesis (FIH) of Herman Minsky, the foremost devotee of John Maynard Keynes in the U.S. The FIH maintains that market economies are inherently unstable, generating crisis internally even in the absence of external shocks. This is specially true of markets in assets such as land or finance. The U.S. Federal Reserve was created for just this purpose after the financial instability of the early twentieth century. In search of profits, multinational corporations have moved towards cheap labour countries using the opportunities presented by globalization. This has resulted in stagnation of wages in the developed western countries. In order to keep lid on the resulting political discontent at home, western governments have deliberately allowed the creation of housing bubbles and credit schemes leading to an exponential growth of debt. When Turner blames globalization he means capitalist globalization. Indeed when seen in this light, the housing bubbles, the debt crisis and deregulation troubles are not a mistake but rather an essential features of the system. Two features of the modern economic system stand out: the stagnation of wages and increasing financialisation of capital in response to the decreasing rates of profit in traditional avenues for investment. This development to a monopoly-finance stage of capitalism meant that assets bubbles and spiraling debt was just a means of putting of the point at which the problem of the system would explode¹⁰. Had there been tighter regulation and caps on a debt, a crisis would have just occurred earlier! Indeed Turner was one of the few people (other than by now famous, Professor Nouriel Roubini, who specializes in predicting gloom had predicted the crisis in advance. Commercial banks also lost heavily in these dealings, wiping, out much by their capital. And finally, the failure of Lehman Brothers and near failure of the insurance giant AIG, incited financial panic, in which over healthy firms are unable to obtain short term bank loans or sells short term commercial paper.

One way to look at the international situation right now is that we are suffering from a global paradox of thrift : around the world, desired saving exceeds the amount businesses are willing to invest. And the result is a global slump that leaves everyone worse off. So that's how we got into the mess. And we are still looking for the way out¹¹.

The US and several European economies are trapped in situation that most students of economics get to study only in classroom. It is called the liquidity trap—a situation in which the nominal interest rate is zero or close to zero and cannot be lowered further to stimulate the economy. Crisis today in the world capitalist economy is not merely of liquidity. It is the crisis of solvency. Because banks were lending massively without due diligence to assess whether the borrower can repay or not – this is what is called sub-prime lending. But why did sub-prime lending take place on large scale? There are two reasons for this—(i) banks felt the pressure to expand lending in order to make adequate returns, and (ii) banks were competing with financial institutions like investment banks and speculator dealing in a range of financial assets—were making huge profits. This cannot be handled merely by infusing money to some banks. Moreover, one must know that it is not merely banking financial, insurance and stock markets which are in crisis. There is a crisis in the real economy in the sense that the industrial output in the advanced capitalist countries is falling. Unemployment is rising. It is higher than it has ever been in the Second World War. And the only comparison could be with the Great Depression of the 1930s, when unemployment rates reached 25 per cent of the labour force¹².

A financial crisis in any one country 30-40 years ago would have not impacted so quickly on other countries. Today because of the process of integration what is called globalization, it has spread to other countries. Remember globalization is integral to capitalism it is not a separate thing. Capitalism means making profit. Capitalism does not say that profit must be made only by ethical means. The essence of capitalism is pursuit of profit. So from its birth, capitalism has been an expanding globalizing mode of production. As Marx put it, "Capital is nothing but self-expansion of value. Since 1980s onwards, in particular the integration of financial markets on global scale, because of that integration, if America sneezes, we do not just catch a cold, we get a fever. That is the degree of integration today in the world of financial sector. And this is in fact a key factor underlying the present crisis.¹³ In the particular case of the current crisis, let us try to understand this in a simple manner. With the financial deregulation, commercial banking has shifted from the old commercial banking model which is also called museum model to new model what is known as a parking lot model now. Under new model, the loan agreement between the borrower and the bank is not the end of matter. Banks take hundreds of housing loans that they have made, bundle them up, cut them up into separate pieces, mixing loans of different quality. The bank converts a set of such loans into a saleable financial assets such as bond through a process known as securitization. The people who buy these bonds do so when the housing market was expanding and the value of the housing assets are going up and they expect to resell these bonds at a higher price. What happened was the value of houses came crashing down because many borrowers were defaulting on involvements and lots of houses were being sold off to repay debts— the security one holds become practically worthless. Banks thought that by selling the loans to others, they were escaping the risk. Those who bought the securities and sold them thought they had escaped that risk because somebody has bought the bond. But the risk has not left the system; instead they have spread all through the system. Not only that the same players who played this game of packaging loans and selling them to investment bankers like

Goldman Sachs and Merrill Lynch and so on would then go to the stock market to find that the shares of these companies are rising, and they will buy the shares of these companies, thus re-importing risk!. They thought they were escaping the risk by selling the bonds, but they were going and buying the shares of companies holding these very bonds. Thus, while everybody thought they were transferring risk they were collectively fooling themselves. Everything was going well as long as housing market was expanding and the underlying assets prices were rising. The moment market begins to fall, the house prices begins to fall because of rapid increases in foreclosures and more and more housing become under sale, the whole system begins to collapse. This was the climate under which banks found it difficult to raise loans from other banks using securitized loan assets as collateral. A number of such loans turned sour and hence become sub-prime when the housing markets begin to collapse. This is one of the key mechanisms underlying the crisis.

To overcome the global financial crisis, America as well as Britain have opted policy of Nationalization—the direct government control or ownership of economic activity. Just when things looked unfixable- Britain came up with a plan of nationalization of troubled lender Bradford and Bingley, the latest European victim of the fast moving global financial crisis. It is ironic that the Republic administration in America, for whom government intervention is anathema, has decided to adopt the interventionist recipe dished out by Brown. Brown is credited with framing a model of bailout plan for Britain's banking system, which involves injecting £50 billion of taxpayers' money into banks and underwriting inter-bank loans. But beneath the discourse over the specific of the rescue efforts lies another debate. It is in fact a mere fundamental one. It is got to do with the role of the state in a free market. Adam Smith, the father of economics saw the market as a means of enlisting co-operation among strangers. "Give me what I want and I will give you what you want is the proposition that lies at the base of every market transaction. Competition is inherent in the market system, for example the coming together of the two rival airlines, Jet and Kingfisher is possible only due to the current global financial crisis. Earlier such undertaking was products of greed but today these treaties are survival tools.

Smith argued that government's restrictions on the market can prevent mutually beneficial trades and reduce the welfare of potential traders. It has been argued that in the age of globalization, the state pre-eminence has been under minded that it is no longer a significant economic actor, subsumed as it were, by international organization and other non-government economic players. America in particular, celebrated laissez-faire capitalism and has been deeply skeptical of government interventions. Now America is talking about nationalization, it seems that laissez-faire policy is over.

The present situation is very critical movement in American economy. Big banks, financial institutions and lenders who admittedly lent money recklessly during the housing boom need to be saved with capital infusion because their situation has scared others into withholding credit, which drives the American economy. The current crisis demands quick action. The most important actor by far is the US Fed. This is because the US domestic currency is acceptable everywhere, and is currently viewed as a safe heaven. The Fed can print currency or announce international dollar swaps without congressional or presidential approval. This freedom and powers has enabled Fed Chairman Bernanke to take several initiatives of unprecedented boldness. Allan Greenspan, the erstwhile Fed boss was even quoted saying to a media house, "It may be necessary to temporarily nationalize some banks in order to facilitate a swift and orderly restructuring". But unfortunately the man who matters, Fed boss in charge Ben Bernanke, does not seem to be very fond of the idea. He just squashed the option in the Senate Banking Committee meeting saying, "We don't need majority ownership to work with the banks. We have very strong supervisory oversight. We can work with them to do whatever is necessary to restructure, to take whatever steps are needed to become profitable again, to get rid of bad assets. We don't have to take them over to do that". Congressional approval was indeed needed for \$700 billion rescue package. How much should government involve itself in the market place? This question touches on one of the most important economic issue: the division of responsibility between the public and private sectors. In general, economic principles would suggest that government undertake only functions that it can perform more efficiently than the market. Competition is inherent in the market where buyers receive the entire product's benefits, a producers pay all the cost of production. If such optimum conditions are not achieved, the market fails. Under current global financial meltdown, Government must come with a bailout plan, not for any private industry, but for the welfare of the people. This argued of a larger systematic risk can hardly be applicable to airlines. It is therefore, best to leave it to market forces to deal with the situation and ensure the survival of the most efficient, the theme of globalization. Government function is to control and regulate private sector industry, provide education, maintain law and order, welfare of people etc. If private sectors are ready to share the functions of government, then government must go for bailout of the private sector industries in the time of crisis.

Given the current global climate, bailout plan for private sector airline industry i.e. Kingfisher and Jet Airways would raise some policy issues. And if a package was prepared for the aviation sector, demands by other segment could not be ignored. At a time, when the government is trying to entertain state run enterprises to become more competitive, a bailout for the private sector would be a bad policy. In a democratic welfare society under the shadow of new global economic order, government must come out with policy for those who lost their jobs for no fault of theirs, but mismanagement of private companies who over extended themselves in their rush to expand must not propped up with tax payer's money. Lay-off of employees by the corporations generates external cost to the economy. When exchange between buyers and sellers affect people who are not directly involved in the trades, they are said to have external effects, or to generates externalities are the positive or negative effects that market exchanges may have on people who are not in the market. They are third party effects. When such effects are pleasurable they are called external benefits. When they are unpleasant or impose a cost on people other than the buyers or sellers, they are called external cost. The reductive nature of the corporation allows it to multiply endlessly without any sense of the consequence of its actions. The corporation cannot say no, unless the law explicitly requires it to say no. Indeed, if corporations fully recognized the adverse effects of their self-interest, external cost would not exist. "It is not from the benevolence of the butches, the brewer, or the broker, that we expect our dinner from their regard to their own interest. We address ourselves, not to their humanity but to their self love, and never talk to them of our own necessities but of their advantages". When this passage from Adam Smith's "An Enquiry into the nature and causes of the Wealth of Nations (1776) is taken out of context, as it so often is, it may convey a narrow and cynical view of human behaviour. Smith say, self-interest is an incentive – a reason to cooperate and coordinates one's activities with others.

A shortage of money generally stop that boom, then it follows that a plentiful supply of money should initiate the recovery from a depression. The injection of money into circulation by several governments in the west during great depression 1929-33 didn't help to start recovery in the economy. According to Saving-Investment theory, the basic factor in initiating recovery from depression is an increase in investment rather than increase in supply of money. An investment is governed more by the marginal efficiency of capital (MEC) i.e., expect profitability. An increase in the quantity of money may no doubt cause the rate of interest to fall, but his by itself, is not enough to bring about an improvement in MEC. If MEC fails to improve, an increase in investment may not take place, despite the increase in the supply of money. In fact there is no relationship between the quantity of money and the aggregate demand. This has been proved in the recent global financial turmoil. Reduction in repo rate and cash reserve ratio from 9 per cent to 5.5 per cent by RBI within fourteen days and injection of Rs. 1,65,0000 crore liquidity into the banking system to increase aggregate demand, met with little or no success in their efforts. An important indicator of demand is consumer spending. What the country needs is a 'New Deal' similar to the one that President Franklin Roosevelt employed 75 years ago to bring the economy from the ruins of the 1929 depression that causes in most western economies. In 1933 the Franklin Roosevelt restored the confidence of the people, to give them a sense that somebody was in charge. Today's political leaders, so far have failed utterly and catastrophically to project any sense of authority, to give the world any reason to believe that this country is being governed.

INDIAN ECONOMY UNDER GLOBAL TURMOIL

The global economic slow down started with the US, spread to Europe, and has now become a full-blown pandemic. It is no longer a crisis restricted to Wall Street, its representation now reverberate across the world. India is not insulated against the global turmoil. The biggest problem the country faces is uncertainty in demand projection, and lack of funding for long term capital expenditure. The financial meltdown has exposed a lot of excesses and speculation that was being built into the economic system. It India too, we had imported many of these excess into our system. Though India derives less than 14 per cent of its GDP from export, yet India was a big beneficiary of the very high global risk appetite over the past five years and is dependent on capital to fund its current account deficit. The bulk of this capital comes from financial markets and not from foreign direct investment (FDI), unlike in other large emerging markets. This makes India a relatively high beta equity market despite the low share of exports in GDP. And, the pure financial impact of funds being withdrawn obviously hurt the ability of the large Indian companies to finance themselves in the global market. Today many companies have become globally recognized, and have geographically and vertically distributed revenues. More than 400 large companies in India operate global treasuries, which implied that with a day's lag the

difficulties of London money market were visible in the Indian money market. The speed and spread of the liquidity crunch in India indicates that corporate finance is far more globalised than it was thought to be. Here is an explanation of how this sub-prime crisis comes home. A recent paper co-authored by Jahangir Aziz Ila Patnaik and Ajay Shah tries to explain the complex linkages between the seemingly unrelated events. Their hypothesis in brief: in trying to manage the exchange, growth and inflation, the central bank had kept the system chronically tight on liquidity. Several Indian companies that had been using the London money market fell short of dollar liquidity in mid September. So they borrowed on the money market and took the dollar out. At the same time, corporations were liquidating their holdings in mutual funds. Mutual funds, too, then started making claims on the money market, leading to a colossal shortage of liquidity. This was accentuated by factors such as advance tax payments and sale of dollars by RBI to prop up the rupee¹⁴. Is there a way to manage this extraordinary crisis? Jahangir Aziz, Ila Patnaik and Azaj Shah point to a four prolonged strategy – increase rupee liquidity, increase dollar liquidity, refrain from artificial exchange rate stability, and remove currency mismatches. Author Ajay Shah believes that RBI has moved quite a bit on providing rupee liquidity but the weakest links in the coming days will be dollar liquidity and currency mismatches. However, as M.M. Miyajwala, CFO, voltas, says : “In this scenario, normal measures by the RBI alone will not help. The lending rates are not coming down despite the central bank has cut the key rates. RBI’s repo rate cut will not have any effect as the interest rates on government bonds are firming up. This means, even if RBI reduces the policy rates, taking advantage of inflation touching zero, it will not bring down the interest rates in the present condition. ICICI’s former M.D. K.V. Kamath also said that firming up of the interest rate on government bond is not allowing lending rates to come down. Because of the rise in the bond rates, cost of fund is not reducing prompting banks to hold interest rates at higher levels. As the government’s spending as part of the stimulus package would be financed from the borrowed money, this will affect the availability of funds to the private sector and create upward pressure on interest rates. Bankers are arguing the RBI should buy bonds from the market. As the inflation has fallen to 0.27 per cent during the week ending March 14, 2009 the government can inject liquidity without worrying about inflation. This would only help in bringing down the interest rates. Falling in interest rates will revive the demand and so the economic activities. Alongwith monitoring policy government must come out with fiscal policy. The top regulators said there was no reason to believe that India’s regulatory system had cushioned the economy from the global meltdown seen in more developed markets. Rather, it was the absence of innovative and exotic products in India that saved the financial system. The answer is not merely restricted to their conservative nature and largely state financed penetration muscle. Indian banks are comparatively saved because of the following reasons:

1. An AFP study categorically states, “private sector banks narrowly reduced their prime lending rate with the range of 50-75 basis points against a relatively higher reduction by PSBs in the range of 75-125 basis point” SBI for instance has taken the lead to bring down home loan rates to 8 per cent and auto loans to 10 per cent.
2. The additional benefit gained early by Public Sector Banks (PSBs) is in their huge mobilisation of term deposits. Also matter of fact, SBI mobilized Rs. 400 billion in terms deposits through its special deposit mobilization scheme offering an interest rate of 10.5 per cent 11 per cent for senior citizen.
3. In addition to the robust growth in loans and treasury income, state run banks have also benefited from government benevolence— all Public Sector Units (PSUs) park 60 per cent of their surplus funds with PSB¹⁵.
4. Majority of the banks are not facing any capital shortage at present and those PSBs that need capital infusion have already been promised the same by the government. Though some of them have reported a reduction in the total capital to risk weighted assets ratio (CRAR) or commonly known as capital adequacy ratio (CAR-the ratio of a banks capital to its assets) by around 30 to 80 basis points, primarily on account of operational risk, there are many who have reported a capital relief. According to the recent record report on “Trends and Progress of Banking in India 2007-08” by the RBI, “the overall capital adequacy of all scheduled commercial banks (SCBs) was at 13 per cent as on March 31, 2008 well above the Basel II norm of 8 per cent and the stipulated norm of 9 per cent for banks in India.

But, overall out of 41 banks that migrated to Basel II accord last March 2008, 40 banks had CAR of more than 10 per cent and bank had close 10 per cent even at the time of transition. So considering this, no doubt the Indian banks are faring well as of now, but then going deeper into the Basel II matrix, one can easily figure out that matrix is not just about CAR. The Basel II has three “Pillars”. While Pillar one relates to minimum capital requirements, pillar two is the supervisory review of capital adequacy, and Pillar three is all about market discipline. It is Pillar two that makes the Basel II Accord more comprehensive as it aims at eyeing the overall risk of an institution. It is said by many critics that “fundamental to the successful implementation of the Basel II norm is an inconvenient but necessary marriage of two of unmatched horoscopes-qualitative tools and quantitative standards, “the task of implementing the accord surely appears to be a tough one for the Indian banks. In fact this was the main reason for the delay in implementing Basel II Accord in the country (originally set for March 31, 2007)¹⁵

MEASURES

Whenever the present crisis is discussed, comparisons with the 1930s are made, but since the form of the present crisis is quite unlike that of 1929-30, its political outcomes are likely to be very different. Writing on the Great Depression in the 1930s, Lord Robbins saw four essential condition for recovery—business confidence had to be resorted by stabilizing currencies and foreign exchanges; all barriers to international trade had to be removed; all ‘inflexible’ elements in the economy, particularly wage rates which did not fall far enough, had to be eliminated; and to make recovery complete, governments should refrain from all interference in the economy. In fact, recovery took a quite different form; not a restoration of what had existed, but a development of the economic structure, in particular a great extension in the role of the state.

If the economy is drifting towards world recession, can it really be that the only escape from such depression is the restoration of high profits at the expense of the mass of real incomes? If the problem is obtaining funds for investment and expansion, why should the state not provide them and assume a commanding position in the economy, instead of using its resources to prop up ailing private companies¹⁷.

EUROPEAN COMMISSION MEASURES

The European Commission has brought forward measures to strengthen capital requirements for banks, improve deposit guarantee and reinforce regulation of credit rating agencies. The Group of 20 summit in London will be a key moment to achieve results that will help end the present financial and economic crisis and prevent future ones. The G-20 has decided to work hard for agreement on four key issues:

1. A large, coordinated and sustainable economic stimulus, to limit the effects of the crisis on our citizens and he reignite the real economy.
2. Requires a comprehensive reform of international financial institutions. This includes restoring of trust and confidence in the financial system-not for the sake of the banks, but for the sake of entrepreneurs and workers in the real economy who need credit. Measures should be adopted to get banks lending again. This means ending the uncertainty over the scale of banks losses by removing so-called “impaired assets” from their balance sheets.
3. A strong message against all forms of protectionism and for opening up trade by moving ahead with the Doha talks, and
4. Reinforcing commitments to developing countries and to making the IMF more representative. Developing countries need extra help. They must not pay the price of a crisis created in developed one. A global instrument for trade finance is one step the EU is proposing.

Some people blame globalization. They advocate “de-globalisation” as the way out of this crisis. De-globalisation is not the way to overcome crisis instead we need to establish a global set of rules that allow us to master globalization. These rules must be based on values and ethical principles. They must combine freedom, responsibility and solidarity. They must make sure that markets reward hard work and initiative, not mere speculation. Protectionism and economic nationalism are false friends which fuel poverty and conflict: we saw that in 1930. The way out of the crisis is “reshaping globalization” corporate industry has to focus on four essential elements, cleaning the balance sheet, improving competitiveness, focusing on core business, and strengthening management.

Becoming global is a learning game. A transformational merger is a frequently employed strategy to become a global firm. Hindalco did exactly that with its 2007 acquisition of Novelis, a world leader in aluminium rolling and can recycling. Several other Indian firms, such as Arcelor Mittal, Tata tea and United Breweries, have also used acquisitions as a path to globalization.

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LABOUR MARKET DYNAMICS OF KERALA: A GENDER PERSPECTIVE

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ABSTRACT

Most of the studies used female economic power and control over resources as a proxy for the status of women. It has been argued that labour force participation enhanced woman's domestic autonomy by giving them independent source of income. Economic independence in turn leads to greater sense of personal autonomy and improves their capacity to exercise control in shaping their own destiny. Kerala a southern state of India, which has historically displayed egalitarian gender development indicators but shows noticeable gender difference in labour market outcomes, brings out an important research question. Though, female economic participation is a leading issue at present day gender studies in Kerala, there is no such study analyzed the change in the profile of female labour market which is relevant for proper labour market strategies. Present study tries to fill this gap. Study uses NSS 55th, and 61st round quinquennial survey unit level data and 64th round employment unemployment report. Migration Monitoring data also used for the analysis. It is found that the structure of Kerala's female labour market is changing slowly in favor of educated and the government sponsored women empowerment strategies are not seems to create sufficient positive influence on labour supply.

KEYWORDS

Female labour Market, Gender Economics, Kerala, Structural change, Women empowerment.

INTRODUCTION

Female economic power and control over resources are considered to be a proxy for their status. (U.N. 1975). It has been argued that labour force participation enhanced woman's domestic autonomy by giving them independent source of income. Economic independence in turn leads to greater sense of personal autonomy and improves their capacity to exercise control in shaping their own destiny (Cain, Syeda and Shamsun 1979). Though, female economic participation is a leading issue at present day gender studies in Kerala, there is no such study analyzed the change in the profile of female labour market which is relevant for proper labour market strategies. Present study tries to fill this gap. Study uses NSS 55th, and 61st round quinquennial survey unit level data and 64th round thin survey report along with Migration Monitoring data for the analysis. The study is basically an empirical one.

Historically Kerala, the south-western region of India, has been quite different from the rest of the country in terms of the indicators of women's development. Kerala has a favourable sex ratio of 1084 in 2011. This should be compared to the all India figures, which stood at 940 (Census India, 2011). The 2001 census reflects that Kerala is the only Indian State where the sex ratio is above one and it is worth mentioning that Kerala has never had a female-male ratio below unity at any time in the century (Kerala Economic Review, 2009, p.429). Similarly in terms of literacy, life expectancy, and mean age at marriage, women in Kerala score higher than any other state in the country. Human Development Index (HDI), Gender Equality Index (GEI) and Gender Empowerment Measure (GEM) Kerala stands first (ibid, p.432). Similarly Kerala has the lowest total fertility rate and lowest percentage of women with anemia. Kerala's maternal mortality rate is also much lower than the all India average. But the economic and political participation of women, the most important dependent variable affecting gender relations at the household level and society, is very low. Hence women empowerment strategies basically should address the labour market issues in Kerala. Proper labour market strategies can be adopted only with the help of proper labour market information. The present study tries to unveil the change in the structure of female labour market in Kerala during 1999-2008 periods. The study starts with the general profile of Kerala's labour market in comparison with India and move on to a detailed analysis of female labour market.

GENERAL PROFILE

The profile of the labour market of Kerala in comparison with India is discussed here. This section gives the picture of the worker population ratio, labour force participation ratio, and unemployment details of Kerala in comparison with India with special emphasis on gender. The analysis is carried out for the three time periods, 1999-00, 2004-05 and 2007-08. For the years 1999-00 and 2004-05, the study uses 55th and 61st rounds quinquennial survey unit level data and for 2007-08 details it uses thin survey report.

TABLE 1: LABOUR MARKET PROFILE INDIA AND KERALA (PERCENT)

Category	India			Kerala		
	Total	Male	Female	Total	Male	Female
1999-00						
Worker Population Ratio (WPR)	36.5	52.0	20.2	33.3	52.6	15.7
Labour force participation rate	37.5	53.5	20.7	37.8	57.1	20.3
Proportion Unemployed (PU):	1.0	1.5	0.5	4.5	4.5	4.6
Unemployment Rate (UR):	2.7	2.9	2.4	12	7.9	22.5
2004-05						
Worker Population Ratio (WPR)	38.0	53.6	21.5	33.9	52.2	17.1
Labour force participation rate	39.2	55.1	22.4	40.8	57	25.9
Proportion Unemployed (PU):	1.2	1.5	0.9	6.9	4.8	8.7
Unemployment Rate (UR):	3.1	2.7	4.1	16.8	8.5	33.7
2007-08*						
Worker Population Ratio (WPR)	37.1	54.1	19.0	34.2	53.8	16.4
Labour force participation rate	38.2	55.7	19.5	37.9	57.1	20.5
Proportion Unemployed (PU)	1.1	1.6	0.5	3.7	3.3	4.1
Unemployment rate	2.87	2.87	2.56	9.76	5.77	20

Source: Computed from NSSO 61st and 55th rounds, unit level data. Thin sample report, 2007-08(NSSO)

* Not on the basis of quinquennial survey, sample size is smaller than 55th and 61st.

Worker Population Ratio (WPR) or Work Participation Ratio: Number of employed/hundred of total population

Labour force participation rate (No. of employed persons ÷ no of unemployed)/ hundred of total population

Proportion Unemployed (PU): number of unemployed/hundred of total population.

Unemployment Rate (UR): number of unemployed persons/ hundred of total labour force

WORKER POPULATION RATIO

Considerable change in the work participation ratio is not visible both in India and Kerala for the periods 1999-00 to 2007-08. The work participation ratio slightly increased from 33.3 percent in 1999-00 to 33.9 percent in 2004-05 and again increased to 34.2 percent in 2007-08 for Kerala. In all India, male work participation ratio shows an increasing trend for all the three periods. But for Kerala, male work participation ratio was 52.6 percent in 1999-00 which declined slightly to 52.2 percent in 2004-05 and increased to 53.8 percent in 2007-08. In the case of work participation ratio of female in all India, it increased by 1.3 percent during 1999 to 2005 and later declined by 1.5 percent during 2005 - 2008 periods. In the case of Kerala, it increased from 15.7 to 17.1 during 1999-00 to 2004-05 periods and declined to 16.4 percent in 2007-08.

LABOUR FORCE PARTICIPATION RATE

In 2004-05, the labour force participation rate at all India level was 39.2 percent while that of Kerala it was 40.8 percent. Among male 57 percentage of total population is in labour force in Kerala while that of India, it is only 55.1 percent. In the case of female, it is 25.9 percent in Kerala and 22.4 percent in India (table 4.1). Comparison of the labour force participation rate with the worker population ratio is an indicator towards the demand supply mismatch in labour market. Gender specific comparison shows that for the female, the worker population ratio was 17.1 while the labour force participation ratio was 25.9, that is, a gap of more than 8 percent. For male the mismatch was less than 5 percent.

Over the year, at the all India level the demand for and supply of labour shows only slight variations. This change in supply can be attributed to a corresponding increase in demand for labour during this time periods. In Indian context labour supply movements are similar to the labour demand movements (table 1).

While examining the case of Kerala, noticeable fluctuation is visible among female labour supply during the study period. The rate of labour supply in 1999-00 was 20.3 percent which increased to 25.9 percent in 2004-05, a considerable increase of 5.6 percent. Meanwhile the increase in demand (worker population ratio) for the same period was only 1.4 percent. In 2007-08, labour force participation rate of female reduced by 5.4 percent, while worker population ratio reduced by 0.7 percent. This shows that in Kerala during the time period of the study, some external forces must have influenced the female labour supply. (table.1). Migration monitoring survey data also support the findings emerged from NSSO data, that the change in female labour supply was not in accordance with a change in labour demand during 1998-2007 period(table.2). This may be due to the impact of women empowerment programme, Kudumbashree¹, an important movement which influenced female labour market. Being a women empowerment programme, the main focus was to increase the willingness among the women to join in labour force through setting up of micro enterprises. This may be an influencing factor that has increased the labour force participation among women. But the programme failed to create corresponding increase in employment opportunities, the unemployment increased. Increased labour supply, not able to find a job in labour market went back to their original place as non-economic work during 2007 (discouraged worker effect²). The male labour force participation remained more or less the same during the study period.

TABLE 2: ACTIVITY STATUS OF WORKING AGE FEMALES IN KERALA (Percent)

Occupational status	1998	2004	2007
Employed	18.1	16.1	15.9
Unemployed	5.7	12.2	6.2
Not in Labour force	76.2	71.7	77.9

Source: Computed from Migration Monitoring Data, for the years, 1998, 2004 and 2007.

PROPORTION UNEMPLOYED & UNEMPLOYMENT RATE

In India, the proportion unemployed is only 1.2 percent while that of Kerala it is 6.9 percent in 2004-05. This indicates the seriousness of demand and supply mismatch problem in Kerala compared to all India. Among male, proportion unemployed is 1.5 percent in India, while that of Kerala it is 4.8 percent. Among female it is 0.9 percent and 8.7 percent respectively. The unemployment rate at all India level is only 3.1percent while that of Kerala it is 16.8 percent, which is five times more compared to all India level. Among the male in 2004-05 the unemployment rate at all India level is 2.7 percent and for female it is 4.1 percent whereas in Kerala during the same year the unemployment rate was 8.5 percent among male and 33.7 percent among female.

This is a pointer towards the role of female labour force in raising the total unemployment rate of Kerala to 16.8 percent compared to 3.1 percent at the all India level. The labour force participation itself is very low for female and one third of its labour force is unemployed, highlights the relevance of the study of female labour market for a better understanding of Kerala's labour market.

The proportion unemployed and the unemployment rate over the time periods 1999-00, 2004-05 and 2007-08 also gives a picture relevant for labour market analysis. At the all India level, the proportion unemployed and unemployment rate does not show significant variation. In Kerala, the proportion unemployed increased from 4.5 percent in 1999-00 to 6.9 percent in 2004-05 but later declined to 3.7 percent in 2007-08. The unemployment rate also increased from 12 percent in 1999-00 to 16.8 percent in 2004-05 and then declined to 9.8 percent. The proportion unemployed of male slightly increased from 4.5 percent in 1999-00 to 4.8 percent in 2004-05 and fell to 3.3 percent in 2007-08. This may be attributed to the slight decrease in demand during 1999-00- 2004-05 period and a slight improvement in demand during 2004-05 - 2007-08 periods.

For the female, at all India level the proportion unemployed did not significantly vary, while the share of unemployed in total labour force increased from 2.4 percent in 1999-00 to 4.1percent in 2004-05 which later declined to 2.6 percent in 2007-08. In case of Kerala, the female proportion unemployed increased from 4.6 percent in 99-00 to 8.7 percent in 2004-05 and then sharply declined to 4.1 percent in 2007-08. The unemployment rate which was a high rate of 22.5 percent in 1999-00 further increased to 33.7percent in 2004-05 and then declined to 20 percent in 2007-08.

Gender difference, in Kerala, in respect of the influence of demand and supply forces is more visible from the analysis. In case of males, any decrease or increase in work participation brings about a corresponding change in unemployment rates. Whereas, with respect to females, work participation rate and labour force participation rate increase were accompanied by an increase in proportion unemployed and unemployment rate in 2004-05 and decrease in WPR and LFPR for the year 2007-08 followed by a decrease in proportion unemployed and unemployment rate in 2007-08.

1 Kudumbashree, the largest women empowerment program, launched by the Government of Kerala in 1998 has 37 lakh members and covers more than 50 of the households in Kerala (www.kudumbashree.org/)The scheme aims at improving the living levels of the poor women in rural and urban areas. It seeks to bring the poor women folks together to form the grass root organizations to help enhance their economic security. The project aims at removing poverty among rural women households through setting up of micro-credit and productive enterprises. The activities such as micro-credit and micro-enterprises under the scheme were undertaken by the locally formed Community Development Societies consisting of poor women (Raghavan, 2009).

2 Lack of job search because of the belief that no work is available for them(Elliott and A. M. Dockery 2006 pp.4)

Relating the different variables in labour market-demand, supply and unemployment- it is visible that unemployment rate is a good measure of labour market problem of male only. In Kerala for the year 1999-00, unemployment as a percentage of total population among male was 4.5 percent and which increased to 4.8 percent in 2004-05 due to a slight reduction in worker population ratio (demand). It reduced to 3.3 percent in 2007-08 due to increase in demand. This clearly speaks that among male, demand plays an active role in determining the unemployment rate rather than supply. The unemployment measures serve as an indicator of labour market problem among male. Among female in Kerala, the proportion unemployed was 4.6 percent in 1999-00, which increased to 8.7 percent in 2004-05 and later decreased to 4.1 percent in 2007-08. On the other hand, the demand for labour (worker population ratio), increased from 15.7 percent in 1999-00 to 17.1 percent in 2004-05 and later declined to 16.4 percent in 2007-08. This shows that the increase in unemployment is not due to a reduction in demand and vice-versa. Contrary to this, unemployment relates with the changes in labour supply. The proportion unemployed females in Kerala increased from 4.6 percent in 1999-00 to 8.3 percent in 2004-05 and the unemployment rate also increased from 22.5 percent to 33.7 percent. During the same time period labour force participation rate (labour supply) also increased from 20.3 percent in 1999-00 to 25.9 percent in 2004-05. In 2007-08 when the labour force participation rate decreased to 20.5 percent, the proportion unemployed and unemployment rate also decreased to 4.1 percent and 20 percent respectively. This indicates, the influence of labour supply on the rate of unemployment prevailing among females. Therefore, while analysing female labour market, the emphasis should be more on supply and the issues related to it.

SPATIAL DYNAMISM IN ACTIVITY STATUS

A disaggregated analysis of the female labour market during 1999-2005 periods is given in table 3. Out of total working age female population (15-59), only 22.8 percent was employed in 1999-00 while in 2004-05, it increased to 24.1. The unemployed percentage increased from 7.1 to 13.3 during this period. Another important variable that should be mentioned here is the percentage of females engaged in domestic duties only. They constitute 57.2 percent of total working age females in 1999-00, which reduced drastically to 48.8 in 2004-05. This shows that during 1999-2005 periods, employment opportunities increased slightly while that of labour supply increased drastically through a reduction in non-economic work (domestic duties). Due to this the unemployment shoots up during the period.

In rural Kerala, only 22.7 percent of total working age females are employed in 1999-00 which later increased to 25.2 percent in 2004-05. This indicates an increase in employment opportunities in rural Kerala during the time period. While in urban Kerala, the employed percentage declined from 23.1 percent to 20.7 percent. Thus it may be concluded that the increased employment among female in Kerala during 1999-2005 period was contributed by rural employment. Though employment increased in rural Kerala, unemployment also increased due to a reduction in non-economic worker category (those who are engaged in domestic duties). The percentage of persons engaged in non-economic work in rural Kerala was 58.3 percent in 1999-00 which later declined to 48.6 percent in 2004-05, created an increase in unemployment rate from 6.5 to 12.2. In urban area also the percentage of working age females engaged in non-economic work declined from 54 to 49.4, along with a reduction in employment opportunities increased the unemployment rate from 8.5 to 17 percent.

The analysis clearly shows that the slight improvement in labour demand was seen in Kerala's labour market during 1999-2005 periods as a result of the increased employment opportunities in rural areas. But entire Kerala, irrespective of rural or urban, the supply of labourers increased through a reduction in the percentage of females engaged in domestic duties. This again supports our argument that it may be due to the impact of Kudumbashree, the women empowerment programme. A more disaggregated analysis will be useful for the better understanding of the dynamics in female labour market during this period. A region wise analysis may be useful for reaching better conclusions.

TABLE 3: DYNAMICS IN THE ACTIVITY STATUS OF WORKING AGE FEMALE IN KERALA (Percent)

Activity status	2004-05			1999-00		
	Total	Rural	Urban	Total	Rural	Urban
Employed	24.2	25.2	20.7	22.8	22.7	23.1
Domestic duty	48.8	48.6	49.4	57.2	58.3	54.0
Unemployed	13.3	12.2	17.0	7.1	6.5	8.5
Others	13.7	14.0	12.9	12.9	12.5	14.40

Source: Computed from NSSO 61st and 55th round level unit level data.

TABLE 4: REGIONAL DYNAMICS IN FEMALE LABOUR MARKET OF KERALA (WORKING AGE) (Percent)

Activity status	North						South					
	2004-05			1999-00			2004-05			1999-00		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Employed	18.3	19.6	13.2	19.8	20.8	16.5	28.2	29.2	25.1	25.0	24.1	27.2
Domestic duty	55.1	54.0	59.1	64.3	64.5	63.6	44.5	44.7	43.8	52.2	53.9	47.9
Unemployed	10.9	10.0	14.3	5.4	4.9	6.9	15.0	13.9	18.6	8.3	7.8	9.6
Others	15.7	16.4	13.4	10.6	9.8	12.9	12.3	12.2	12.6	14.6	14.3	15.3

Source: Computed from NSSO 61st and 55th round level unit level data.

A clear north south difference in labour market outcomes is visible in table 4. In 2004-05, out of total working age female population, only 18.3 percent is employed in north while it was 28.2 percent in south. The same values in 1999-00 were 19.8 percent and 25 percent respectively which indicates the widening of regional disparity within Kerala. During 1999-2005 periods, the employed percentage among working age female in south increased while that of north declined. But unemployment rate increased drastically all over Kerala during the same time period. The increase in unemployment rate is not commensurate with the increase in demand. The reason for the high level unemployment noticed in 2004-05 is due to a reduction in the percentage of working age female engaged in non-economic activity. Irrespective of north and south, the percentage of non-economic work share among working age females decreased in 2004-05 period and a corresponding increase is visible in labour supply. In south the non-economic workers (domestic duty) constitute 52.2 percent in 1999-00 declined to 44.5 percent in 2004-05 (7.7 point increase). The share of employed (demand) increased from 25 percent to 28.2 percent during this period, less than the increase in supply. Hence the unemployment rate increased. In North, labour demand declined (from 19.8 percent to 18.3 percent) on the one side and labour supply increased on the other, (due to a reduction in the share of non-economic worker; domestic duty, percentage from 64.3 percent to 55.1 percent) resulted an increase in unemployment rate.

In northern Kerala, irrespective of rural and urban the employment percentage declined during 1999-2005 period. The employed share among working age females in urban area of north Kerala was 16.5 percent in 1999-00 declined to 13.2 percent in 2004-05. During the same period, the non-economic worker share declined from 63.6 percent to 59.1 percent leads to a corresponding increase in labour supply. Reduction in demand and increase in supply together pushed the unemployment rate from 6.9 percent to 14.3 percent in urban area of north Kerala. The same pattern of change is visible in rural area of northern Kerala and

the urban area of southern Kerala. A difference is noticed in this pattern of change in rural area of south, where demand and supply increased together, but the increase in supply surpasses the increase in demand caused an increase in unemployment rate.

The analysis provides an interesting picture of the change in the female labour market outcomes of Kerala during 1999-2005 periods. The increased unemployment rate noticed in 2004-05 was the outcome of the increase in labour supply all over Kerala, irrespective of south, north, rural and urban. But the increased demand for labour was noticed only in rural south of Kerala. Hence it can be argued that the increased work participation of Kerala during 1999-2005 periods was mainly due to the increased female employment in rural south of Kerala.

The analysis clearly indicates that there is an increase in female labour supply during 1999-2005 period, but the employment opportunities increased only in rural south. Here the argument is valid that the increased supply can be a byproduct of the awareness campaigns conducted after 1998 as a part of women empowerment programme, but it failed to create a corresponding increase in employment opportunities. A religion and social group wise analysis may be useful for a clear idea about the labour dynamics during the study period.

TABLE 5: DYNAMICS IN THE FEMALE LABOUR OUTCOMES WITHIN RELIGION (WORKING AGE) (Percent)

	2004-05			1999-00		
	Employed	Unemployed	Domestic duty	Employed	unemployed	Domestic duty
Hindu	21.5	9.7	34.0	19.9	4.9	39.0
Muslim	6.7	6.2	43.1	6.7	2.9	48.5
Christian	18.6	9.1	37.2	14.6	5.5	42.1

Source: Computed from NSSO 61st and 55th round level unit level data.

TABLE 6: DYNAMICS IN THE FEMALE LABOUR OUTCOMES WITHIN SOCIAL GROUPS (WORKING AGE) (Percent)

	1999-00			2004-05		
	Employed	Unemployed	Domestic work	Employed	Unemployed	Domestic work
ST	34.7	3.6	36.2	30.6	8.7	29.7
SC	27.0	5.1	30.4	26.1	10.2	28.4
OBC	14.1	4.3	43.2	14.2	8.3	38.4
others	14.1	4.9	43.3	19.6	9.1	37.4

Source: Computed from NSSO 61st and 55th round level unit level data.

In 1999-00 among the Hindus, 19.9 percent of total working age population was employed which increased to 21.5 percent in 2004-05. Among the Muslims the percentage of employed during the study period remains same, and among the Christians, employment percentage increased considerably from 14.6 percent to 18.6 percent during the time period. Moreover, among all the religious groups, unemployment percent increased due to the reduction in domestic duty category. Social group wise analysis may be more useful in this situation. Table.6 shows that during 1999-00 to 2004-05 period, among ST, employed percentage declined from 34.7 to 30.6 and the domestic work category declined from 26.2 percent to 29.7, hence the unemployment percent increased from 3.6 to 8.7 percent. The same trend is noticed among SC also. The percentage of employed declined from 27 to 26.1 and the domestic work category declined from 30.4 to 28.4 percent. Hence the unemployment rate increased from 5.1 percent to 10.2. Among OBC, employed percent remains more or less the same, but the percentage of unemployed increased from 4.3 to 8.3, due to the reduction in housewives category from 43.2 to 38.4 percent. Among general category, employed percentage increased from 14.1 to 19.6. This indicates that during the five year period, labour supply increased due to a reduction in the percentage of persons reported to be domestic worker in all most all sections of the society. The labour demand increased mainly among Christians and the social group analysis shows that employment among upper caste increased while that of lower caste declined. It is already mentioned that the increased labour supply is due to the active role of women empowerment programmes conducted during the period. But the evidence shows that it is not due to the impact of Kudumbashre or other women empowerment programmes that the employment percent increased. Hence it can be concluded that, the increased job opportunities may not be due to the influence of Kudumabshree because the poverty irradiation programmes which focused mainly on the lower income categories, especially the less educated.

TABLE 7: EDUCATIONAL STATUS OF UNEMPLOYED FEMALE (Percent)

Education category	Unemployed		Employed	
	2004-05*	1999-00	2004-05*	1999-00
Primary & below	7.5	4.0	42.0	51.3
Middle school	22.2	20.4	25.2	23.7
Secondary	20.7	36.2	11.7	13.8
Higher secondary	30.8	15.9	10.3	4.5
Graduates above	18.9	23.5	10.7	6.7

Source: Computed from NSSO 61st and 55th round level unit level data.

Table 7 shows that in 1999-00, 24.4 percentages of unemployed females were less educated (middle school below) where as in 2004-05, it increased to 29.7 percent. In the case of higher educated (graduates and above), the unemployed proportion was 23.5 in 1999-00, declined to 18.9 percent in 2004-05. It shows that the increased unemployment during 2004-05 period was mainly due to an increase in the labour supply of less educated coupled with a reduction in the proportion of employed in this category. The share of less educated in total employment decreased from 75 percent to 67.2 percent. The share of higher educated increased from 6.7 to 10.7 during this period. All these results together indicates a structural change in the relative importance of female employment during 1999-2005 period in favour of educated, and this benefited the upper caste people especially Christians.

The change in the structure of jobs gives further clarifications (table 8). It is seen that the share of self employment within total female employment increased from 32.1 percent to 35.5 percent during 1999-2005 period whereas the casual labour percent declined from 39.5 to 32.3. The reduction in work participation among SC/ST can be read in connection with the reduction in casual labour share in total demand for labour.

Unpaid family workers percentage share increased from 7.4 to 9.7 shows an increase in non-economic market work by female. The share of regular salaried job increased from 28.4 percent to 32.2 percent (by 3.8 percent increase). As it is found that the work participation of female increased during this period from 22.8 percent (for working age females) to 24.1 percent, the increase mainly due to the increase in either regular salaried job, or self employed (owner and unpaid family worker). Table 7 shows that the share of educated in labour demand increased while that of less educated decreased during 1999-2005 period. The

share of less educated in unemployed category increased while that educated declines. These results show that there was a change in the employment structure during 1999-2005 periods. Labour supply of less educated increased due to a reduction in the percentage of persons engaged in non-economic work (housewives). Less educated who were earlier doing casual work withdraw from that and become self employed. But data shows that self employed worker (Kudumbashree units will come under this) percentage share declined.

As it is found that the employed percentage among females in south increased while that of north declined, a disaggregated analysis of the change in the structure of job will be useful to reach certain concrete conclusions.

The casual labour percentage is comparatively high in north than south whereas in the case of other two, the share is high in south. The reduction of employed in north is due to the decline in the share of casual jobs in total employment. In south casual labour share declined while that of self employed owner percentage and unpaid family worker percentage increased whereas the share of regular salaried job increased. In south an increase is visible in the share of self employed owners among educated.

TABLE 8: TYPES OF EMPLOYMENT OF FEMALE IN KERALA (15-59 AGE GROUP) (Percent)

Type of employment	1999-00	2004-05	2007-08
Own Account worker (Self employed worker)	22.4	21.1	33*
Own account worker (self employed owner)	2.3	4.7	
Unpaid family worker(self employed)	7.4	9.7	
Regular salaried job	28.4	32.2	33.5
Casual labourers	39.5	32.3	33.5

Source: Computed from NSSO 61st and 55th round level unit level data.

* Self employment together (Own account worker+ owner+ unpaid worker), not from quinquennial

TABLE 9: REGIONAL DIFFERENCE IN TYPES OF EMPLOYMENT OF FEMALE IN KERALA (Percent)

Type of employment	North		South	
	2004-05	1999-00	2004-05	1999-00
Own Account worker(Self employed worker)	20.1	23.8	24.9	22.8
Own account worker (self employed owner)	7.1	2.4	5.0	3.9
Unpaid family worker(self employed)	8.3	4.4	10.1	8.7
Regular salaried job	26.7	20.5	31.7	30.8
Casual labourers	37.8	48.9	28.3	33.8

Source: Computed from NSSO 61st and 55th round level unit level data.

TABLE 10: TYPES OF EMPLOYMENT OF FEMALE IN SOUTH KERALA, EDUCATION WISE (Percent)

Type of employment	1999-00			2004-05		
	Middle school below	Secondary and HSS	Graduates above	Middle school below	Secondary and HSS	Graduates above
Own Account worker (Self employed worker)	76.2	21.0	2.8	80.8	15.0	4.1
Own account worker (self employed owner)	85.3	13.6	1.1	55.4	35.2	9.4
Unpaid family worker (self employed)	68.8	22.4	8.7	68.4	29.8	1.8
Regular salaried job	46.6	34.9	18.5	38.0	33.9	28.1
Casual labourers	91.9	8.0	.2	88.9	11.1	.0

Source: Computed from NSSO 61st and 55th round level unit level data.

Table 10 gives further clarifications to the conclusions drawn. The percent of casual labourers having education below middle school was 91.9, declined to 88.9 whereas the share of average educated in this job increased from 8 percent to 11.1 percent. The share of higher educated, among self employed and regular salaried, increased during this period. Knowledge based self employed increased in south. In 1999-00, 85.3 percent of self employed owners were less educated, but the share has declined to 55.4 percent in 2004-05. Moreover the share of higher educated in this category increased from 1.1 percent to 9.4 percent. This shows that during the five year period, educated females, due to lack of quality jobs available in the economy tried to start their own business. Educated females (especially Christians) entered the labour market as self employed owners along with an increase in the job opportunities created in government and aided sector (the separation of pre-degree from colleges and the starting of new plus two course in government and aided schools may increased the job opportunities for educated females) which increased the work participation of females in Kerala.

CONCLUSION

The analysis result shows that in Kerala, the work participation of female increased marginally during 1999-2005 periods and reduced marginally in 2007-08 period. The labour force participation rate increased drastically during 1999-00 to 2004-05 and declined sharply during 2007-08 periods. The disaggregated analysis shows that the demand for labour increased in the rural south of Kerala while the labour supply increased in entire Kerala made us to conclude that the increase in demand is due to an increase in job opportunities in government sector and self employed owner category, while the increase in labour supply is not in response to the increase in demand but due to the influence of women empowerment programmes. The increase in labour supply without a commensurate increase in demand, shoot the unemployment rate in its zenith form. It is found that the structure of Kerala's female labour market is changing slowly in favor of educated and the government sponsored women empowerment strategies are not seems to create sufficient positive influence on labour supply.

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LIFE INSURANCE CORPORATION OF INDIA: AN OVERVIEW OF ITS PERFORMANCE

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ABSTRACT

Public sector life insurer and private sector life insurer in India are playing an important role in promoting India's economic development in tertiary sector, life insurer generating the surplus savings from the public which will be invested in to various central and state government approved securities in different avenues. Life insurer covers the life risk of both individual and group which benefits most of the insurable population of the country in the form of density and penetration. Attraction of life insurance business is mainly depends upon their products and services. The life fund implies excess of income over their expenditure. The growth of life fund is one measurement rod through which it can judge the efficiency of life insurer in the country. Settlement of claims that too death claims residual and outstanding nil ratios show the best performance of life insurance companies in the country. Hence the present study made an attempt to evaluate the above said indicators of life insurer. However, the study is mainly depends upon the secondary data with some parameters.

KEYWORDS

Life and non- life insurance, Insurer, Insurance density, Insurance penetration, Death claims, Life fund, Individual business, Group business, Premium, Policies, Claims settlement.

INTRODUCTION

Social scientist considers insurance as a device for protection against risks, or co-operative devices of spreading risks. In the words of D S Hansel, "Insurance as a social device providing financial compensation for the effects of misfortune, the payments are being made from the accumulated contributions of all parties participating in the scheme". Life insurance is an attempt to meet the varying wants of communities in different forms viz (a) duration of insurance, such as whole life policy, endowment policy and term policy (b) profit sharing –without profit policy or with profit policy. (c) Payment of sum assured – guaranteed policy and annuity policy. (d) payment of premium –single premium limited payment policy and whole life payment policy. (e) no of assured –single life policy and joint life policy. Keeping in view, the above pattern the public sector life insurer [LIC of India] including other private life insurer have been issuing different types of insurance policies.

The public sector in India is considered to be holy cow. Its significance became apparent particularly after the adoption of the goal of socialistic pattern of society. Ever since the declaration of the IPR in 1948, the public sector enjoyed a prime position in India. However, it is said that the return on investment in public sector is dismally low. Hence, during 1980's some voice was raised against public sector and in favor of the private sector. Therefore, there is a wave for liberalization privatization and globalization in the whole world. Privatization is an economic measure which has now been resorted to a number of countries around the world including all major banks and insurance companies and even manufacturing, transport and tele communication. However, in India privatization were started during eighties. In this connection, an attempt has been made in this paper to throw a light on the impact of IRDA act implementation in Indian life insurance business.

METHODOLOGY

To study the performance of life insurance business of India the researcher has taken 2001-02 to 2010-11 wherever applicable. To know the business performance of both LIC and private players, the parameters like insurance density, insurance penetration, management of life fund, premium collection, individual new business and death claims settlement etc have been taken in to consideration. The study is mainly depends upon the secondary data collected from annual reports of IRDA, LIC and private insurer.

OBJECTIVES OF THE STUDY

Following are the main objectives of the present study:

1. To study the insurance density and penetration in and across the country
2. To examine the Indian life insurer business of premium collection, individual business and management of life fund.
3. To analyze the life insurer death claims.
4. To find out the major findings and suggest the suitable suggestions.

LIC of India had functioned as a single player in the arena of life insurance for the last 44 years from 1956 to 2000, when life insurance industry was opened up and private insurance companies entered the field to undertake major changes in both qualitative and quantitative aspects of insurance sector. This is a part of globalization program me launched by the government of India and the consequent loss of monopoly status to the LIC of India. Hence, it is a time to assess performance of life insurers by taking in to account various indicators. Moreover, the number of insurance companies stood at 49 as at the end of the September 2011, consisting of 23 life insurers, 24 non-life insurer and a reinsurer [Edelweiss Tokio life insurance company was granted registration in the year 2011-12]

RESULTS AND DISCUSSIONS**INSURANCE PENETRATION AND DENSITY IN INDIA**

Insurance penetration and density of insurance reflects the level of development of insurance sector in a country. The insurance penetration is measured as the percentage of insurance premium to GDP. Similarly, insurance density is calculated as the ratio of premium to population (per capita premium) India has achieved a commendable performance in insurance density since insurance sector opened for private players. Similarly insurance penetration, which surged consistently till 2009, slipped for the first time in 2010 due to slower rate of growth in the life insurance premium as compared to the rate of growth of the Indian economy

Insurance density had gone up from US D 11.9 in 2001 to US D 64.4 in 2010. Similarly insurance penetration had gone up from 2.71 per cent in 2001 to 5.10 per cent in 2010. Within the insurance sector, the density of life insurance sector shows a predominant and which was US D 9.1 against non-life insurance density US D 2.4 in 2001. The density of life insurance was rose by US D 55.7 against the non-life density US D 4.40 in 2010. which impetrates that the density of life insurance is more than that of the non-life insurance. It is concluded that growing population with mass poverty cannot afford the insurance. On the other hand, within the insurance penetration, life insurance penetration was significant than that of the non-life insurance, it is evident from the table that the life insurance penetration was consistently increased from 2.15 percent to 4.40 percent against to the 0.56 percent to the 0.71 percent during 2001 to 2010. It implies that non life insurance (General Insurance) has not given prominent place in the Indian insurance sector.

TABLE 1: INSURANCE PENETRATION AND DENSITY IN INDIA

Year	Life		Non-life		Industry	
	Density (US D)	Penetration (per cent)	Density (US D)	Penetration (per cent)	Density (US D)	Penetration (percent)
2001	9.1	2.15	2.4	0.56	11.5	2.71
2002	11.1	2.59	3.0	0.67	14.7	3.26
2003	12.9	2.26	3.5	0.62	16.4	2.88
2004	15.7	2.53	4.0	0.64	19.7	3.17
2005	18.3	5.53	4.4	0.61	22.7	3.14
2006	33.2	4.10	5.2	0.60	38.4	4.80
2007	40.4	4.00	6.2	0.60	46.6	4.70
2008	41.2	4.00	6.2	0.60	47.4	4.60
2009	47.7	4.60	6.7	0.60	54.3	5.20
2010	55.7	4.40	8.7	0.71	64.4	5.10

Source; IRDA Annual reports, various issues

However, the cross country comparison of both life and non-life insurance penetration in India is more progressive [4.4 per cent life and 0.7 per cent non-life] than in Bangladesh (0.7 per cent life 0.2 per cent non-life) Malaysia (3.2 per cent life 1.6 per cent non-life) Pakistan (0.3 per cent life and non-life respectively) under Asian countries. In contrast to this, non-life insurance in some developed countries is progressive one compared to India and some other Asian underdeveloped/developing countries viz life and non-life in Australia 3.1 per cent and 2.8 per cent, in France 7.4 per cent and 3.1 per cent, in Germany 3.4 per cent and 3.7 per cent, in Switzerland 5.5 per cent and 4.4 per cent, in UK 9.5 per cent and 2.9 per cent, in USA 3.5 per cent and 4.5 per cent in 2010. Therefore, it is concluded that from the Swiss Re, sigma volumes in respect of insurance penetration that in most of the developed countries both life and non-life insurance penetration is well developed, whereas in most of the Asian countries the development of non-life insurance penetration is not significantly developed. However, some progressive signs are visible in few Asian countries including India. The details are given in the table below.

TABLE 2: INTERNATIONAL COMPARISON OF INSURANCE PENETRATION

COUNTRIES	2009			2010		
	Total	Life	Non-life	Total	Life	Non-life
Australia	6.4	3.4	3.0	5.9	3.1	2.8
Brazil	3.1	1.6	1.5	3.1	1.0	1.5
France	10.3	7.2	3.1	10.5	7.4	3.1
Germany	7.0	3.3	3.7	7.2	3.5	3.7
Russia	2.5	0.0	2.5	2.3	0.0	2.3
South Africa	12.9	10.0	2.9	14.8	12.0	2.8
Switzerland	9.8	5.4	4.5	9.9	5.5	4.4
United Kingdom	12.9	10.0	3.0	12.4	9.5	2.9
United states	8.0	3.5	4.5	8.0	3.5	4.5
ASIAN COUNTRIES	2009			2010		
Bangladesh	0.9	0.7	0.2	0.9	0.7	0.2
Hong kong	11.0	9.6	1.5	11.4	10.1	1.4
India	5.2	4.6	0.6	5.1	4.4	0.7
Japan	9.0	7.8	2.1	10.1	8.0	2.1
Malaysia	4.4	2.9	1.6	4.8	3.2	1.6
Pakistan	0.7	0.3	0.4	0.7	0.3	0.3
PR China	3.4	2.3	1.1	3.8	2.5	1.3
Singapore	6.8	5.1	1.7	6.1	4.6	1.6
South Korea	10.4	6.5	3.9	11.2	7.0	4.2
Sri Lanka	1.4	0.6	0.9	1.4	0.6	0.9
Taiwan	16.8	13.8	3.0	18.4	15.4	3.0
Thailand	4.0	2.4	1.6	4.3	2.0	1.7
WORLD	7.0	4.0	3.0	6.9	4.0	2.9

Source; IRDA Annual reports, various issues

TABLE 3: INTERNATIONAL COMPARISON OF INSURANCE DENSITY

COUNTRIES	2009			2010		
	Total	Life	Non-life	Total	Life	Non-life
Australia	2832.7	1524.8	1307.9	3369.2	1766.3	1603.0
Brazil	251.7	127.9	123.8	327.6	169.9	157.7
France	4269.1	2979.8	1289.4	4186.6	2937.6	1249.0
Germany	2878.4	1359.7	1518.7	2903.8	1402.2	1501.6
Russia	280.9	4.5	276.4	296.8	6.4	290.4
South Africa	7381.1	574.2	163.9	1054.7	854.6	200.1
Switzerland	6257.6	3405.6	2852.1	6633.7	3666.8	2966.9
United Kingdom	4578.8	3527.6	1051.2	4496.6	3436.3	1060.2
United states	3710.0	1602.6	2107.3	3758.9	1631.8	2127.2
ASIAN COUNTRIES	2009			2010		
Bangladesh	5.2	3.9	1.3	5.8	4.4	1.4
Hong kong	3304.0	2886.6	417.5	3635.5	3197.3	438.2
India	54.3	47.7	6.7	64.4	55.7	8.7
Japan	3979.0	3138.7	840.4	4390.2	3472.8	917.4
Malaysia	321.8	206.9	115.0	421.1	282.8	138.3
Pakistan	6.6	3.0	3.6	6.1	3.2	2.9
PR Chaina	121.2	81.1	40.0	158.4	105.5	52.9
Singapore	2557.6	1912.0	645.6	2823.4	2101.4	722.1
South Korea	1890.3	1180.6	709.7	2339.4	1454.3	885.1
Sri Lanka	29.5	11.8	17.7	34.2	13.7	20.6
Taiwan	2752.1	2257.3	494.8	3296.2	2756.8	539.3
Thailand	154.4	91.7	62.7	199.4	121.9	77.5
WORLD	595.1	341.2	253.9	627.3	364.3	263.0

Source: IRDA Annual Report, various issues

As for as international comparison of insurance density is concerned India has strong plus point over Asian countries. The life and non-life insurance density in India is US D 55.7 and US D 8.7 respectively in 2010. Whereas the Bangladesh collected US D 4.4 and 1.4, Pakistan US D 3.2 and 2.9, Sri Lanka US D 13.7 and 20.6. The developed countries like Australia, USA, UK, Germany and other countries were made hercules task in collecting the premia from both life and non-life business

GROWTH OF LIFE INSURANCE PREMIUM

Profitability of the life insurance business is mainly depending upon its income; most of the insurance companies derive their income from various sound business activities, through the collection of premium, net investment and miscellaneous sources. The total premium income includes first year premium income, renewal premium income, single premium consideration for annuities under individual insurance, individual pension scheme and does not include group insurance premiums. The rise in first year premium is important one because most of the administrative expenses are incurred at the time of procuring a new policy. The growth of premium collected from the public and private insurance players was augmented over the year's. The details are given in table below.

TABLE 4: PERFORMANCE OF TOTAL LIFE INSURANCE PREMIUM (Rs in crore)

INSURER	2000-01	2004-05	2008-09	2010-11
LIC	34892.02	75127.29 (18.25)	157288.04(5.01)	203473.40 (9.35)
ING Vysya	_____	338.86	1442.28	1708.95
HDFC standard	0.002	686.63	5564.69	9004.17
Birla Sun Life	0.32	915.47	4571.80	5677.07
ICICI Prudential	5.97	2363.82	15356.22	17880.63
Kotak mahindra	_____	466.16	2343.19	2975.51
Private Total	6.45	7727.51 (147.65)	64497.43 (25.09)	88131.60(11.04)
TOTAL	34898.47	82854.80(24.31)	221785.47(10.15)	291604.99 (9.85)

Note: Figures in the bracket represent the growth over the previous year in percent
 _____ represent business not started

Source: IRDA Annual Report, various issues

The total premium collected from the public sector insurer i.e. LIC of India and including all the private insurance companies was Rs. 34898.47 crore in 2000-01 to Rs. 291604.99 (9.85) in 2010-11. Within this total, LIC collected Rs. 34892.02 crores in 2000-01 and Rs. 203473.40 crore in 2010-11, it's share in total premium is 99.98 per cent and 69.78 per cent respectively. On the other hand, premium collected by all the private insurance companies was Rs. 6.45 crore (0.02) in 2000-01 to Rs. 88131.60 crore (30.22) in 2010-11. The share of premium collected by all the private insurance companies was steadily increasing when compared with the LIC of India. However, the market share of LIC is around 70 per cent at the end of the 2010-11, it may be the reason that people trust in public sector insurance industry than to the private insurance players. Moreover, the products offered by LIC is more useful, convenient, economical and also fruitful. Among the private insurance companies the better performance of premium collected has done by the ICICI Prudential and its operational cost was also minimum compare to that of other private insurance companies.

INDIVIDUAL NEW BUSINESS PERFORMANCE OF LIFE INSURER-CHANNEL WISE IN 2010

The new business premium of both public sector and private insurer includes first year premium and single premium. The new business refers to the business contracted during a given year. The new business of LIC and private insurers in terms of policies as well as sum assured shows a better progress. There are as many as 22 private players and 1 public sector monopoly insurer at present in India. The details are given in the following table.

TABLE 5: THE GROWTH OF TOTAL INDIVIDUAL NEW BUSINESS (Rs. in crores)

Name of the Insurer	No. of Policies	Amount of Premium
Bajaj Allianz	1542005	2591.92
Birla Sun Life	1004093	1640.85
HDFC Standard	830532	3488.45
ICICI Prudential	1350494	5321.44
ING Vysya	274401	653.15
Kotak Mahindra	258783	965.32
Max New York	816259	1935.85
Met Life	199211	636.07
Reliance Life	1902685	2658.59
SBI Life	939978	4789.37
TATA AIG	553203	1117.18
Private Total	11094391 (23.06)	30441.94 (36.60)
LIC	37012277 (76.94)	52732.09 (63.40)
Industry Total	48106668	83174.03

Note: Figures in parentheses indicates per cent to the total.

Number of policies issued by Reliance Life ranked first among the private insurer (1902685 Policies), Bajaj Allianz stand second rank (1542005 policies) and the Third rank by the ICICI Prudential (1350494 policies). Whereas in terms of premium collection ICICI Prudential stand first of Rs. 5421.44 crore than SBI Life of Rs. 4789.37 crore and HDFC Standard of Rs. 3488.45 crore. However, the aggregate individual new business of private insurance in terms of policies was 11094391 (23.06 per cent) and in terms of premium was Rs. 30441.94 crore (36.60) which is less than to that of LIC of India 37012277 (76.94) policies and Rs. 52732.09 crore (63.40) respectively. Therefore, this clearly shows that public sector insurer i.e. LIC of India. Individual new business growth performance is much better than to private players.

ASSETS UNDER MANAGEMENT OF LIFE INSURERS

Life fund is the excess of income over its expenditure consists of a vast accumulation of wealth. Life fund includes central government securities, state government and other approved securities, infrastructure investments, and approved investments.

TABLE 6: PERFORMANCE OF ASSETS UNDER MANAGEMENT OF LIFE INSURERS

Insurer	LIFE FUND (Rs in crore)											
	Central Govt securities		State govt & other appr sec		Infrastructure investment		Approved investment		Other investment		Total Life Fund	
	Mar10	Mar 11	Mar10	Mar11	Mar10	Mar11	Mar10	Mar11	Mar10	Mar11	Mar10	Mar 11
LIC	292901.34	334092.91	109629.03	136929.55	78991.01	80491.49	182643.05	205050.46	33989.06	41726.63	698153.49	798291.03
Public Total	292901.34	334092.91	109629.03	136929.55	78991.01	80491.49	182643.05	205050.46	33989.06	41726.63	698153.49	798291.03
HDFC Standard	2042.86	2276.66	139.88546.77	456.77	843.82	1301.75	1326.27	1274.23	98.28	50.72	4451.08	5360.12
Max New York	1683.17	2517.25	462.58	521.02	785.19	1131.22	575.69	709.36	1.30	1.33	3487.93	4880.19
ICICI Prudentl	1797.86	2619.75	598.96	813.75	688.31	1080.84	1126.00	1934.78	115.16	113.26	4326.29	6562.38
Birla Sun Life	758.78	1138.02	0.00	0.00	414.21	535.32	268.53	501.89	11.25	2.66	1452.77	2177.89
TATA AIG	1533.89	2146.83	337.10	360.08	489.14	603.50	448.66	418.74	23.68	20.85	2832.47	3550.00
Kotak Mahindra	574.08	682.46	145.13	163.03	284.07	370.86	211.52	331.08	1.52	1.85	1216.32	1549.28
SBI Life	2040.46	2161.51	429.36	319.30	775.20	746.50	1542.24	1377.42	13.37	109.39	4800.63	4714.12
Bajaj Allianz	1278.47	2125.63	1193.44	890.25	1045.11	1081.98	1062.53	1553.22	2.78	57.68	4582.34	5708.76
Met Life	462.72	784.60	119.96	120.21	316.58	357.06	119.98	112.49	11.27	0.00	1030.52	1309.77
Reliance	287.69	476.80	139.19	171.28	169.44	253.20	281.46	403.82	9.13	4.67	886.92	42783.52
Private Total	14194.22	19283.14	4015.44	4428.11	6682.53	8689.26	7755.94	9950.52	488.24	432.49	33137.37	
Industry Total	307095.57	353376.05	113644.46	141357.66	85674.54	89180.75	190398.99	215000.98	34477.30	42159.12	731290.86	841074.55

Source; IRDA Annual reports, various issues

Management of assets under life insurer including both LIC and private insurer have been shows a tremendous growth. It is evident from the table that the total life fund was surged from Rs. 731290.86 to Rs. 841074.55 from 2010 and 2011. The share of public sector LIC is 94.91 per cent to that of private insurer is 5.09 per cent in 2011. However, within the private insurer, there is a variation in total life fund managed by the private players. ICICI Prudential has the top position of 15.34 per cent to the total private life fund in 2011 next by 13.34 per cent and 12.53 per cent respectively by Bajaj Allianz and HDFC Standard. The least fund managed by DLF Pramerica [Rs143.02 crore (0.33)] among the private players. Among the different avenues, The private insurer invested their fund more with central government schemes, approved investments in infrastructure and state government securities on the priority basis. Similarly, public sector LIC maintained its life fund more with central government securities, approved investment in infrastructure and in state government securities. Thus, though it is privatized, LIC of India has been playing a significant role in maintaining its excess of income over the private players.

PERFORMANCE OF CLAIMS SETTLEMENT IN LIFE INSURANCE SECTOR

Claims settlement is one of the outgo of the life insurer, in life insurance business timely settlement of claims is a significant. The claims settlement record of an insurer is the touchstone of its performance. This needs to do a careful evaluation of the risks that would arise out of the underwritten contract paid their premiums accordingly. Claims settlement is classified in to two categories as death claims and maturity claims. The death claims are most important one than that of the maturity claims, per cent achievement and nil outstanding in death claims shows the utmost performance of insurer. The table below gives individual and group death claims of life insurer in 2010-11.

TABLE 7: PERFORMANCE OF INDIVIDUAL AND GROUP DEATH CLAIMS: LIFE INSURER IN 2010-11

Individual Death Claims ; (Fig in per cent of policies)					
Insurer	Total Claims	Claims Paid	Claims repudiated	Claims Written Back	Claims Pending at the end of the year
Private	100	86.04	8.90	0.05	5.01
LIC	100	97.03	1.00	0.51	1.46
Total	100	95.58	2.04	0.45	1.93
Group Death Claims ; (Fig in per cent of lives covered)					
Insurer	Total Claims	Claims Paid	Claims repudiated	Claims Written Back	Claims Pending at the end of the year
Private	100	93.33	1.18	0.13	5.36
LIC	100	99.66	0.01	0.00	0.33
Total	100	96.73	0.55	0.06	2.66

Source; IRDA Annual reports, various issues

Group death claims paid compared to the individual death claims paid is a progressive one, LIC in group death claims paid is 99.66 per cent compared to that of 93.33 per cent in private insurer, on an average it is 96.73 per cent slightly increased by 95.58 per cent in individual death claims. Claims written back on an average in group death claims is 0.06. However, a LICs group and individual death claim written back is nil and 0.51 per cent respectively. LICs group death claims pending at the end of the year is 0.33 percent compared to the private insurer which was 5.36 per cent. Group death claims total repudiated is progressive and better than that of the individual death claims.

MAJOR FINDINGS AND SUGGESTIONS

Density of non-life insurance compared to life insurance is insignificant .Life insurance penetration was significant than that of the non- life insurance. It is observed that life insurance penetration was consistently rose from 2.15 per cent to 4.40 per cent against to the non-life insurance 0.56 per cent to the 0.71 per cent during the study period. Therefore, there is a good scope for improvement the both non-life insurance density and non-life insurance penetration in India.

As for as international comparison is concerned both life and non-life insurance penetration, India is head headway (4.4 % and 0.7%) over Bangladesh (0.7 % life and 0.2% non-life) Malaysia (3.2% life and 1.6% non-life) Pakistan (0.3 % life and 0.3 % non-life) under Asian countries. When compared with developed countries India's progress is slower both in density and penetration over France 7.4 % and 3.1 %, Switzerland 5.5 % and 4.4 % UK 9.5 % and 2.9 %and USA 3.5 % and 4.5 % in 2010.Though, India has strong positive points over some of the Asian countries, but lags against developed countries. Therefore, it is suggested to the India to improve her standards in internationally both in density and penetration.

Market share in terms of premium collection by the LIC is around 70 per cent over private players which collect only 30 per cent. Besides, the cost of operation of private players is surging, so that it suggested to private players to reduce their operational costs cost and have been good scope in the collection of premium as compared to LIC of India.

The Individual new business performance in terms of No. of policies and premium of private players was (23.06 % and 36.60 %) respectively low when compared to the LIC (76.94 % and 63.40 %) in 2010-11. Hence, it is suggested to the private insurer to increase their new business in terms of policies and premium by offering better products/services in the insurance arena.

With regards the Life Fund Management by the public sector with central government securities, approved investment, infrastructure and in state government securities. Similarly, the same is followed by the private insurer. It is found that both LIC and private insurer adapted similar strategy while managing the life fund. However, LIC has better position over private insurer with regards to the management of life fund.

Individual and group death claims of both private insurer and LIC the share of claims paid in terms of per cent of lives covered and policies of LIC is much speeder over private insurer. Private individual claims repudiated outstanding is more by 8.90 per cent policies compared to 1 per cent in LIC. But group death claims repudiated outstanding is in progressive of both private and LIC. Therefore, it is suggested to the private insurer to reduce the claims repudiated and claims pending in its individual death claims.

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AGRI TOURISM IN KARNATAKA – ISSUES CONSTRAINTS AND POSSIBILITIES

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ABSTRACT

To enhance its socio economic viability, any economy in the present global economic restructuring phase has created a climate in which local economies have to adjust. As is been observed, economic and social forces operating at the global level are determining both the nature and form of the rural landscape and how we value and use it. Coupled with new ideas and approaches, these changes to leisure and recreation time are encouraging tourism development in rural areas at an ever increasing pace. Rural tourism development in areas not traditionally considered tourism destinations per se occurs incrementally, either as a result of entrepreneurs developing businesses that attract visitors or as a result of visitors discovering the area and thereby generating a demand for tourism related activities to which local entrepreneurs respond. The development of tourism in rural area is not simply a matter of matching tourist demands with local product supply but a matter of evaluating local suitability and acceptability. With the growing importance of Agri-tourism and the thrust given by the government to promote tourism this paper aims at examining the key issues involved in the development of Agri-tourism in Karnataka, challenges faced by Agri-tourism industry and suggest recommendations for the success of Agri-tourism in Karnataka.

KEYWORDS

Agriculture, Agri-Tourism, Karnataka, Tourism.

INTRODUCTION**INDIAN AGRICULTURE**

India has more arable land than any country except the U.S and more water area than any country except Russia, Canada and the U.S Indian life revolves mostly around agriculture and allied activities in small villages, where the over whelming majority of Indians live. As per census 2001, 72.2% of India's population lives in about 6,30,000 villages. By 2011 India had established itself as the world's second fastest growing major economy. India's large service industry accounts for 57.2% of the country's GDP, while the industrial sector contributes 28.6% and agricultural sector contributes and 14.6%. Agriculture still, is the predominant occupation in rural India accounting for about 52% of its employment. However a survey suggested that the share of agriculture in employment has dropped to 45.5% which is a major concern for policy makers as some two thirds of India's people depend on rural employment for living. Current agricultural practices are neither economically nor environmentally sustainable and India's yield for many agricultural commodities are also low as the irrigation systems are poorly maintained and lack of good extension services are among the factors responsible.

INDIAN TOURISM INDUSTRY SCENARIO

- ✓ Foreign Tourist Arrivals (FTAs) during the Month of December 2011 was 7.15 lakh as compared to FTAs of 6.80 lakh during the month of December 2010 and 6.16 lakh in December 2009.
- ✓ There has been a growth of 5.2% in December 2011 over December 2010 as compared to a growth of 10.4% registered in December 2010 over December 2009.
- ✓ The growth rate of 5.2% in December 2011 is higher than 4.7% growth rate observed in November, 2011.
- ✓ FTAs in India during 2011 were 6.29 million with a growth of 8.9%, as compared to the FTAs of 5.78 million with a growth of 11.8% during the year 2010 over 2009.
- ✓ The growth rate of 8.9% in 2011 for India is better than UNWTO's projected growth rate of 4% to 5% for the world in 2011 and 7% to 9% for Asia and the Pacific.
- ✓ Foreign Exchange Earnings (FEE) during the month of December 2011 were Rs. 8870 crore as compared to Rs. 7039 crore in December 2010 and Rs. 7042 crore in December 2009.
- ✓ The growth rate in FEE in Rs. Terms in December 2011 over December 2010 was 26.0% as compared to no growth in December 2010 over December 2009.
- ✓ FEE from tourism in Rs. Terms during 2011 were Rs. 77591 crore with a growth of 19.6%, as compared to the FEE of Rs. 64889 crore with a growth of 18.1% during the year 2010 over 2009.
- ✓ FEE in US\$ terms during the month of December 2011 were US\$ 1688 million as compared to FEE of US\$ 1558 million during the month of December 2010 and US\$ 1510 million in December 2009.
- ✓ The growth rate in FEE in US\$ terms in December 2011 over December 2010 was 8.3%, as compared to the growth of 3.2% in December 2010 over December 2009. FEE from tourism in terms of US\$ during 2011 were US\$ 16564 million with a growth of 16.7%, as compared to US\$ 14193 million with a growth of 24.6% during the year 2010 over 2009.

The above figures of tourism scenario in India gives a clear indication that there is no dearth in tourists arrivals nor Foreign exchange earnings in India, and India is such a Tourists destinations were a visitor always expects for more, that, which, can be cashed further by adding Agri-Tourism.

CONCEPT OF RURAL TOURISM AND AGRI-TOURISM**RURAL TOURISM**

The definition of rural tourism has been the subject of many debates in the literature without arriving at any firm consensus (Pearce 1989; Bramwell 1994; Seaton et al. 1994). First of all, rural areas where rural tourism occurs are difficult to define since criteria used by different nations vary enormously; secondly, not all tourism which takes place in rural areas is strictly "rural" – it can be urban in form, and merely be located in a rural area; thirdly, different forms of rural tourism have developed in different regions and hence it is hard to find characteristics that are common to all of the countries; fourthly rural areas are in a complex process of change due to the impact of global markets, communications and telecommunications that have changed market conditions and orientations for traditional products. Besides, though some rural areas have experienced depopulation there are many of them that are experiencing an inflow of people to retire or to develop new non-traditional businesses. The ministry of Tourism, Government of India and the United Nations Development Programme (UNDP) in India have partnered the promotion of 36 such rural locations, under the Endogenous Tourism Project/Rural Tourism Scheme.

- Rural tourism and agri-tourism (each of these categories is a derivative of the subsequent one, like concentric circles).
- Tourism is termed rural when the rural culture is a key component of the product on offer.

Depending on the primary activity component of this product, the terms used are agri-tourism, green tourism, gastronomic, equestrian, nautical, hunting, adventure, historical/cultural tourism and so on. Tourism activities revolving around large holiday home developments, big hotels, golf courses are difficult to integrate into the concept of rural tourism. The distinguishing feature of tourism products in rural tourism is the wish to give visitors personalized contact, a

taste of the physical and human environment of the villages and, as far as possible, allows them to participate in the activities, traditions and lifestyles of local people. There is also a strong cultural and educational element in this form of leisure tourism. Hence a rural tourist destination could be defined as a wider area dominated by the natural and/or farmed/forested environments where specific natural, economic and socio-cultural features, such as tradition, local cooperation, trust and reciprocity are harmoniously embedded and as such create a unique tourist product that is predominantly small scaled, nature friendly, "ethno-cultured", in other words 'sustainable'.

Since tourism is predominantly a consumer activity, most of the studies are demand driven, concentrated on the visitors and their needs and motivation. Hence the motives attracting people to the villages are seen as reflection of a growing interest in the outdoors, and a number of other general trends of tourist motivation. The attractiveness of rural areas for tourism and recreation can first be associated with the image of rurality of area. Here rurality is closely related to the traditional and romantic idea of the "good old days" pure and simple lifestyle, intact nature and perfect integration of man in his natural environment. Thus nostalgia of the origins, the need for recuperation of the lost link with nature and the basics of life in an increasingly complex, highly organized, anonymous, congested, stressful urban and inhumane surrounding constitutes the principal attraction of rural area (Kastenholz, Davis, Paul 1999). Agro Tourism is when a **native person or local of the area** offers tours to their Agriculture Farm to allow a person to view them growing, harvesting, and processing locally grown foods, such as coconuts, pineapple, sugar cane, corn, or any produce the person would not encounter in their home country. Often the farmers would provide a home-stay opportunity and education. An Agri-tourism farm is any land based farm or business that is open to the public. These specialized agri-tourism destinations generally offer things to see, things to do, and produce or gifts to buy, and are open to the public at least some parts of the year. Some agri-tourism farms are open 365 days, some only open for a few weekends in the fall. All offer a unique and entertaining farm experience and are generally appealing to all members in a family. Wine tasting, farm tours, country bed and breakfast, corn mazes, hay rides, U-Pick farms and even farm stands are all examples of Agri tourism. These diversified farming operations are bringing an interested customer right to the agri tourism farm, providing education and experience, and offer special farm products or related gifts for sale, things to do, and opportunities for easy and inexpensive education and entertainment experiences for young and old alike.

The importance of rural tourism as a part of the overall tourism market depends on each country's recreation/ tourism resources, infrastructure image, market access and the presence of other types of tourism products. Even if rural tourism may be minor in relation to the overall tourism market of many countries its importance to the development of specific rural areas may be critical. Thus, the multiplier effect is often more impacting in rural areas where the entire rural lifestyle is looked for a main attraction.

RURAL TOURISM INCLUDES

1. Agri – Tourism: Tourism on the farms enables farmers to diversify their activities while enhancing the value of their products and property. Farm tourism also helps to reconcile farming interests and environmental protection through integrated land management in which farmers continue to play a key role. Tourists who choose farm accommodation rather than other kinds of accommodation facilities look for genuine rural atmosphere where they can share intimacy of the household they live in learn traditional crafts and skills with their hosts, make friends which is a quality, modern times have almost forgotten and above all enjoy homemade food and drinks. Some specific food labels can help consumers establish a local produce and can be used as a selling point to tourist who want to taste home grown quality food and drink. (khatrotti)
2. Heritage and cultural Tourism in rural areas comes in a wide range of forms most of which are unique to an individual local and a valuable component of the rural tourism product. Heritage and cultural tourism includes temples, rural buildings but may be extended to local features of interest including war remnants, monuments to famous literary, artistic or scientific people, historic remains, archeological sites, traditional parkland etc.
3. Eco Tourism: Many tourists visit rural areas for the purpose of bird and animal watching and learning about local flora and fauna. Rural tourist destination as a product is definitely very fragile in ecological, social and cultural sense. Its development requires very specific approach that could help it remain sustainable in the long term.

Apart from Agriculture, Agri-Tourism concept should also include Agricultural Product like Horticulture, Sericulture, Animal Husbandry, Dairy husbandry, Floriculture, Fisheries and Apiculture, includes minor forest produce & live stock based products. The advantage of including all agricultural products will be that it will enlarge the Agri-tourism product features/offers.

RURAL TOURIST DESTINATION – A TOURISM PRODUCT

The following are some of the critical factors responsible in the evaluation and development of rural tourism as a product, which are as follows:

- Changes in the preferences and needs of visitors.
- Destination of the natural and manmade environment.
- Change or disappearance of those attractions, which brought tourists to the area.
- Identification of potential consumer.
- Understanding the rural tourists buying behaviour.

To be competitive rural tourism destination must possess basic tourist requirements, such as hygienic accommodation and catering. It should be connected with the farm accommodation.

DEFINING AGRITOURISM

Agri Tourism is defined as travel, which combines agricultural or rural settings with products of Agricultural operations all within a tourism experience. The product can be "experience itself". Agri-tourism can be defined as "A range of activities, services and amenities provided by farmers and rural people to attract tourist to their area in order to generate extra income for their businesses". (Gannon, 1988in Klaze, 1994).

BASIC PRINCIPLES OF AGRITOURISM

Agri - Tourism should ensure the following three basic principles.

1. Have something for visitors to see - Animals, birds, farms and nature are few things which Agri-Tourism could offer to the tourist. Apart from these, culture, dress, festivals and rural games could create enough interest among visitors in Agri-Tourism.
2. Have something for visitors to do - Participating in agricultural operations, swimming, bullock cart riding, camel riding, buffalo riding, cooking and participating in the rural games are few activities to quote in which tourists can take part and enjoy.
3. Have something for visitors to buy - Rural crafts, dress materials, farm gate fresh agriculture products, processed foods are the few items which tourist can buy as memento for remembrance.

ELEMENTS OF AGRITOURISM

1. Farmer – In majority of the cases, farmers are less educated, less exposed and innocent. For a farmer, any outsider is a guest and is treated wholeheartedly without any commercial motive. Treating guests is pleasure for the villagers than pain. The farmer entertains the guest while entertaining himself in the process. He is not like an exploitative natured businessman which itself facilitate a clean tourism atmosphere.
2. Village – Villages, located far from the city lack urban facilities, but are blessed with natural resources. Investments are made by nature in the form of water bodies, fields, forest, mountains, deserts and islands. The community structure is more homogenous and treating guests is part of the culture rather than a professional activity leading to natural environment required for such form of tourism.
3. Agriculture – Rich resources in agriculture namely land, water and plants are unique from place to place bringing diversity and creating curiosity. Each field is unique which adds to the attraction of tourists. The way of cultivation and the products are great attraction to the urban population. Indigenous knowledge of rural people is a wealth, which adds to the novelty and the curiosity of urban population. Combination of farmer, village and agriculture creates a wonderful situation which provides unlimited satisfaction to the tourist especially from urban areas.

AGRITOURISM - INTERNATIONAL LEVEL

The following table shows the importance attached to Rural Tourism (Agri Tourism) as Farm Tourism by various countries, which is very much a reflection of Acceptance and Success of the Tourism product i.e., Agri Tourism

Country	Kind of incentive/ help given by different sources aimed at rural/ farm tourism development.
Belgium	Regional governments subsidize accommodation facilities to up to 30% of the total cost of the project.
Denmark	Government subsidies National association for agri-tourism development with a fixed amount of money per year.
France	Regional governments give incentives to the new entrepreneurs in rural areas; they also give professional help in marketing activities and making up feasibility studies; departments, regions and national government subsidize different rural tourism associations with the fixed annual amounts.
Greece	Rural tourism projects in the region Petra Kesvos have been subsidized by the government, local authorities and the EU.
Ireland	Agency for development of tourism in the rural areas "BallyhouraFaite Society" is financed by the government, local authorities and the EU.
Italy	Agri-tourist Association has been financed by the national government on an annual basis.
Netherlands	Some associations (such as "VerenigingRecreatie by de Boer") have been financed by their regional governments.
Germany	Incentives aimed at rural tourism development are distributed form different levels; Bayern has-been financed by the national government. Niedersachsen by the regional government, Hessen –regional government, Baden Wurtemberg – by the regional government, RheinlandPfalz-regionand other sources, Schleswig- Holstein-regional government and other sources.
Portugal	General tourist office has developed a system of subsidizing initial tourist investments in ruralareas
Spain	Galice – investment subsidizing (to upto 30% of the total cost of investment), Asturias – 30% of the total cost of the investment, Catalogue and Canaries – subventions for the preservation of cultural and ethno heritage in the localities that have less than 2,000 inhabitants,Agrotourism Basque Association has been financed by EU (the level of subsidy has reached 25-50% of the total amount subsidized by region).
Great Britain	There is a strong involvement of national and regional governments into development of rural areas; under Department for Environment Food and Rural Affairs (DEFRA) so called "Rural whitepaper" has been introduced with different development schemes that also include rural tourism development
Slovenia	Government has subsidized first phase – implementation of the tourist facilities on farms (to upto50% of the total amount of project, while in the second phase, when a farm started to deal with tourism activities, two thirds of the necessary amount were given by the government and local communities while the rest has to be secured by an entrepreneur.

From the above table it is needless to say that the concept of Agri – Tourism is not a new concept it's been practiced for quite a long time say for a decade from now at international, national and state level what is missed out is the fact that, it has failed to create a niche for itself as an independent tourism product.

AGRI-TOURISM OPPORTUNITIES IN INDIA

Indian tourism industry is growing at the 10.1%. The World Tourism organization has estimated that the tourism industry is growing at the rate of 4% a year and that by the year 2010 there were more than one billion tourists visiting various parts of the world. The demand for travel and tourism in India is expected to grow by 8.2 per cent between 2010 and 2019 and will place India at the third position in the world. But the Indian tourism industry is growing at the rate of 10.1% which is 2½ times more than the growth rate at global level. By introducing Agri-Tourism concept, not only present growth rate is sustained but also this value addition contributes to further growth. India has entered amongst the top 10 tourist destinations list (Conde Nast Traveller – A leading European Travel Magazine) - India is already established as one of the top tourist destination in the world. Value addition by introducing novel products like Agri-tourism would only strengthen the competitiveness of Indian tourism industry in global market. India has diverse culture and geography which provides ample and unlimited scope for the growth of this business. India has diverse Agro-climatic conditions, diverse crops, people, culture, deserts, mountains, coastal systems and islands which provides scope for promotion of all season, multi-location tourism products. Increasing number of tourists are preferring non-urban tourist spots (financial express). Hence, there is scope for promotion of non-urban tourist spots in interior villages by establishing Agri-tourism centers. Priority was given to rural tourism since 10th five year plan Government initiatives and policies in XI five year plan allocation has been increased from 2900 crore to 9290crores. Increased financial allocation reaffirms the government commitment and can be used for capacity building of service providers, creation of infrastructure and publicity. India's travel and tourism sector is expected to be the second largest employer in the world, employing 40,037,000 by 2019

IMPORTANCE OF AGRI-TOURISM

It not only improves quality of life for visitors and residents and farmers alike but also preserves farm land and open spaces in rural India. Tourists will not only enjoy and relish the fresh grown and prepared traditional cuisine but it will also help create and preserve sources of fresh locally grown food. It will definitely help in creating a place for families to experience agriculture and develop respect for the profession. Promotion of Agri-Tourism enables preservation of family farms in particular and agriculture on a whole as they are the backbone of India(Even today). Turn back the pages of our history; this country was a land of farmers, settling from coast to coast while providing food for their families. Through the years the number of farmers has decreased, and the number of families fed per farmer has increased. Fewer people from the urban India are around who remember what it was like to grow up on a farm. Some have experienced farm life by visiting grandparents or relatives in rural India. Families and specifically children should have the opportunity to learn that food is produced on a farm and is not just a product of the local grocery store. The services offered in agri-tourism generally include accommodation in the farm cottages or farm bungalow where tourist can eat ethnic food and observe rustic life at close quarters. Agri Tourism is not just all about staying in a village and relishing authentic rural food but this is an opportunity to take a closer look at the life of farmers and the village life

SUCCESS STORIES

Agri- tourism in India has been launched and run successfully in two of its villages in Maharashtra. They are Malegaon and Baramati, which came into picture due to the efforts of Agri Tourism Development Corporation, Pune. A pilot project has been kicked off in Baramati in Maharashtra. The unit offers tourists edutainment farm tours in Baramati district, Malegaon area where they are told about the cultivation of grapes, sugarcane, pomegranate, guava, and watermelon or get an insight into how silk is produced and raw jaggery is made. It includes Marathi programmes such as Bharud, Jagran Gondhal, Shekoti folk songs (all these are combinations of songs, drama, acting with music and dance). About 25 more such locations have been identified in Maharashtra as rural tourist destinations. In the coming three months, Agri Tourism would be developing Dapoli, Mulshi and Reha (in the foothills of Hinjewadi) as new locations. The aim is to have five such locations as autopilots, which would be ready within a year. They offer various packages as tour to this agri farm including an overnight stay. The farm tour also includes visits to goat and emu farms. This is first such effort in India on an organized level.

AGRI TOURISM IN KARNATAKA

SCOPE

Although Karnataka has made rapid progress in the field of Information Technology, Agriculture has remained the backbone of the state. In fact, traditionally, Karnataka has been one of the prominent agriculturally-important States of the country with its conducive environmental conditions, innovations in farming, crop patterns and researchers. Agriculture is the means of livelihood for nearly 65 per cent of the state's population. Statistics show that 64.6 per cent of the State's geographical area is under cultivation, though 83 per cent of the area is suitable for agriculture. The fact that the State has 10 different agro climatic zones coupled with fertile soil has resulted in cultivation of a variety of crops. While the State has 10 different agro climatic zones coupled with fertile soil has resulted in cultivation of a variety of crops. While the State leads the country in the production of sunflower and minor millets, it also ranks among the major producers of maize, sugarcane and pulses. Karnataka contributes 7 per cent of the country's agricultural production. What is significant is that the share of agriculture in the State GDP is about 16 per cent, which is higher than the national average of 12-13 per cent. Several policy measures by the Government have supported agricultural growth in the State. Karnataka was the first in the country to bring out an agricultural policy for the holistic development of the farm sector and to provide the status of industry to agriculture. The State has been making efforts to turn agriculture into a business venture in a bid to increase the income of farmers and to provide a boost to the rural economy. There are 29,340 villages in Karnataka compared to only 347 towns(2011 provisional census),

which shows Karnataka's major population still lives in rural parts, which is further evident by the number of population which lives in rural Karnataka 43,51,788 compared to population of urban Karnataka 25,04,013

In fact, **agriculture** is so important in Karnataka that we find three agricultural seasons, viz.:

- Kharif - Jowar, Maize, Pulses, etc. (April to September)
- Rabi - Rice, (October to December) and
- Summer (January to March).

Moreover, Karnataka is the largest producer of Coffee, coarse cereals and raw silk among the other states of India. Agriculture is an important part of economy of Karnataka. Karnataka has got a topography that is highly suitable for agricultural activities. That is to say, Karnataka's relief, soil, climatic conditions taken together contribute immensely towards growing crops. Agriculture is one of the main occupations of the people of Karnataka. About 12.31 million hectares of land, including 64.6% of the total area, is used for agriculture in Karnataka. According to the 2001 census, about 71% of work forces in Karnataka are farmers and agricultural labourers. Agriculture of Karnataka is mainly dependent on monsoon, as only 26.55% of land is supported by irrigation. In Karnataka, irrigation is done in about 26.5% of the total sown area. In Karnataka some horticulture farms like tea plantation, wine yard, coffee plantation, rubber plantation and agriculture farms have potential for Agri-tourism

KARNATAKA GOVERNMENT SCHEMES TO PROMOTE AGRIBUSINESS AND ALLIED FOOD PROCESSING

Dodges in Karnataka's Agriculture

- Karnataka is only second to Rajasthan in terms of drought-prone land
- Lack of quality seeds
- Lack of water supply
- Lack of electricity
- Lack of marketing facilities
- Inability of maintain stable prices
- Farmers suicides
- Snatching land from farmers in the name of agricultural investment

Karnataka is no free from agricultural problems like the few mentioned above, the government of Karnataka is trying its best to overcome these gaps and provide amicable solutions to these problems like the State Government has submitted a memorandum to release aid of Rs. 723.24 crore in addition to deputing a team for study of the drought in the State apart from dry land development project and watershed project which will be helpful for preservation of water and soil erosion etc.. The government is also planning several projects for stabilisation of rates, quality seeds, water supply and marketing facilities etc... And to prevent farmers Suicide cases the government is implementing projects like distribution of sowing seeds at concessional rate, distribution of agricultural machine and tools and minor irrigation units, agricultural loans at interest rate of 1% in cooperative banks and 3% in commercial banks, implementation of projects such as Bhoo-Chethana and SuvarnaBhoomi etc..

The sericulture industry in Karnataka, which accounts for more than 60% of the total raw silk produced in the country, today an estimated eight lakh people, including a large number of small farmers and women are directly or indirectly dependent of sericulture. While over 1.4 lakh agriculturists are cultivating mulberry, there are over 8,000 silk reeler in the State. The main silk regions in the State are four taluks of Chennapatna, Ramanagaram, Kanakapura and Magadi and some parts of the districts of Mandya and Tumkur. Karnataka has 62,697 hectares of land under mulberry plantation and a total of 66 government-run cocoon markets and 10 silk exchanges function across the State.

Horticulture in Karnataka has a turnover of Rs. 2000 crore including revenue and exports. Parks nurseries are envisaged to be set up at Chickaballapur, Sirsi, Tumkur and Kannamangala and Mysore at a cost of Rs. 10 crore. A Rs. 25 crore coconut productive improvement programme would be started with 50 per cent collaboration from farmers. Karnataka was leading other States as far as the implementation of the National Horticulture Mission (NHM) is concerned. Of the total Rs. 125 crore the State received under the NHM during 2011-12, Rs. 66.58 crore had been disbursed among farmers. The area under fruits, flowers, spices, medicinal cosmetics and other horticultural crops has been extended to 16,424 hectares. Organic farming in 6,623 hectares had been given subsidy. Financial help has been provided to 162 post-harvest maintenance units and 148 agricultural ponds. About 40% of the total income of the state is generated from horticulture. Karnataka occupies the second position in terms of the horticultural productions in India.

Floriculture is growing and there is international demand for flowers grown over an area of 3,500 hectares across the State. With a view to encouraging floriculture, the government had reduced power tariff for cold storages to Rs. 2 a unit and the sector has been exempted from VAT.

With all these initiatives, projects, schemes, Agri-tourism can be taken to new heights by allowing the visitors experience all of it.

ELEMENTS AND PRINCIPLES OF AGRITOURISM IN KARNATAKA

Have something for visitors to see (festivals/jatras etc.), Have something for visitors to do (rural games), Have something for visitors to buy

1. The **Suggi** or harvest festival for farmers of Kaveri basin of Karnataka: On this auspicious day, young females (kids & teenagers) wear new clothes to visit near and dear ones with a Sankranti offering in a plate, and exchange the same with other families. This ritual is called "ElluBirodhu." Here the plate would normally contain "Ellu" (white sesame seeds) mixed with fried groundnuts, neatly cut dry coconut & fine cut bella (Jaggery). The mixture is called "Ellu-Bella". The plate will also contain sugar candy molds of various shapes (SakkareAcchu) with a piece of sugarcane. There is a saying in Kannada "ellubellathinduollemaathadi" which translates to 'eat the mixture of sesame seeds and jaggery and speak only good.' This festival signifies the harvest of the season, since sugarcane is predominant in these parts. In some parts of Karnataka, a newly married woman is required to give away bananas for a period of five years to married women (*muthaidhe*) from the first year of her marriage, but increase the number of bananas in multiples of five. There is also a tradition of some households giving away red berries "Yalchi Kai" along with the above. In North Karnataka, kite flying with community members is also a tradition. Drawing rangole in groups is another popular event among women during Sankranti. An important ritual is display of cows and cattle in colourful costumes in an open field. Cows are decorated for the occasion and taken on a procession. They are also made to cross a pyre and is called "KichchuHaisodhu."
2. The **Banashankari Fair**: at the village temple in Banashankari (near Badami) is much more than a religious event for the people of that locality. A large variety of articles and utensils are purchased in the fair. Rathosava is an important item sold in the fair. Palm implements and other domestic interior articles are exhibited and purchased in the **Banashankari Fair of Karnataka**.
3. **Fairs of Karnataka – Adding to the Exultation**: Like the festivals, the fairs of Karnataka are also religious and folk in nature and belief. To honour Vithappa, the deity of the village Vithappa, a grand fair is held in the village. It is a three day festival where around 7 to 8 thousand people gather. Another popular fair is the Godachi Fair, held in the honour of ShriVeerabhadra and it is organized by the government of Karnataka (ShriYellammafair is held 5 times between the months of October to February at Saundatti).
4. **Anegundi**: The annual fair during the month of April and the AnegundiUtsav in November are a must see for visitors. An added attraction in the same period is HampiUtsav. Fairs and festival and festivals are celebrated throughout the year. There is no communal difference during these celebrations. Both communities, Hindu and Muslim participate actively during Mohram, Deepavali, the annual fair & the Utsav.
5. The rural sport of Kambala is a traditional buffalo race held predominantly in the southern coastal Karnataka region. A mélange of slush, speed and power, Kambala features buffaloes racing down a muddy track while being urged frantically by a farmer riding a wooden plank. A massive congregation cheers the competing beasts and fastest pair of buffaloes garners the top prize. In its original avatar, Karaga celebration was marked by the humble elements of rural life. Today, riding on a popularity wave, Kambala has assumed massive proportions. Modern Kambalas are professionally organized day and night events with electric illumination. One could see more than 20,000 spectators in a well-organized "Kambala" and up to 130 pairs of buffaloes may participate.

The above mentioned are only droplets of the rural/agri tourism potential in Karnataka.

Thus, it can be concluded that agriculture is an important part of the economy of Karnataka

KARNATAKA GOVERNMENT'S INITIATIVE TO PROMOTE AGRI TOURISM

All the interdependent sectors are now joining hands to introduce and promote the concept of Agriculture Tourism. The integrated Agribusiness Development Policy 2011, Government of Karnataka, Department of Agriculture, Bangalore, has dedicated towards it *Special Agro Tourism Investment Zones*, Specialized tourism zones aim to promote agriculture tourism to provide, employment and economic stability in rural communities in the state. Agricultural tourism is the holiday concept of visiting a working farm or any agricultural, horticultural, or agri business operations for the purpose of infotainment, education, or active involvement in the activities of the farm or operation. Agricultural products like farm gate, fresh market, processed foods; organic food could lure the urban tourists. Villages provide recreational opportunities to all age groups i.e. children young, middle and old age, male, female, in short to the whole family at affordable cost. Rural games, festivals, food, dress and the nature provides variety of entertainment to the entire family. These identified zones shall provide a range of activities, services and amenities provided by farmers and rural people to attract urban tourists, thus providing opportunity for urban people to get back to the roots. These zones shall offer full scope to develop agro tourism products like farm vacation – farm stays, feeding animals, picking fruits / vegetables, camping sites, rural sports, themed special events and festivals, village fairs, farmers markets, road side farm produce stands, agro shopping, culinary tourism, bed and breakfast, pick and pay, bullock cart riding, boating, fishing, herbal trail, games and health (ayurvedic and naturopathy/traditional Indian medicine) tourism. The themes in agro tourism are vast and a farm operator may offer his or her own creativity to tourists. The state has been making efforts to turn agriculture into a business venture in a bid to increase the income of farmers to provide a boost to the rural economy. In this connection, Karnataka has taken the lead in developing a sustainable agribusiness model by coming out with an "Integrated Agribusiness Development Policy" covering agriculture and allied sectors both in the infrastructure and the industrial segment. In this regard the state government can give prominence to Agriculture tourism. The State Government's move to develop Agro Business Investment Regions (ABIR) is based on the logic of developing "clusters" and "corridors" of agro processing activity in contiguous geographical areas.

AGRI TOURISM CIRCUITS IN KARNATAKA START UP

To initiate in Karnataka the concept Agri-tourism in its full swing, Karnataka Tourism Department can start with already popular rural destinations like Banavasi and Anegundi and by setting Agri Tourism Development Corporations at each Village Level so that it can focus and dedicate to the enhancement and development and promotion of these destinations as not only Rural Tourism but also Agri tourism Destinations

BANAVASI

At attempt has to be made by Vishwodaya Grameen Pravasyama Samsthe, Banavasi, Uttar Kannada, Karnataka and Village Tourism Development Committee, to create a niche for Agri Tourism in Banavasi. The benefits can be, that, it is already a well-known Rural Destination and has the basic infrastructure in hand to explore the Agri Tourism Concept where people will not just come and visit a rural place but also be part of it most important source of earning i.e., Agriculture Mr Rehman Sheikh and his family are happy to host you on their plantation where pineapples, bananas, arecanut, pepper, paddy, etc. are grown. Mr Sheikh is known as the "Pineapple King". A visit to his plantation will help you understand why. Returning from the plantation, stop by at Mr S M Hegde's house. He has a room full of Ganesha idols in all shapes, colours, sizes and made of varying materials. Finally, stop off at the Gudnapur Lake to watch a beautiful sunset. Gudnapur also has the Rani Mahal, a fifth century structure still being explored by the ASI. A beautiful statue of Mahavira inside gives you a glimpse of the religious tolerance in those days.

With Kadambotsava, an annual event organised by the state government, Banavasi regains its former glory as a cultural capital. Renowned classical musicians, yakshagana artistes, drama troupes, folk dancers and eminent literary personalities assemble for Kadambotsava and make it a huge cultural fete. This is organised usually in the month of December.

At Banavasi, tourists can stay at the newly built Village Tourism Complex. There are eleven double rooms available with attached bathrooms set around a square courtyard at the edge of Banavasi with the River Varada on one side and the Pampa Vana on the other.

Come to Banavasi for its varied cuisine. "Khanavalis" or small eateries in Banavasi serve up hot, delicious food with a warm smile. There are several breads made of rice, jowar and corn as well as rice served with a variety of sweet, sour, pungent and spicy curries and sauces. Accompanying the meal is a wide range of fresh powders and chutneys made of lentils, chillies, tamarind, oil cake.

A book of recipes using pineapple is available and you could even be there for the monthly pineapple mela which is held on the first weekend of every month. This is when a women's group in Banavasi come together to cook up a feast using pineapple as the main ingredient. It not only enhances the importance of rural destinations but also will be able to contribute directly to the well-being of the Farmers

ANEGUNDI

An interesting feature of the village is its white washed houses and the labyrinth that takes you on a lovely intimate journey through it, giving an insight on the way of life in the village. These humble yet regal houses have beautifully carved wooden pillars, and line the main streets proudly. As they walk around, visitors can get a peek at any artisans of banana fibre, women grinding 'chutney' by rolling huge stones, others using lime hand prints for decorating doorways and doing coloured Rangoli in front of their houses. The coracles or bamboo basket boats are yet another attraction giving the visitor an incredible experience of the river full of boulders. The landscape made up of huge granite boulders, rice paddies and banana plantations have 'mantapas' scattered around them reminding one of a miniature painting. The irrigation systems from 14th Century irrigate and maintain lush agricultural landscape. The rides in the basket boat, coracles are a must that takes one on an enchanted journey. Walks on the village routes will take you on mythical journeys of the Kishkinda the ancient monkey kingdom which are full of stories and references and outdoor/ecotourism including low-impact cycling tours. A unique and astonishingly beautiful area of natural wilderness, the region has been called the 'playground of the gods' and is home to crocodile, leopard, great owl, sloth bear, langur, several species of turtles and nearly 300 varieties of birds.

Art & Craft The non-traditional artisans of Anegundi are pioneers in new and innovative low-waste methods of banana fibre production. Products created by the banana fibre are widely accepted all over the world. The existing crafts in the region are **Quilting** Lambadi embroidery Stone and Wood Carving Black Pottery Traditional masonry Bamboo crafts a new jewelry is being developed with beautiful tear drop like white and dyed seeds. **Folk traditions:** The region has a rich folk performing traditions which include Kolata, Hagalu Veshha – Burra Kathe, Rana Modi & Raja Modi, Bayalata, Kinnari Jogi, Devadasi, Deity Dance, Dasara Songs, Lambadi, Veshagare. Oral Traditions include Folk songs such as Suggi Padagalu, Sobane Padagalu, Gondali Aata, Malerayana Haad etc. **Cuisine:** A range of sweet and savory rice preparations, sambars, sweets with coconut, sesame, millet rotti made on an open fire, a variety of non vegetarian spicy meats, various sweet and spicy chutneys, both dry and wet, Banana fritters, a range of health foods made of Ragi, a variety of locally baked breads, Jilebi, Baloosha etc. **Popular breakfast:** Mirchi and Oggarani, Holigi. Seasonal fruits like Targola, Papaya, Mango and dates are popular too.

A geographical indication (GI) is a form of protection highlighted in the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement of the World Trade Organization (WTO). It protects intangible economic assets such as the quality and reputation of a product through market differentiation. It is considered a promising tool at the international level to maintain multi functionality in rural landscapes and involve local populations in biodiversity management and conservation. Using the example of an existing GI for Coorg orange, a crop frequently associated with coffee agro-forestry systems in the mountain region of Kodagu (Western Ghats, India), which can be successfully used by local producers to promote Agri-tourism.

AGRI-TOURISM IN POTENTIAL REGIONS OF KARNATAKA

Karnataka is blessed by the presence of Western Ghats which have rich mountain landscapes and majority of land being used for Coffee, Tea and Tobacco cultivation. This includes Shimoga, Chikmanaglore and Kodagu. This is one of the best tourist destinations for adventure and nature seekers. Some of the famous spots include

- Agumbe is a village located in the Shimoga district in the state of Karnataka, India. Lying in the Thirthahalli taluk and the Malnad region, Agumbe is among the places in India that receive very heavy rainfall earning it the sobriquet, "Cherrapunji of the South". It is also the home of the *Agumbe Rainforest Research Station*, the only permanent rainforest research station in India. The renowned herpetologist, Romulus Whitaker called Agumbe the *capital of King Cobra*. An area near Agumbe has been converted into a protected area for Medicinal Plants to help in their conservation

- Balehonnur is a small city in the Chikkamagaluru district of the Indian state of Karnataka. It is located on the bank of the Bhadra River and is a green, picturesque place, with an average rainfall of 80 inches a year and is dominated by coffee estates, arecanut, paddy fields, pepper, vanilla and other spices. It is the location of the main Hindu Matha belonging to veerashivapantha called *Sri Rambhapuri Matha*, one of the oldest temples in Karnataka. The main crop in this and surrounding areas is coffee. It is a major junction for routes to Chikkamagaluru, Kudremukha, Sringeri-Koppa and Shivamogga.
- Madikeri is a hill station in North Karnataka famous for its he aroma of fresh cardamom, Black pepper and Coorg honey, Cauvery River.

ANALYSIS OF AGRI-TOURISM IN KARNATAKA

A careful analysis and observation of the Case Study of Karnataka's Agri-tourism as a full fledged niche product brings to light certain issues and challenges which need to be addressed immediately. These are:

CHALLENGES

1. Danger of over exploitation of natural resources.
2. Uncertainty of demand for Agri Tourism especially in the light of the fact that other types Tourism are becoming popular.
3. Providing and maintaining hygienic conditions in the Agri-tourism destination.
4. Danger to Plant life in the form of infectious diseases.
5. Lack of sufficient government support.
6. Training the farmers.
7. Large scale power-cuts.
8. Security aspects.
9. Accessibility and approachability of the area with respect to basic facilities like (medical facilities, transport facilities, availability of water etc.)
10. Differentiating Tourism and Agri- tourism.
11. Marketing Agri-Tourism as a product effectively and consistently.

ISSUES

- Connectivity
- Attractions
- Accommodation
- Outdoor recreational activities
- Entertainment programs
- Meals for tourists
- Safety and security aspects
- Medical facilities
- Risk and liability in case of accidents

ADVANTAGES OF AGRI – TOURISM

1. It brings major primary sector agriculture closer to major service sector tourism. This convergence is expected to create win-win situation for both the sectors.
2. Tourism sector has potential to enlarge.
3. Agriculture sector has the capacity to absorb expansion in tourism Sector.

KEY TECHNIQUES FOR SUCCESS IN AGRO-TOURISM

Agro-Tourism is a one of the business activity. So, farmers must have commercial mind and some marketing techniques for the success. For the better success in the agro-tourism you should follow the following things;

- ✓ Give a wide publicity of your tourism centre by new papers, television etc Use all possible advertisement means.
- ✓ Develop contacts with the schools, colleges, NGOs, clubs, unions, organisations etc.
- ✓ Train your staff or family members for reception and hospitality
- ✓ understand about the customers' wants and their expectations and serve
- ✓ Charge optimum rent and charges for the facilities/services on the commercial base
- ✓ Do the artificially use local resources for the entertain / serve to tourist
- ✓ Develop your website and update time to time for attract foreign tourist
- ✓ Take their feedback and comments about the service and suggestions to more development and modification
- ✓ Develop a good relationship with the tourist for future business and chain publicity
- ✓ Develop different agro-tour packages of for different type of tourist and their expectations.
- ✓ Preserve a address book and comments of the visited tourists for future tourism business
- ✓ Behave sincerely with the tourists and participate with them / him
- ✓ Small farmers can develop their agro-tourism centres on the basis of cooperative society.

CONCLUSIONS

Karnataka has a great potential to the development of agro-tourism, because of natural conditions and different types of agri products as well as variety of rural traditions, festivals. It is a good opportunity to develop an agro-tourism business in Karnataka. But there is a problem of low awareness about this business in the farmer and problem of the finance and proper view in the farmers of the Karnataka. Though the hurdles seem many the potential for economic growth along with environmental protection is highly acceptable. Karnataka is the Information technology Hub of India hence it can also be Agri tourism hub of India. It can utilise and implement technological tools to improve effectiveness and efficiency of agri-tourism (Online booking, services etc). There is a need for required support from local community and government for a sustainable growth in this sector as opportunities need to be exploited in strategically planned manner. To Conclude 60 to 70 % of Indian Population lives in rural villages which make it further more responsible tourism form. On realizing their difficulties and needs we feel there is still many things than can be done for these people. The trust is to concentrate its efforts all along for the overall up liftment of the farmers in rural villages. 90% of the rural community earns it's livelihood from agriculture directly or indirectly and improve the standard of living of the rural people there is need to improve and increased the per capita production from farmers land which can be contributed by the very concept and also by using new technology in their farms. The rural youth particularly the school drop outs and educational backward neglected rural women constitute more than 50% of our rural population. Unless we undertake welfare activity for this section of the community social upliftment and economic restructuring for development remains uncompleted.

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REACHING THE UNREACHABLE THROUGH MICROFINANCE: CHALLENGES BEFORE INDIA

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ABSTRACT

It is also widely accepted that poverty and hunger arise not because there are no goods or food, but because billions of people lack income to purchase them (Chatterjee, 2009). Although the Indian economy has grown steadily over the last two decades, its growth has been uneven when comparing different social groups, economic groups, geographic regions, and rural and urban areas. Through this paper the author tries to make a humble effort to give a vivid picture of what has been done for inclusive development through the framework of microfinance in India. This section of people have been reported to have very little access to finances, timely access too is another constraint. Microfinance has been one of the most innovative as well as challenging measures for policy makers as well as implementers. This study will be a systemic review of available authentic documents to understand the existing framework of microfinance in India and its challenges.

KEYWORDS

Microfinance, Unreachable, Challenges.

INTRODUCTION

Poverty has always been around with humanity, and so we are all to some extent habituated to it - it is for most people a fact of life, as natural as the sun and moon. Thus the poor have always been a neglected section of the society as this section does not offer any luring rewards for investment. The maximum that we have seen limits itself to charity, donations, aids, grants, sanctions and subsidies etc with a view of "neki kar aur kuein mein daal" (do good deeds say like charity and then forget about it, no further contemplation is required). This has done more harm than help as it has further aggravated their present situation by making them more dependent on external sources and moreover by not taking any initiative towards making them realize their own potential. Yunus & Weber (2007) are also a critic of development aid and the welfare state, which inculcate in the individual a sense of dependence or natural entitlement. "Charity, like love, can be a prison," he declares. For this very reason these people at the Bottom of the financial Pyramid (BOP) have been hitherto unreachable not so much in terms of policies as in terms of their implementation and efficient execution. But by thinking of the poor as not creditworthy because they possess no collateral, banks in Yunus's opinion, practice a kind of "financial apartheid". Micro-credit, in his view, uses the power of cash capital to liberate the potential of human capital. He reminds us that the etymological root of the word credit is "to believe, put trust in".

"Microfinance" segregated into 'micro' and 'finance' implies micro or small loans and finance or financial services here are meant for poor and low-income clients. In practice, the term is often used more narrowly to refer to loans and other services from providers that identify themselves as "Micro Finance Institutions" (MFIs). In microfinance, small amounts of loan, coupled with financial discipline, ensure that loans are given more frequently; thus credit needs for a variety of purposes and at shorter time intervals can be met (Vatta 2003). More broadly, microfinance refers to a movement that envisions a world in which low-income households have permanent access to a range of high quality financial services (taking little or no collateral) to finance their income-producing activities, build assets, stabilize consumption, and protect against risks. Its clientele usually includes self-employed, household-based entrepreneurs. Microfinance is synonymous with rural and semi-urban credit delivery system (Kaladhar 1997; Vatta 2003). Women often comprise the majority of clients. An MFI can operate as a nonprofit such as a Non Government Organization (NGO), Credit Cooperative, Non Bank Financial Institution (NBFI), or even a formal, regulated for profit bank. Poverty reduction is the ultimate motive of microfinance (Kaladhar 1997).

It is now widely accepted that poverty and hunger arise not because there are no goods or food, but because billions of people lack income to purchase them (Chatterjee 2009). India is the second largest country in terms of population next only to China and is heading towards being the first. According to a 2005 World Bank estimate, 456 million Indians (41.6 % of the total Indian population) now live under the global poverty line of \$1.25 per day. Although the Indian economy has grown steadily nearing a double digit growth rate (Indian Economy grew by 8.9% in the second quarter of the current fiscal year 2010-11) over the last two decades, its growth has been uneven when comparing different social groups, economic groups, geographic regions, and rural and urban areas.

This section of people have been reported to have very little access to finances, timely access too is another constraint. Challenges lie both in policy formulation and their implementation. Microfinance has been one of the most innovative as well as challenging measures for policy makers as well as implementers. In the early years of microfinance, most organizations lending to the poor were funded by private or government grants. In the 1990s, it became apparent that microfinance institutions would be unable to sustain their rapid growth rates if they depended solely on grants for funding. Many microfinance institutions started to restructure their operations to make themselves attractive to investors. As Yunus & Jolis (2003) put it that difficult it may seem it is not impossible to seep in the idea that the poor are not only worthy of a subsidy or a grant or charity but they are bankable, credit worthy as they have abilities that they can bank on to repay their loans. A harsh aspect of poverty is that income is often irregular and undependable. Access to credit helps the poor to smooth cash flows and avoid periods where access to food, clothing, shelter, or education is lost.

Though the concept of microfinance has a foreign birth place it has well spread not only in less developed and developing countries like India but also across indigenous areas of developed countries. But India is a typical study and not a type study even amongst developing nations and reasons are galore. The vast geographical spread (It is the seventh-largest country in the world), various physiographic regions (as varied as Mountains, Plains, Deserts etc.), massive population (more than 1.18 billion as on April, 2010), widespread illiteracy [According to the latest survey by the National Sample Survey Office (NSSO) in June 2008, the literacy rate among the population with age 7 and above was 72% whereas the adult population (age 15 and above) had a literacy rate of 66% which is well below the world average literacy rate of 84% and India currently has the largest illiterate population of any nation on earth.] and subsequently poverty, further lead to lopsided economic development.

Is it the population that leads to illiteracy and poverty or the illiteracy that leads to population and poverty? Whatever the case, the fact of the matter is that India needs to immediately address the above issues with utmost sincerity. The most peculiar aspect is the uniqueness in terms of socio-cultural-economic-political-geographical aspects of the North East West South (NEWS) of the country. Hence it is difficult to replicate one single thing in all parts of the country. This paper makes an effort to understand the challenges faced in reaching the hitherto unreachable through microfinance in a country like India.

REVIEW OF LITERATURE**GENESIS**

The concept of microfinance is not new. Savings and credit groups that have operated for centuries include the "susus" of Ghana, "chit funds" in India, "tandas" in Mexico, "arisan" in Indonesia, "cheetu" in Sri Lanka, "tontines" in West Africa, and "pasanaku" in Bolivia, as well as numerous savings clubs and burial societies found all over the world. But the latest version of the same 'Microfinance' received an impetus in the mid-1990s, after the World Summit for Social Development was held in Copenhagen in March 1995 and with the United Nations declaring the year 1996 as the International Year of Eradication of Poverty and 1997-2006, as the first International Decade for the Eradication of Poverty. Around the same time, the World Micro Credit Summit at Washington D C in

February 1997 announced a global target of supporting 100 million of the world's poorest families, especially women, with micro credit for self employment and other financial and business services by the year 2005(Nair 2001).

The initial idea of the creation of buyer power was conceptualized around grassroots cooperatives and micro-credit and number of initiatives around the provision of small loans to get the disadvantaged out of poverty and to make them accept entrepreneurial responsibilities were central considerations (Chatterjee 2009). But what we see as a formal microfinance today evolved in Bangladesh, Indonesia, Philippines and Sri Lanka and has now been customized and adopted in India too. In India, a very large number of the poor continued to remain excluded from the large and organized formal banking system hence the need for an alternative credit delivery mechanism which would meet the requirements of the poor was acutely felt in the late 1980s (A Ramanathan 2009). Though the concept of micro-finance in India was introduced sometimes in 1985, yet by 1996 it was widely accepted and implemented. The National Bank for Agriculture and Rural Development (NABARD) was the pioneer which initiated a search for alternative policies, systems and procedures, savings and loan products, other complementary services, and new delivery mechanisms, that would fulfill the requirements of the poorest by improving their access efficiency with the help of an already existing wide network of bank branches. Thus the Self Help Group (SHG) - Bank Linkage Program (BLP) took shape. The intent initially was philanthropy and charity but gradually microfinance gained ground as a profitable business proposition. The charity model gels well with the destitute i.e. the poorest of the poor but the relative poor will benefit more from the business model (Srncac & E.Svobodová 2009). As on date, microfinance has multiple players the Cooperatives, Regional Rural Banks (RRBs), Commercial Banks (CBs), MFIs, Non Governmental Organization (NGOs) etc.

THE GROWTH

The following figure 1 depicts the journey of the development of microfinance institutes in less developed countries (LDCs). The informal types Microfinance Institutes (MFIs) gradually are getting transformed to formal types of MFIs. In India, NABARD launched a Pilot Project by linking 255 SHGs with banks in 1992, the programme has reached to linking of 69.5 lakh saving-linked SHGs and 48.5 lakh credit-linked SHGs and thus about 9.7 crore households are covered under the programme, envisaging synthesis of formal financial system and informal sector (NABARD 2009-10). Microfinance sector has traversed a long journey from micro savings to micro credit and then to micro enterprises and now entered the field of micro insurance, micro remittance and micro pension.

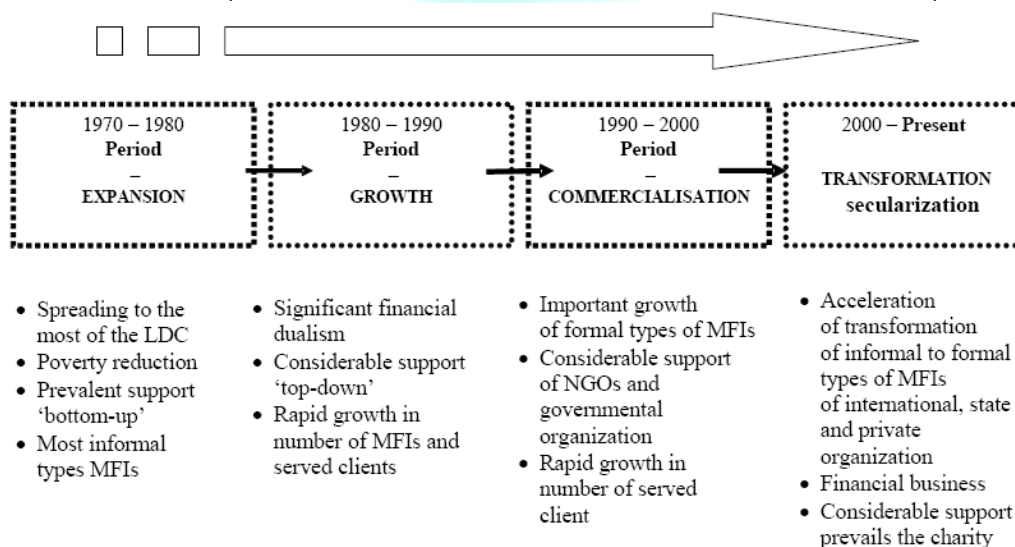


Figure 1. Development of MFIs' activities

Source: Srncac (2007)

THE PROCESS: THE TWO MODELS SHG-BLP AND MFI

SHG - Bank Linkage Model involves the SHGs financed directly by the banks viz., CBs (Public Sector and Private Sector), RRBs and Cooperative Banks. MFI - Bank Linkage Model covers financing of Micro Finance Institutions (MFIs) by banking agencies for on-lending to SHGs and other small borrowers. SHG-Bank Linkage Programme, in the past eighteen years, has become a well known tool for bankers, developmental agencies and even for corporate houses.

PRESENT STATUS

Figure 2 gives an overview of the progress of microfinance under the two models: SHG and MFI in India.

FIGURE 2
Progress under Microfinance – Bank loans disbursed to SHGs
Agency-wise loans disbursed during 2009-10

(Amount ₹ lakh)

Sr. No.	Name of the Agency	Loans disbursed to SHGs by Banks during the year		Out of Total – Under SGSY		Out of Total – Exclusive Women SHGs	
		No. of SHGs	Loans disbursed	No. of SHGs	Loans disbursed	No. of SHGs	Loans disbursed
1	Commercial Banks	977521	978018.55	157560	121549.57	889177	904331.26
2	Regional Rural Bank	376797	333320.06	67531	68241.02	284120	273912.79
3	Cooperative Bank	232504	133991.75	42312	30009.47	121179	64692.75
	Total	1586822	1445330.36	267403	219800.06	1294476	1242936.80

Agency wise Bank Loans provided to MFIs during 2009-10 and loans outstanding as on 31 March 2010

(Amount ₹ lakh)

Sr. No.	Name of the Agency	Loans disbursed by Banks / FI to MFIs during the year		Bank Loans Outstanding against MFIs as on 31 March 2010	
		No. of MFIs	Amount	No. of MFIs	Amount
1	Commercial Banks	645	803860.64	1407	1009531.79
2	Regional Rural Bank	46	2413.61	103	5221.62
3	Cooperative Bank	NA	NA	3	0.73
	Sub Total	691	806274.25	1513	1014754.14
4	SIDBI	88	266575.10	146	380820.43
	Total	779	1072849.35	1659	1395574.57

Note : The actual number of MFIs would be less as some MFIs have availed loan from more than one bank.

NA = Not Available \ Not Reported

(Source: Report on Status Of Microfinance in India 2009-10 by NABARD (Data provided to NABARD by respective banks).

SGSY- Swarnjayanti Gram Swarajgar Yojna

As per statistics available from NABARD (2003), more than 8.67 lakh SHGs in India made successful functioning, while NABARD targeted bank loans to one million SHGs in 2008 with an average membership of 17 this resulted into bank's outreach to some 17 million members, the vast majority of whom were women, with an average size of Rs. 1766 per family, banks loans were made available to 11.6 million families in 2002-03. Beside the donor agencies like NABARD, SIDBI etc. there are 2800 partner NGO's working extensively in this field.

From the above we may conclude that though substantial efforts are being put to deliver the benefits of microfinance the impact is still far from substantial as compared to the outreach required in terms of quantity and quality.

THE SCOPE

A report titled 'Micro Finance and Empowerment of Scheduled Caste Women: An Impact Study of SHGs in Uttar Pradesh and Uttaranchal' (2005) of the Planning Commission of India stated that India has nearly 400 million people, living below or just above an austere defined poverty line. About 75 million households therefore need micro-finance. Of these, nearly 60 million households are in rural India and remaining in urban seams. The current annual credit usage by these households was estimated in 1998 to be Rs. 4,65,000 million (\$ 10 billion). The number of small loan accounts from banks covered some 40 million households in 2000. The remaining 35 million households perhaps meet their credit needs from the informal sector. The demand (for multiple purposes example consumption, production, marriage etc.) of people is continuously rising almost more than 100 times but this massive scale needs to be managed systematically. According to the Ministry of Statistics and Program Implementation the percentage of people Below Poverty Line (BPL) is on the decline and the gap between the rural and urban poor is also decreasing but the existence of almost one third of the world's poor in India defines the scope of microfinance. It still requires a deeper penetration and needs to grow at a rate that surpasses the high rate of population growth.

THE CHALLENGES

"The poor are poor not because they are untrained or illiterate, but because they cannot retain the return of their labour," argues Yunus. "It is not work which saves the poor, but capital linked to work." Microfinance has been adjudged the sure shot tool for poverty alleviation with profitability, what better alternative than this but some studies challenge the overemphasis given to it (Srncic & E.Svobodová 2009).

Any effort will have its teething troubles and so did microfinance which still faces some relevant issues that need to be tackled well in time to bring out the maximum benefit of the concept. The planning commission report (2005) based on the field survey, brought out some general problems of micro-financing as those related to proper documentation, lack of awareness, lack of witnesses, lack of cooperation, illiteracy, proper training, lack of knowledge, dependency on grant-in-aids and in-sufficiency or out-reach of banking system. In short it states that challenges lie across the supply chain. But if these challenges are to be converted into opportunities every element of the supply chain needs to be seen, analyzed and worked upon. To understand them from a broader perspective we can divide these challenges under broad heads of Political, Economic, Social and Technological (PEST) environment that the microfinance programme exists in, apart from other issues of process and implementation.

SOCIAL CHALLENGESChallenges of mental blockage:

Karnani in Chatterjee's (2009) argued with considerable conviction that the following challenges make it impossible to make a difference without a very deep and shared commitment through public private partnership:

- Inequality of income or gender imbalance is deeply entrenched in the Bottom Of Pyramid.

- Moreover 79 per cent of Indians are below the commonly defined \$2 per day poverty line.
- He claimed that 39 per cent of adults in India are illiterate. Ten per cent of boys and 24 per cent of girls have no opportunity of schooling. Forty-nine percent of the children are underweight for their age.

The self-help group programme is largely focused around women working within their communities and in their home. Though with microfinance the women were now working, they are still responsible for the majority of household duties with little or no help from their husbands (Moyle, Dollard, & Biswas 2006). Lack of family assistance and support with domestic duties and childcare restrict time for activities pursued outside the home (United Nations Capital Development Fund 2002). Over and above the caste and sub caste system, superstitions, domestic violence aggravated by alcohol abuse etc have acted as impediments for their growth.

Illiteracy does not allow them to understand the utility of loan, how to use it in productive income generating activities and further restricts access to information and resources offered by formal institutions, which would otherwise provide support and services for women (Moyle & Dollard 2008). One should also remember that group dynamics does not always work towards the success of the group.

POLITICAL CHALLENGES

Challenges Of Political Will

We are, after all, home to one third of the world's poor, and our politicians routinely come to power speaking of poverty alleviation. The challenge actually remains for all the stakeholders' viz. Government, Bankers, NGOs etc. to join hands in the collective efforts for the economic upliftment of SHG members through various repeat cycles of credit infusion (Ramanathan 2009). India is known for its rollbacks, abrupt withdrawals and rechristening of programmes to suit political and administrative ends. Moreover it needs to be noted that already a large number of poor have been made to pool their meager resources in common kitties (the internal circulation of many groups has crossed millions of rupees) but, ironically, at least half of these institutions are functioning without proper legal sanction for doing banking business (Nair 2001). There is, hence, an urgent need to streamline the norms and institutions to govern microfinance initiatives without causing deterioration in the commercial discipline instilled by microfinance programmes in poor borrowers.

Challenges of policy formulation

Microfinance is set up with the best of motives—not looking to maximize returns for its operators or passive investors, but to reduce poverty, empower women and involve them in good development projects—to assist the poorest of the poor. Though the intentions of many involved in microcredit schemes are honorable and worthy but the effectiveness of schemes may be questionable as MFIs are often reliant on outside sources of funding to keep monetized interest charges low, and in consequence are likely to exhibit a high degree of volatility thus offering problems with sustainability (Jackson & Islam 2005). This leads to regulation issues but complete regulation does not guarantee removal of imperfections. The focus on financial inclusion has to come from the recognition that this serves the interests of both civil society and the banking system. This would also require suitable policy measures and enabling regulatory guidelines by the State/Central Governments and the Reserve Bank of India (Ramanathan 2009).

Dasgupta (2001) in the report by Planning Commission (2005) says that there is no single appropriate form of legislation for institutions undertaking micro credit as these institutions can be registered under different legislations, categorized under three heads:

1. Not-for-profit MFIs
 - Societies registered under the Societies Registration Act, 1860 or similar State Acts.
 - Public Trusts registered under the Indian Trust Act, 1882
 - Non-profit companies registered under Section 25 of the Companies Act, 1956
2. Mutual Benefit Companies
 - State Credit Cooperatives
 - National Credit Cooperatives
 - Mutually Aided Cooperative Societies
3. For Profit MFIs
 - NBFCs registered under the Companies Act, 1956

Hence all of them are guided by different norms that make the situation more complex. The previous experiences of abysmally low success in terms of functionalities of credit through primary agricultural cooperatives and other systems under the government patronage has been disheartening and does not provide any strength to this comparatively newly emerged microfinance (Reddy 2005). Policy makers need to demonstrate that programmes that look theoretically and conceptually successful will be practically viable also. Strategies should have a wider coverage (Mohan 2005)

ECONOMIC CHALLENGES

Challenges of process

As in general, low bank loan per SHG member i.e. small per capita loans do not enable the members to overcome poverty or acquire capital assets. This pushes them into the vicious circle of multiple borrowing thus further aggravating their dependency. The planning commission report (2005) came out with details on the main problems in bank linkages which were reported to be lack of cooperation, lack of government support, lack of bank staff, procedural delays, apathetic attitude of bank officials, poor training, poor saving rates, lack of community participation, lack of awareness and insufficiency of banking staff. All this boils down to the fact that missing inter linkages between the elements of the supply chain have only escalated the problem rather than providing solutions for it. Near saturation with microfinance accompanied with rapid expansion of bank lending to MFIs together with political investment or in short to put it too many players in the market has led to no one institution taking the responsibility (Ghate 2007).

Challenges of implementation

Ramanathan (2009) in his report points out the regional imbalances of the SHG – BLP. 52% of the credit-linked SHGs are located in the southern States of the country. There is a need for a better distribution of group formation and linkage efforts especially in the northern, central, eastern and northeastern States as these States have a higher concentration of the rural poor. But for that he states that the implementation challenges require a deeper understanding of the causes of poverty in a given context. A number of deficits or gaps exist that may lie in 'object gap' or 'idea gap'. The object identifies shortages in basic commodities and infrastructure including roads and factories. The 'idea gap' emphasizes the lack of access to information and knowledge. This is where the opportunity actually lies. And so the available manpower needs to be reoriented for taking up and addressing the challenges faced by rural masses.

As Ghate (2007) puts it in the financial markets, formal and informal MFIs work parallel but just formal MFIs are distinguished by a larger scope of activities and are governed and controlled by the given public institutions. The growing trend is towards formalization of NGO-MFI from unregulated, not-for-profit institutions into for-profit Non-Banking Finance Companies (NBFCs). The sector of microfinance is witnessing diversification in its services into insurance and money transfer. A new set of incentives and innovation in new product design and service delivery has been described for the insurance industry to tackle issues and priorities for action research.

Srnc & E.Svobodová (2009) have suggested that in LDCs poverty is solved from the point of view of financing in two basic directions:

- (1) The initiative 'bottom-up'; informal self-help groups, profit and non-profit MFIs
- (2) The initiative 'top-down'; profit organizations (formal MFIs or middle- and large-scale financial organizations)

Creating an awareness of the need to charge cost-recovering interest rates for their survival and growth is one of the daunting tasks for MFIs in India. Though their interest rates are amongst the lowest in the world because of high repayment, highly productive field staff and good portfolio quality but failure to bring transparency in dealings with borrowers and educate the public on the need for higher interest rates to recover costs and attain viability led to the 2006 Andhra Pradesh Crisis with the sector facing a public attack by the state government (Ghate 2007).

MFIs have become too big leading to multiple sources of financing for the poor and hence there needs to be some kind of centralized regulation (Mohan 2005). Moreover the easy access to credit would only make people more and more indebted (Reddy 2005). It is still unregulated sector not supervised by any dedicated body. Further a regional imbalance does not make microfinance the national answer to problems like poverty alleviation.

Challenges of sustainability

Ramanathan (2009) observed that many SHGs are more than 3 years old and hence can diversify from simple loan takers or beneficiaries to social entrepreneurs. Thus many NGOs are trying to promote micro enterprises among SHG members. But their experience is rather limited. The critical constraining factor is that SHG members face a lot of problems in marketing of their produce besides low level of skills.

The planning commission report (2005) made it clear that problems are mainly related with entrepreneurship development, skill up-gradation, enhancing managerial efficiency, technology transfer, market linkages, low level of confidence and low educational standards among women entrepreneurs.

Some studies have showed that only some 60-70 MFIs are sustainable world over but the scene is different in India as it is a large market thus it will make these institutions sustainable. The only issue to realize is that the gestation period is longer than the normal business. Thus microfinance is one of the unique business propositions that guarantee poverty alleviation if the challenges are converted into opportunities.

Challenges throughout the supply chain

A tool-kit perspective of anti-poverty intervention without reference to the larger issues like inadequate agricultural infrastructure, highly inequalitarian distribution of the basic asset, i.e. land etc will only prove to be a quick fix solution to the aforesaid problem moreover no study has so far assessed systematically the opportunity cost of micro-credit funds in specific community situations by relating it with investment funds foregone in other sectors (Nair 2001). Both internal and external factors influence the proper functioning of Microfinancing. The informal financial system needs to complement the financial sector.

TECHNOLOGICAL CHALLENGES

Collection and delivery model requires individuals to give and collect cash personally. It can do wonders with portable swiping machines for cards. The RBI says doorstep banking for villagers is the only model that can achieve financial inclusion. Banks though remain unsure about it as a business model (Ghosh 2010). The business correspondent model might give the push required by the formal banking sector to reach the unreachable. Technology can also play a major role in bridging the information asymmetry gap (Sriram 2005). The whole system was basically envisioned by NGOs and so to some extent a professional approach is missing.

The planning commission report (2005) talks about problems in capacity building to SHGs and its members which include poor educational standards, non-availability of competent, experienced and qualified staff and resource persons, lack of quality reading materials, non-participative methods and training, lack of community support, non availability of adequate funds, poor documentation etc. Management Information Systems can aid in the aforesaid.

THE NEWER CHALLENGES

Till now SHG-BLP and MFIs have been functioning but now the emerging trend is on Joint Liability Group (JLG). Tara Nair (2001) stated that the success of the efficacy of micro finance interventions can be understood at three levels mainly: (1) outreach and financial sustainability of the programme; (2) income or poverty impact on the users; and (3) development of financial market at the local level.

Das (2010) in his recent article on microcredit in the Sunday Times briefed on the nuances of introducing bureaucratic mode (Malegam recommendations) of doling out approvals to agencies which want to work as MFIs. This implies that they will have to take permission from government to give loans to the poor aspirants. It may have its benefits in terms of proper controls but that also has disadvantages in terms of corruption, time consumption and withdrawal by many genuine players because of the inbuilt process bottlenecks. McDonnell in Moyle and Dollard (2008) identified barriers to accessing credit amongst indigenous entrepreneurs such as no collateral, lack of savings, lack of employment opportunities, language barriers and limited credit records.

CONCLUSIONS

All the challenges discussed above can be translated into opportunities if key issues are taken care of. There is no doubt that microfinance is one of the basic and most important tools of the century to alleviate poverty nationally and in the most sustainable manner. Technology could help in the same (Mohan 2005). To fill the knowledge gap w.r.t. policy and regulatory issues a specialized research centre at the Institute of Financial Management and Research (IFMR) in Chennai, the Centre for Microfinance (CMF) was established in 2005 which looks into sections like impact evaluation, product design, financial and organizational issues, sectoral and policy issues etc (Ghate 2007).

In a scenario where financial inclusion is still far from being satisfactory, gradual maturing of microfinancing movement in India is a healthy development but to make this movement a tool of pervasive socio-economic transformation the asymmetrical growth in outreach should be given first priority (kumar 2008). Though Political, Social, Economic and Technological challenges act as deterrents to the effective formulation of policy reforms for development through microfinance, all of them can be scrutinized to ultimately deliver the purpose it intends to and hassle free. Fighting the mind set to bring about self management and finally making the beneficiaries independent of microfinance is the best that microfinance can deliver. A discipline across the supply chain will definitely guarantee the same.

RECOMMENDATIONS

The study of various challenges faced by microfinance boils down to a few recommendations which if taken care of can prove to be worthwhile in effective implementation of the whole concept from the initial giver to the end receiver. The process of microfinance is rather a cycle than a chain with two end points. The giver needs to get back something in return to restart the cycle again and this feedback will help sustain the process for a long time. Thus we need to touch upon every part of the cycle in a manner that creates a positive cascading impact at the end. A strong political will accompanied with the desire to bring a change is the main ingredient for the success of microfinance. If other government schemes are seriously and sincerely implemented it will have a strong effect on this programme also. For example widespread Education: the sword of literacy, will solve more than half of the problems as it will bring about an understanding of issues like family planning (there is no power in numbers), capacity building programmes etc. The micro-financing institutions need technology, proper regulation and operation of business transactions. Therefore, RBI, SIDBI, NABARD and other organizations should evolve proper mechanism for monitoring, supervision, direction, appraisal and evaluation of such institution.

Microfinance is not an answer to poverty alleviation but an intermediate step. It needs to move to microenterprise through business counseling. Regional strategies need to be formulated as there is little doubt what microfinance can deliver in terms of economic, social and personal empowerment to the poor. But the challenges faced by it for its efficacy need to be studied, analyzed and addressed for it to show and prove that impact.

FUTURE SCOPE

Though the study is primarily based on existing literature it offers a sound ground for future researchers to take up the challenge of understanding the challenges faced in spreading the concept of microfinance to the hitherto unreachable and forwarding solutions for the same. These people at the Bottom of the Pyramid have time and now proved themselves credit worthy but what remains to be addressed is reaching them through innovative practices in terms of policies and their implementation. How to overcome these challenges might be of interest to future researchers. It is important to realize that money alone is not the solution to a quality life (Reddy et al 2005). It needs to be used in productive manner to be tuned with livelihoods.

Ever optimistic, Yunus spreads the belief that poverty can be eliminated, "...the poor, once economically empowered, are the most determined fighters in the battle to solve the population problem; end illiteracy; and live healthier, better lives. When policy makers finally realize that the poor are their partners, rather than bystanders or enemies, we will progress much faster than we do today, obviously self-employment has limits, but in many cases it is the only solution to help the fate of those whom our economies refuse to hire and whom taxpayers do not want to carry on their shoulders."

Dr. Yunus's efforts prove that hope is a global currency. --Shawn Carkonen

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PARTICIPATION OF WOMEN PEASANTS IN DECISION-MAKING PROCESS OF AGRICULTURAL ACTIVITIES IN KARNATAK STATE

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ABSTRACT

Agriculture in India contributes about one third to the country's national income, is increasingly become a female activity. According to official estimates, one third of agricultural labour force and nearly half of self-employed farmers are women. Of the total female work force in rural areas 89.5 percent are employed in agriculture and allied industrial sectors. An FAO fact sheet on 'women in agriculture, environment and rural production' has noted that the nature and extent of their involvement in agriculture activities differ according to the variations in agro production system. The mode of female participation in agriculture production has been found to vary with the land-owning status of farm households. Women play a pivotal role in agriculture from planting to harvesting and even post-harvest operations. They are engaged in seed selection, seedling production, weeding and preparation of green and farmyard manure. In live stock management and milk production women perform wide range of tasks, which include caring of animals, grazing, fodder collection, cleaning of animal sheds and dung composting, besides processing of milk and other livestock products. One third of the rural families, for all practical purposes, are headed by women. Rural India is thus witnessing a process, best described as 'feminization of agriculture brings with it 'feminization of poverty', with all its consequences on the nutritional status of the family of the rural women. Self employed women's involvement in agriculture occupation income generating productive work, has been engaging paramount interest of social scientists. It has been realized that farm women workers make significant, albeit invisible, contribution to economy. The participation of women in economic activities, or their visibility in the economic sphere, can be considered a good measure of the status of women in a society.

KEYWORDS

Peasants, Agriculture Credit, Harvesting, Ploughing, Sowing.

INTRODUCTION

Agriculture in India contributes about one third to the country's national income, is increasingly become a female activity. According to official estimates, one third of agricultural labour force and nearly half of self-employed farmers are women. Of the total female work force in rural areas 89.5 percent are employed in agriculture and allied industrial sectors. An FAO fact sheet on 'women in agriculture, environment and rural production' has noted that the nature and extent of their involvement in agriculture activities differ according to the variations in agro production system. The mode of female participation in agriculture production has been found to vary with the land-owning status of farm households.

Women play a pivotal role in agriculture from planting to harvesting and even post-harvest operations. They are engaged in seed selection, seedling production, weeding and preparation of green and farmyard manure. In live stock management and milk production women perform wide range of tasks, which include caring of animals, grazing, fodder collection, cleaning of animal sheds and dung composting, besides processing of milk and other livestock products. One third of the rural families, for all practical purposes, are headed by women. Rural India is thus witnessing a process, best described as 'feminization of agriculture brings with it 'feminization of poverty', with all its consequences on the nutritional status of the family of the rural women.

Self employed women's involvement in agriculture occupation income generating productive work, has been engaging paramount interest of social scientists. It has been realized that farm women workers make significant, albeit invisible, contribution to economy. The participation of women in economic activities, or their visibility in the economic sphere, can be considered a good measure of the status of women in a society.

The Jeemol Unni (1992) women's participation in Indian Agriculture suggested that"

- 1) The functioning of the rural labor market and female participation within it are dynamic processes influenced by the broad micro processes and structural factors.
- 2) Women's participation in the work-force is dependent on the economic social status of the household to which they belong and the position of the household in the rural hierarchy.
- 3) In better endowed households women work to increase household incomes. Women wages are salaried workers add to incomes directly, while women family workers do so indirectly by reducing wage costs.
- 4) Poor household use female participation in the workforce as a strategy for survival to maintain their total household real incomes.
- 5) From the employers point of view female labour forms a large reserves of cheap docile labour.
- 6) The household strategies of surplus extraction and survival are to a large extent, conditioned by the structure and level of demand."

This study indicates that:

- Female labour force in India is still concentrated in form based subsistence activities
- Their limited entry in non-agricultural sectors is mainly in low skill wage activities
- Most women workers enjoy extremely limited prospects of upward mobility and
- The terms of employment of most female workers are unfavorable

Therefore, the present study is an attempt to uncover all those questions pertaining to women's empowerment through agricultural activity viz. her involvement, decision making, etc.

OBJECTIVES OF THE STUDY

1. To analyze socio-economic background of the female peasants
2. To asses and analyze the effects of the involvement of women in farm activity on the existing house hold activity and the family structure.
3. To find out the nature and extent of involvement of female peasants in decision making.

TOOLS AND TECHNIQUES OF THE DATA COLLECTION

The data for the present study has been collected primarily from primary sources and secondary sources. Primary data is collected through the application of an interview schedule and observation method, in the study. Secondary data have been obtained through government records, published reports etc.

SAMPLE PROCEDURE

The present study has been undertaken in Byadgi Taluka of Haveri District. For the purpose of the study a sample of four villages has been drawn on the basis of size of the villages and distance from the taluka headquarter. As such the four villages selected are: Kaginele, Sudambi, Kummur, Chikkbasur.

METHOD OF STUDY

In the present study the eldest women in a household has been interviewed who is at present engaged in agriculture in any of the capacity as land owner, tenant or agriculture laborer. As such 100 women in all (25 women from each village) have been interviewed. An attempt has been made to observe the respondents doing cultivation and harvesting. These households have been identified through the latest village voter list.

PROFILE OF HAVERI DISTRICT

Haveri district is newly formed district during the year 1997–98 from the existing Dharwad district. Haveri district is bounded by Dharwad district in the North, Uttar Kannada district in the West and Davangere district in the South. Bellary district is towards East of Haveri district. The district has 691 villages and 9 Town Municipalities.

Main occupation in the district is agriculture. Of the total 4.50 lakh hectares area, 58875 hectares area is cultivated. Maize, Jowar, Paddy, Ragi, Chilly and Sugar cane are the main crops.

SOCIO-ECONOMIC PROFILE OF SELECTED RESPONDENTS

a) Age	No. of respondents (%)
Below 20	19
21-30	32
31-40	23
41-50	12
51-60	11
Above 60	02
b) Education	
Illiterate	43
Just literate	08
Primary	30
Middle	13
High School	06
Above Graduate	-
c) Marital status	
Married	96
Widow	01
Just separated	01
Divorced	02
d) Caste-wise distribution	
GM	51
OBC	26
SC	15
ST	08
e) Housing conditions	
self-owned houses	67
rented houses	33
f) House hold size	
More than 7 members	33
5-6 members	25
4 members	22
Less than 3	20

The above table revealed that the selected women peasants have low level of family income; generally they are illiterate landless laborers. Most farm women are married. Sex-wise there is a greater proportion of married female in the sample, and of most workers have nuclear family, the average size of the family ranges between five to eight members.

Power, is the ability of an individual to change the behavior of other members. Households/ family power, as a property of family system are the ability of individual members to change the behavior of other family members.

Division of Labour:

I) House work

It included the tasks related to sustenance of the household, such as fetching water, cooking, cleaning, washing and laundering.

II) Care of children: it included tasks relating to child rearing such as, feeding, bathing and teaching.

III) Marketing: It included tasks relating to purchasing of household provisions from the market

I) DIVISION OF HOUSEWORK AMONG DIFFERENT MEMBERS OF THE HOUSEHOLD

Division of labour	No. of respondents (%)
Self	34
Female member	56
Husband	05
Other male member of household	05

Table revealed that housework was shared with female members of the household. The main reason given by respondents for non-sharing of housework by men was custom or tradition. The division of labour within the household reflected a gender bias. Housework was shared with other female relatives. Women bare the entire responsibility of domestic work.

II) CARE OF CHILDREN

Division of labour	No. of respondents
Self	28
Female member	38
Husband	01
Other male member of household	01
No help is needed	32

The working status of mothers did not necessarily lead to any change in their role as a custodian of children’s well being. Table shows that child care was primarily a female task. It was shared with female relatives.

III) MARKETING

Even in the area of marketing as is revealed in table, women workers were involved, though marketing was done mostly by elderly women. Young women were spared because they were not allowed to move out. Norms of purdaha were strictly adhered to.

Division of labour	No. of respondents
Self	25
Female member	21
Husband	25
Other male member of household	29

DECISION MAKING WITHIN HOUSEHOLD

In order to understand contemporary pattern of power in household, it is essential to assess the influence of different members in important household decisions. Two broad areas of decision making relating to general domestic issues and relating to household asset management were selected. The respondent were asked as to who made the final decision. On the basis of information obtained, the following categories of decision-makers were made:

1. Respondents(R)
- 2 Husbands (H)
- 3 Other male member of the household (O)
- 4 Respondents and Husband (RH)
- 5 Respondent, Husband and other male member of the household (RHO)
- 6 Respondent and other male of the household (RO)
- 7 Husband and other male member of the household (OH)

DECISION RELATING TO GENERAL DOMESTIC ISSUES (%)

	R	H	O	RH	RHO	RO	OH
Children’s education	13	25	20	14	11	12	07
Domestic expenditure	24	26	10	20	04	07	09
Festivals/gifts/donations	18	24	13	19	08	09	09
Medical care	10	20	19	22	08	12	09
Marriage	16	09	20	12	26	10	08
Cloths	13	25	10	14	13	12	13

Children’s education: above table have indicated that in the household 25% independent decision took with respondent’s husband. Followed by both respondents and husband took joint decisions 14% followed by 13% respondent took independent decision. Husband and other male family member was the 12% decision-maker. Husband and other family was the key decision-maker and played an important role. *Domestic expenditure:* pattern of decision-making in this area, the respondents 24% took the final decision independently. Followed by 20% respondent and husband they took joint decisions. 9% of the household they took joint decision with husband and family member. 10% of the household, other family members played an important role. *Festivals, Gifts/ Donations:* Table has indicated the important role played by respondent 18 %. Other male members of the household took active part in decision-making process. Respondent and husband their opinion was considered for final decision 19%. *Medical care:* such decisions include like deciding to consult doctor, purchase of medicines, and looking after the sick. The table revealed that both husband and respondent 22% and husband 19% were playing an important role in this area followed by 19% with other male member of the household. *Marriage:* Table revealed that 26% respondent’s husband and other male member was decision-maker. Followed by 19% other male member of the household played a key role. 16% respondents were decision-maker. *Cloth:* Table revealed that 25% were husband the decision maker followed by 14% were respondent and husband, and 13% were respondents playing and important role in this area.

HOUSEHOLD ASSETS MANAGEMENT

Household assets management	R	H	O	RH	RHO	RO	OH
House	13	32	14	10	13	07	11
Domestic animals	18	25	12	12	12	11	10
Vehicles	13	26	05	14	28	02	12
Electrical appliances	01	25	23	10	22	09	10

House: The sampled households husband were deciding alone 32% followed by 10% respondent and husband decided, 14% other male member of the household were decision-maker. *Domestic animals:* Table revealed that respondents 18% and husband 25% played an important role in decision-making. *Vehicles:* The important role played by husband 26% and other male members having 5% included 27%, respondents, husband and other male members of the household were decision-maker. *Electrical appliances:* Table revealed that the important role of husband in the family in this area of decision-making. They are decision-maker 24%. Other male member of the household 23% takes final decision.

Thus, it clearly points out that the husband is the main decision-maker in the agriculture labour household. In a sufficient number of households the family decision were taken jointly by the husband and the wife, probably as a consequence of the wife’s status as an earner in the family. Major decisions within the family are taken by husband through in certain cases such as the domestic expenditure, cloth and children’s education, he consults the wife and other areas like festivals, marriage and electronic appliances, he consults the other male members of the household.

LEVEL OF PARTICIPATION IN HOUSEHOLD DECISION MAKING

Level of participation	Respondents (%)
High	20
Medium	30
Low	50

Table revealed that women were not crucial decision-maker. Husband and other male member of the household were they key decision-maker. Women were not independently involved in the final decision.

FARM WOMEN IN DECISION-MAKING REGARDING THE AGRICULTURE ACTIVITIES

The respondents were asked as to who made final decisions. On the basis of information obtained, the following categories of decision-maker were made:

1. Respondent (R) 2. Female family member (F) 3. Husband (H) 4. Other male member of the household (O)

S. no	Agricultural activity	R (%)	F (%)	H (%)	O (%)
1	Selection the crop	19	15	34	32
2	Seed & fertilizer	21	17	35	27
3	Food processing	18	16	34	32
4	Sowing	20	10	39	31
5	Harvesting	17	15	37	31
6	Ploughing	03	14	59	24
7	Cleaning the field	34	16	30	20
8	Repair the field	15	21	33	31
9	Weeding	28	17	33	22
10	Carrying the implements	20	18	33	29
11	Selection of area	17	16	40	27
12	Storage of food	30	17	33	20
13	Leveling the field	17	15	35	33
14	Buy & Selling the crop	19	15	35	31
15	Food for animals	19	16	27	38
16	Buy & Selling the animals	21	16	33	30
17	Irrigation expenditure	15	18	39	28
18	watering	18	17	35	30

Table indicated that the husband who decided the major agricultural activities. It was the husband who took all the major decisions regarding the major activities in agricultural fields like selection of crop, seed and fertilizers, sowing, ploughing, weeding, buy and selling the crop etc.

An analysis of the data on decision-making gives a meaningful insight into the ideas mentioned above. On the whole, it was the husband who took all the main decision in the household, in a similar number of cases other male members of the household were the in order they took most of the decisions such as brother, father-in-law, brother-in-law and son etc. In third order decision were taken by respondents. So we can say that in almost all area of decision-making husband held an important place. This is perhaps due to the fact that they were associated with public domain. They had more access to resource and knowledge about work and general opportunities

The women are generally consulted more for selected agricultural decisions like amount of grains to be used, stored and sole, getting credit and its repayment, employment of family and casual labour for operations like sowing, weeding and harvesting, use of new variety seeds, selling and buying of new cattle, buying new equipments and selling and buying of land and property etc.

Women's role in farm management and other decision-making processes varied partly in relation to their status in the household and in the farm enterprise. The role in farm management and other decision-making processes is highest where they are heads of household or farm owners in a household. Women are the absolute decision-makers in families where the male members migrate to cities for better earning purpose.

LEVEL OF PARTICIPATION IN DECISION-MAKING

Level of participation	No. of respondents (%)
High	06
Medium	36
Low	58

The above table shown that in the area relating agricultural activities to decision, their participation was not significant. It shows that 58% respondents showed low level of participation. 36% showed medium level of participation. 6% showed high level of the participation. Women workers active involvement in decision making relating to agricultural activities indicates that since women worker contribute their earnings for household substance and are responsible for household maintenance, they have more influence in the decisions of the household.

CONCLUSION

The employment did not lead to a change in work patterns at home. The traditional role of women as a home workers remained unaltered. Division of labour within the household reflected the pattern of authority structure. Women perform a greater part of domestic work, and took care of children. They were also involved in purchasing household provisions from the market. They were also involved in purchasing household provisions from the market. They were intensely involved with the maintenance of the household. Study revealed a differential rate of participation of women in decision making in home and farm related level. Decision making pattern regarding farm affairs revealed it to be more or less male domain. Socio-economic status very much influence decision-making behavior of women in both farm and home activities. They worked out of necessity and their contribution to household subsistence was substantial. Men too worked but they owned no responsibility towards the household. Farm women showed low level of participation in household decision-making. They mostly took joint decisions with others. Their participation in decision making was influenced by various factors such as age, household income, household type and nature of husband's employment. Though farm women participated in household decision-making yet they had no access to household authority structure. Men had the authority. Women's subordination in household authority structure was maintained.

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THE EFFECT OF OPEN INTEREST CHANGE IN THE FIRST 20 MINUTES ON INTRADAY INDEX MOVEMENT: AN EMPIRICAL STUDY BASED ON NSE NIFTY OPTION

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ABSTRACT

This study extends the Bhuyan and yan (2002) findings to intraday level. It tries to investigate the role of stealth trades in the index option market. It also tries to find whether open interest change in the first 20 minutes, from the previous close, in index option (both call & put ATM options & just OTM options) provide information about intraday price movement? If so can this information be based to generate trading gains? Does the information constitute an additional means for the stealth traders? The objective of the study is to firstly test percentage change in open interest in the first 20 minutes of trade, from the previous close, shows the direction of the market intraday or not? & secondly to analyze if the stealth trader participate in the trading in index based option in the morning hours? It is observed that the change in open interest does help find the direction of the market intraday. It is also found that there is a sense of co-optetion among the stealth traders that is the cooperation with competition. When information is asymmetrical they take competitive position and when the information is symmetrical they take cooperative position. It has also been observed that stealth trader participate in the market in the morning hours as option writers rather than option buyers.

KEYWORDS

ATM Option, co-optetion, OTM Option.

ABBREVIATIONS

ATM Option, OTM Option, Co-optetive Model, Just OTM Option.

INTRODUCTION

An option is one of the important instruments traded in the derivative exchanges all over the world. It is well known that trading in option(Black, 1975) may be more attractive than trading in underlying equity market due to economic incentives provided by reducing transaction cost, capital requirement and trading restrictions, commonly seeing in equity market.

Bhuyan and Chaudhury (2001) have examined the role of option market's open interest in conveying information about the future movement of the underlying asset and have shown that the trading strategies based on this predictor yields better results as compared to the buy-and-hold and passive covered call strategies. Further, Bhuyan and Yan (2002) have developed several price predictors from the open interests and volumes of individual stocks from the option market and conclude that they exhibit significant explanatory and predictive power for the future stock prices. Their results have been the driving force for the present study which is among one of the earlier attempts to study the role of option market in determining the underlying share prices in Indian context.

This study extends the Bhuyan and Yan (2002) findings to intraday level. It tries to investigate the role of stealth trades in the index option market. It also tries to find whether open interest change in the first 20 minutes, from the previous close, in index option (both call & put ATM options & just OTM options) provide information about intraday price movement? If so can this information be based to generate trading gains? Does the information constitute an additional means for the stealth traders? The objective of the study is to firstly test percentage change in open interest in the first 20 minutes of trade, from the previous close, shows the direction of the market intraday or not? & secondly to analyze if the stealth trader participate in the trading in index based option in the morning hours? It is observed that the change in open interest does help find the direction of the market intraday.

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REVIEW OF LITERATURE

Theoretical models about the behaviors of the informed traders suggest that they spread overtime to maximize their profit from the private information Kyle (1985). *Ecom & Hahn (2005)* also found the same. *Glosten & Milgrom (1985)* found that two kind of trader trade with the market maker: uninformed trader & informed trader who have the superior information on the asset, they sell when there is bad news and buy when the news is good. *Admati & Pfleiderer (1988)* found that the informed traders enter the market when the liquidity is high (during the opening session).

Granger (1989) asserted that informed trader trades in call & put option based on their private information which conveys information to other market participants resulting in positive or negative impact on the price of underlying asset. *Barclay & Warner (1993)* proposed stealth trading hypothesis to find the behavior of the informed trader. They suggested that the informed trader use several medium sized trades to avoid detection. The medium sized trades should not be too small because the small sized trades delay the acquisition of the desired position and increase the likelihood that the information can be revealed large trade is not done because if the trade is not broken it will probably attract attention. Informed traders also trades in option market can be traced from academic literature of Mayhew, Sarin & Shastri (1995). *Hara & Srinivas (1998) Koedijk, Schnitzlein (2001)* suggest that informed traders may favour ITM option. *Bhuyan & Chowdhary (2001)* have investigated the role of open interest from option market in discovering the future price movement in underlying cash market. They suggested that open interest based predictor gives better result than buy & hold strategy. *Kaul, Nimalendran & Zhang (2002)* find that ATM & slightly OTM options spreads are most sensitive to adverse selection measures in the stock.

Bhuyan & Yan (2002) used open interest and volume based predictors to empirically investigate the hypothesis that the non price variables viz. open interest and volume in option market can be used to predict the future price index in underlying cash market. *Srivastava (2003)* find that open interest and volume based predictors have significant explanatory power with open interest being more significant as compared to trading volume. *K.N. Mukherjee and R. K. Mishra*

(2004) find that open interest based predictors are significant in predicting the underlying spot price index. *Ecom & Hahn (2005)* supported the view that the traders who have information use small sized trades rather than large sized trades.

Cao, Chen & Griffin (2003) find Barclay & Warner by using the data from NYSE stocks from 1981-1984 found supporting evidence of the stealth trading hypothesis. *Anand & Chakravarty (2001)* find the same result while using the data from Nov 1090 to Jan 1991 NYSE TORQ dataset. They also find that institution rather than individuals are the source for the disproportionately large cumulative price change of medium sized trades which implies institutional investors are indeed informed. They examined stealth trading in option market. They demonstrated that the strategic fragmentation of trades by informed traders depends on the liquidity of the option market. Especially for liquid (illiquid) contracts informed traders use medium sized (small sized) contracts. *Anand & Chakravarty* employed the information share method of *Hasbrouck (1995)* to compute how much each trade size category contribute to the total price changed indirect evidence of informed trading.

OBJECTIVES OF THE STUDY

1. Do the open interest change in the first 15 minutes from the previous close in index option (both call & put ATM options & just OTM options) provide information about intraday price movement? If so can this information be based to generate trading gains?
2. Does the information constitute an additional means for the stealth traders?
3. To test percentage change in open interest in the first 20 minutes of trade, from the previous close, shows the direction of the market intraday or not & also to analyze if the stealth trader participate in the trading in index based option in the morning hours.

DATA & METHODOLOGY

From the previous studies conducted by the academicians we can understand that the informed traders trade in the option market. *Sarin & Shastri (1995)*, *Hara & Srinivas (1998)*, *Pan & Potesman (2003)*, *Cao, Chen & Griffin (2003)* they normally operate overtime but they also operate in the opening session when the liquidity is high. *Admati & Pfleiderer (1988)*, since the nifty ATM & just OTM options are the most liquid options in India they operate in the medium sized trades as suggested by *Anand & Chakravarty (2001)*, *Admati & Pfleiderer (1988)* find that informed investor submit both market & limit order.

The data for this study is taken from the website (www.nseindia.com), the official website of National Stock Exchange of India). In this paper the first 20 minutes data is considered. Everyday the data at 9.20 AM for the change in open interest in ATM & just OTM call & put option has been observed in order to find the relationship between the change in open interest and the index closing value. The data for the period of three months has been observed then it is compiled & compared to find out if the data pertaining to change in open interest in the first 20 minutes of opening of the market have any bearing to the direction of the market. Is there is any stealth trading in the market? The data has been observed on weekly basis in April through June series. Then according to the observation the data has further been divided into two parts.

- 1) The first three weeks of the new series 48 days in total has been observed
- 2) The four days of the expiry week. 12 days in total has been observed
- 3) This study is based on non participant observation of the data and ample care has been taken to be as objective as possible

CO-OPTETION & THE TRADING STRATEGIES IN THE FIRST THREE WEEKS OF THE SERIES

For us co-optetion means co-operation with competition. In the option market or share market as a whole if anybody is taking cooperative position he is simultaneously taking competitive position with other. In this paper, we focus on directional trading strategies for a learner investor.

We find that the open interest based predictor has good accuracy, we also found that the open interest based active trading strategies generate better return compared to passive buy and hold strategy. The magnitude of the return is too high to be nullified. Our empirical evidence suggest that the index option open interest contain information about the intraday index movement

FOUR TRADING SITUATIONS OF CO-OPTETION

Taking co-optetion as a major factor we have taken four following cases:

co-op model-1: When the call ATM & Just OTM option percentage change in open interest is in positive, from the previous close, & put ATM & Just OTM option open interest is in negative change, from the previous close, in the first 20 minutes of the trading day.

co-op model-2: When the call ATM & Just OTM option percentage change in open interest is in negative, from the previous close, & put ATM & Just OTM option open interest is in positive change, from the previous close, in the first 20 minutes of the trading day.

co-op model-3: When both the call and put ATM & Just OTM option percentage change in open interest is in positive, from the previous close, in first 20 minutes of trade

co-op model-4: When both the call and put ATM & Just OTM option percentage change in open interest is in negative, from the previous close, in first 20 minutes of trade

co-op model-1: (predictable) When both the call and put ATM & Just OTM option percentage change in open interest is in negative, from the previous close, in first 20 minutes of trade.

co-op1 for us is predictable when the just OTM and ATM call options open interest is in positive change from the previous close and put option ATM and just OTM options open interest is in negative change from the previous close then the index shows negative change by the end of the closing session from the level at which the index was at 9.20AM.

In our observation this kind of situation arrive in 6 trading session out of 48 trading session observed, that comes to 12.5% (pie chart 1) of the total trading session observed and out of the 6 trading sessions 5 days the index went down southward or showing negative divergence from the position it was at 9.20 AM that comes to 83.33% time the call sellers were in profit and only 16.66% time put sellers were in profit (pie chart 2) and it was also observed that on 5 occasion index went up at least 10 points higher, from the 9.20AM value, before going down that comes to 83.33% times that the index went up at least 10 points from the level it was at 9.20AM (pie chart 3). It gives importance that stealth traders participate in the market in the morning hours

It gives emphasis to the point that there is some informational symmetry among the major market participants. It also emphasizes that the major market participants are option sellers rather than option buyers in the morning session and it has also been observed that market goes in the desired direction because of the co-operative position in the option market by the large players.

It has also been observed that small to medium sized order is placed by the market participants not to get caught or by the time they are caught. They are already in the winning position.

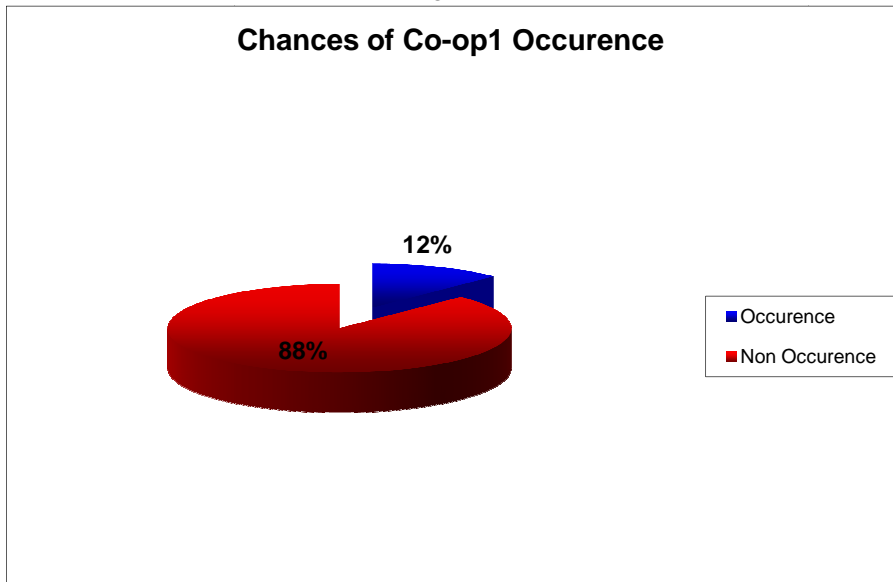
Following pie charts indicate the index movement in co-op1. (Predictable) situation

1 chances of occurring co-op 1 situation

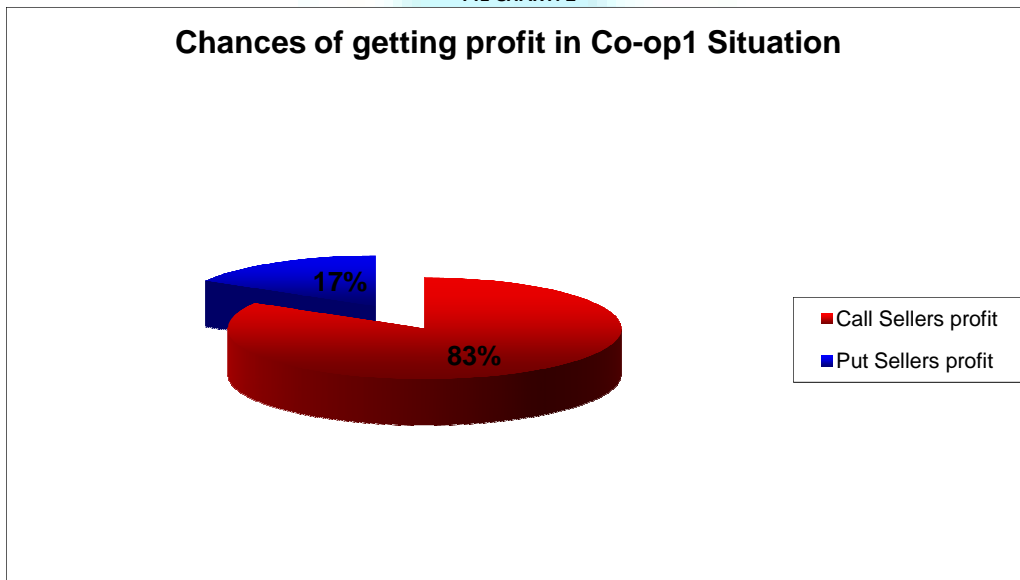
2 chances of getting profit to call sellers in co-op 1 situation

3 chances of index going up at least 10 points from 9.20 AM in co-op1 situation

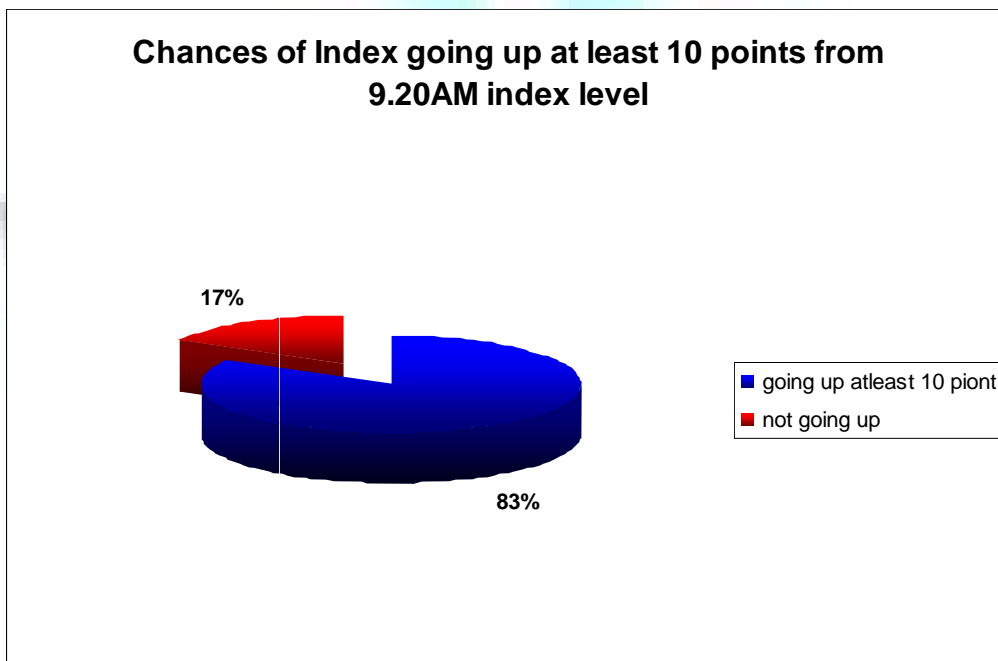
PIE CHART: 1



PIE CHART: 2



PIE CHART: 3



co-op model-2: (predictable) when the call just OTM options and ATM options open interest is in negative change from the previous close and put ATM and just OTM options open interest is in positive change from the previous close then the index gives positive return, or go up, by the end of the closing session from the level at which the index was at 9.20.AM

In our observation this kind of situation arrive in 7 trading session out of 48 trading session observed, that comes to 14.5% of the total trading session observed (pie chart 4)

In this situation opposite result was observed. The index went up in 6 out of 7 trading session that come to 85.7% times the put sellers were in profit and only 14.3% times the call sellers were in profit (pie chart 5) which again emphasized the fact that stealth traders do participate in the option market in the morning session as option sellers. It has also been observed that the index went down at least 10 point in 6 situations out of 7 observed that comes to 85.7% time that the market went down at least 10 points before going up at 9.20AM (pie chart 6).

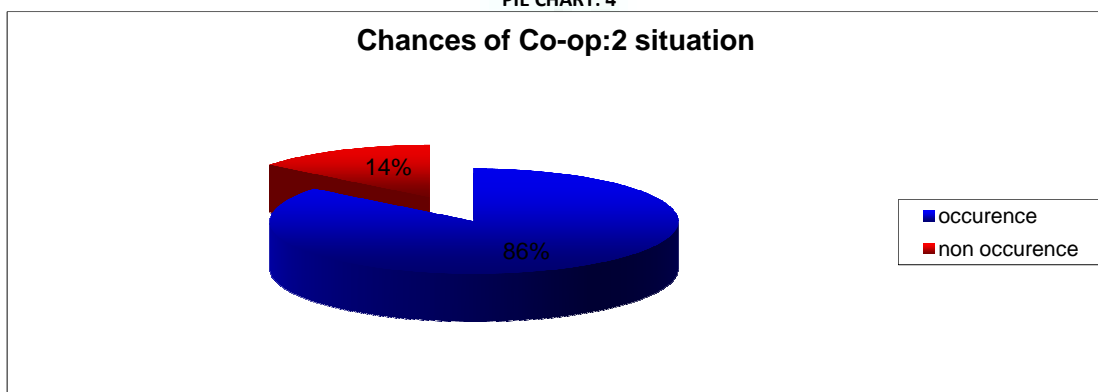
Following pie charts indicate the index movement in co-op2. (predictable) situation

1 chances of occurring co-op 2 situation

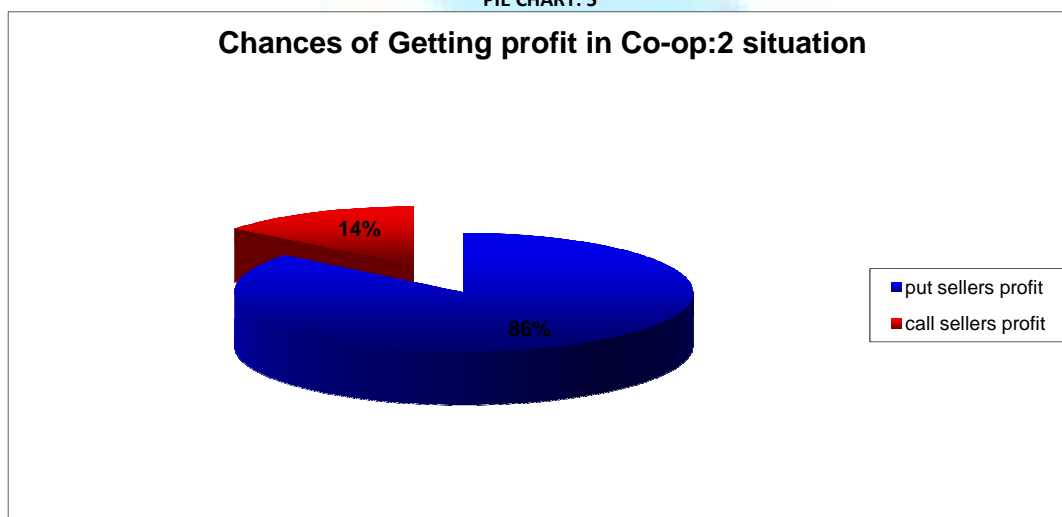
2 chances of getting profit to put sellers in co-op 2 situation

3 chances of index going down at least 10 points from 9.20 AM in co-op2 situation.

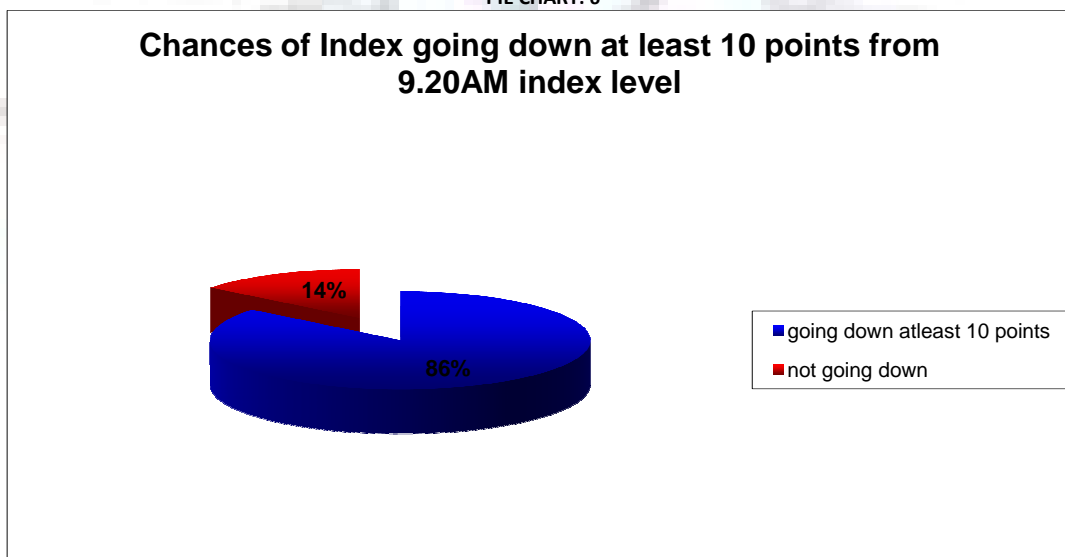
PIE CHART: 4



PIE CHART: 5



PIE CHART: 6



co-op model-3: (unpredictable)When both the call and put ATM & Just OTM option percentage change in open interest is in positive, from the previous close, in first 20 minutes of trade. This situation is the most frequent situation and it shows the informational asymmetry among the major participants in the option market in the morning hours. Out of the 48 trading days this situation occurs in 35 trading days. In these scenario three types of situations emerges:

- a) When the call option open interest is more than the put option open interest. This situation occurred in 9 trading session out of 35 and the index went up 4 times from the 9.20AM situation
- b) When put option open interest is more than the call option open interest. This situation occurred in 17 trading session out of 35 and the index went up 11 times from the 9.20AM situation
- c) When both call option and put option open interest is almost equal. This situation occurred in 9 trading session out of 35 and the index went up 4 times from the 9.20AM situation

It has been observed that in this kind of situation the market participants look for some clues to make the position symmetrical during the days trading session.

co-op model-4:(unpredictable) When both the call and put ATM & Just OTM option percentage change in open interest is in negative, from the previous close, in first 20 minutes of trade. In my study of the open interest in 60 trading session this situation never occurred.

CO-OPTETION & THE TRADING STRATEGIES IN THE EXPIRY WEEKS OF THE SERIES

It has been observed that in the expiry week starting from Monday to Thursday out of the 12 trading days that the data has been observed 7 days the call option open interest is more than the put option open interest and the market went up 5 days from the 9.20 situation the rest of the 5 days when the put option open interest is more the market went down on 3 occasions

It can be claimed that in the expiry week the major players becomes option buyers rather than option sellers but again it can also be claimed that this kind of situation is quite tricky and comes under unpredictable category.

EMPIRICAL FINDING

Intraday variation in spread can be explained through inventory & asymmetrical information based model foresee that the liquidity provider (either market maker or limit order) widens the spread in presence of adverse selection risk

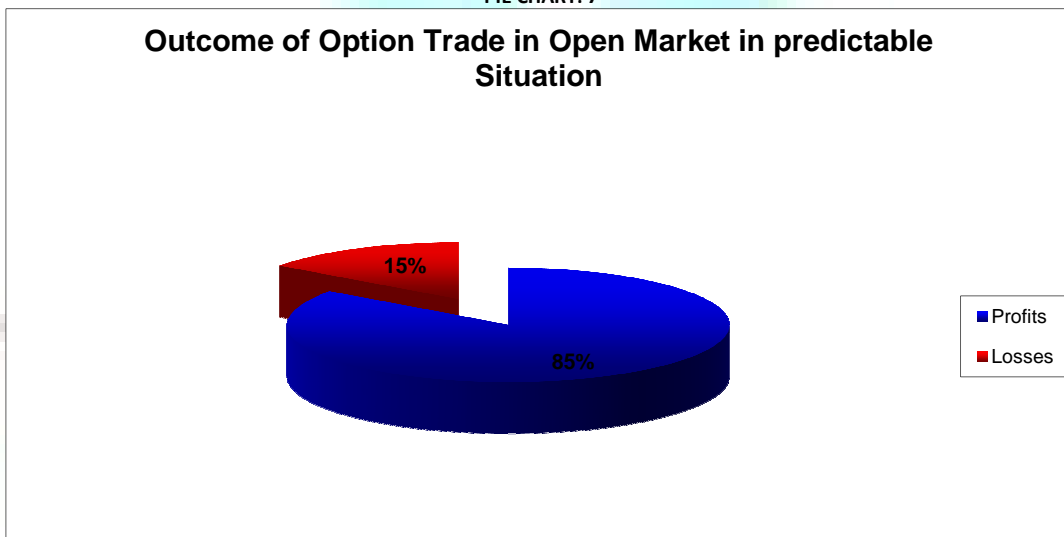
Information asymmetry is assumed strongest when the marker opens, as the overnight information is not incorporated into prices McInish & Wood (1992) find that adverse selection risk is highest in the beginning of the trading day and as the information is gradually incorporated it decreases until the end of the day. Swartz identifies four determinants of spread activity, risk, information & competition. It is found from the empirical data that in the morning session there is a sense of co-optetion among the informed investor. Co-optetion meaning competition with co-operation. It is found that if the information is symmetrical among the institutions then they take cooperative position for trade gains and when the information is asymmetric then they take different position in the opening period thereby and gradually looks for other clues to make it symmetrical for the trade gains in option market.

It is also found that when there is symmetrical information among the institutional investor the percentage change in open interest in ATM & just OTM call (put) options is positive and the percentage change in open interest in put (call) option is negative. It gives the idea of co-operation among the institutional investors. When they take opposite position the percentage change in open interest from the previous close in both call & put option is positive or negative and as the day progresses other clues are discovered to find the direction of the trade whether positive or negative. As discussed by the academicians the Stealth traders do take part in the option market Mayhew, Sarin & Shastri (1995), Hara & Srinivas (1998), Pan & Potesman (2003), in the beginning of the session Admati & Pfleiderer (1988) with both market & limit order Admati & Pfleiderer (1988) Anand & Chakravarty (2001).and they are generally institutional investors Anand & Chakravarty (2001).

It is found from the data observed that there is some change in the open interest in both call & put option of nifty index option in the opening session when there is positive change in call (put) option and corresponding negative change in put (call) option then it can be assumed that stealth trading activity is present as there is some symmetrical information among the institution and there is some sense of indirect cooperation. It is also observed that when there is cooperation whether direct or indirect the market generally closes in the desired level. .It is also observed that in the day the economic data is to be released the position taken in the first fifteen minutes are in the co-operative one that is call (put) option open interest showing positive change& put (call) option witness negative change in open interest.

It has been observed that if the retail traders participate in the option market in the two predictable situations only then they have 85% chance of having trading gains and getting huge profit and 15% chance of loosing money (pie chart 7).

PIE CHART: 7



CONCLUSION & DIRECTION FOR FURTHER STUDY

The data has been observed for three months, only Bhuyan & Yan (2002) argued that the informed trader buy OTM call option when they expect market to rise and OTM put option when they expect the market to decline but intraday finding suggest that they sell ATM & just OTM call option when they expect the market to decline & sell ATM and just OTM put option when they expect the market to rise except in the expiry week in which open interest seems to be not the most important predictor of the market. It can be easily understood that option open interest is a very good predictor of information symmetry or asymmetry.

It has been observed that if the percentage change in volatility is high then there is more chance of getting the co-op 1 & co-op 2 kind of situation and when the volatility is low then there is more chance of getting co-op 3 kind of a situation.

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ANALYSIS OF THE IMPACT OF GLOBAL FINANCIAL CRISES ON INDIAN ECONOMY

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ABSTRACT

The research paper examines the world economy’s position before, in and after the US and Euro-zone crisis. The data has been taken for BRIC nations, US, UK, Greece and Germany. In the research special reference has been made to Indian economy. The source of the data has been Reserve Bank of India and World Bank. Gross domestic product growth of nations including India has been studied for the period 2000-2010. Trend of various factors- Foreign Direct Investment (FDI), Foreign Institutional Investors (FII), Exports, Imports, Inflation affecting Indian GDP growth has been studied for the same period. Regression analysis has been done keeping the Indian GDP growth as the dependent variable and FDI, FII, Exports, Imports, Inflation as the independent variables. The results suggest that during recession Indian economy has been affected but its performance has been far better than the world economy in terms of GDP growth and India has been the second best performing economy amongst BRIC nations. FII’s impact the Indian economy much more than the other independent factors studied. The study reflects a side of the position of the world as well as Indian economy.

KEYWORDS

Financial crisis, FII, FDI.

INTRODUCTION

Since 1991, the year which led to globalization, India has made itself vulnerable to all the effects of the major and minor happenings around the world. Globalization has helped increased flow of funds through foreign lands but it was not thought at that time that when the strong, developed economies will be in crisis, what will happen to the flow of foreign funds to which our nation is accustomed to. Such an experience happened in the year 2008, the year of ‘US Financial Crisis’.

In 2008 Americans witnessed the financial meltdown: A series of bank and insurance company failures triggered a financial crisis that effectively halted global markets. The root of the US crisis was in the real estate and the subprime lending. Commercial and residential properties saw their value increasing precipitously in a real estate boom that began in the 1990s. Increases in housing prices coincided with the investment and banking industry lowering lending standards to market mortgages to unqualified buyers. At the same time government deregulation blended the lines between traditional investment banks and mortgage lenders. Real estate loans were spread throughout the financial system in the form of CDOs and other complex derivatives in order to disperse risk; however, when home values failed to rise and home owners failed to keep up with their payments, banks were forced to acknowledge huge write offs on these products. These write offs found several institutions at the brink of insolvency with many being forced to raise capital or go bankrupt.

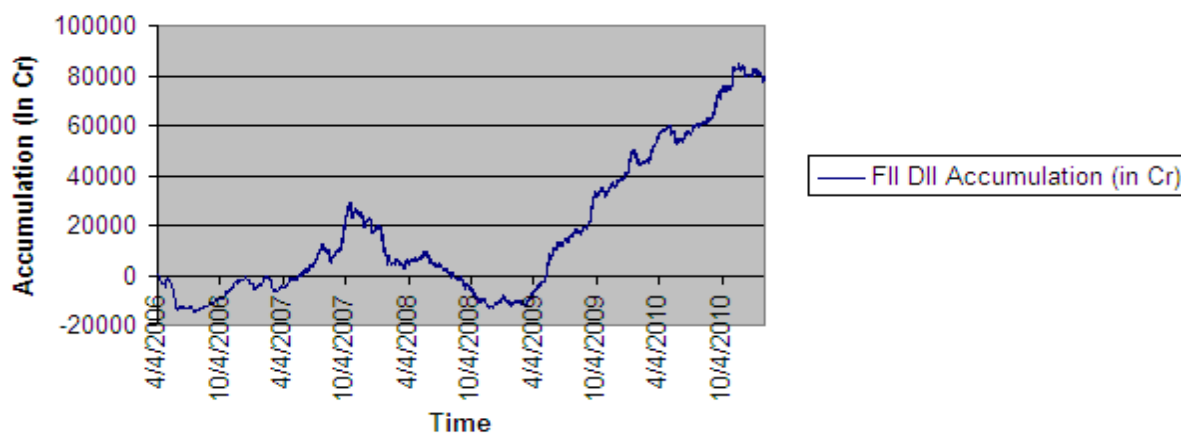
Further in late 2009, financial crisis in Europe made it difficult for some euro-countries to refinance their government debt. The most affected countries were coined as PIGS nations namely Portugal, Ireland, Italy, Greece Spain. European sovereign debt crisis has resulted from a combination of various factors, including the globalization of finance; easy credit conditions during the 2002–2008 period that encouraged high-risk lending and borrowing practices; international trade imbalances; real-estate bubbles which brought about slow economic growth in 2008 and thereafter.

An important outcome of the US and Euro crisis has been on the Indian economy. Indian stock market was touching new heights before the crisis, because of heavy investments by Foreign Institutional Investors (FIIs). However, when the parent companies of these investors (based mainly in US and Europe) found themselves in a severe credit crunch as a result of sub-prime crisis, the only option left with these investors was to withdraw their money from Indian Stock Markets to meet liabilities at home.

It is evident from figure 1 given below.

FIGURE 1: FII IN INDIA 2006-2010

FII DII Accumulation (in Cr)



The global economy had experienced slow growth since the U.S. financial crisis of 2008-2009, which has exposed the unsustainable fiscal policies of countries in Europe and around the globe.

Greece's debts were so large that they actually exceeded the size of the nation's entire economy, and the country could no longer hide the problem. The Greece crisis has been viewed as the tip of an iceberg which will lead to another slowdown in growth which would impact India. Greece in reality has little economic trade with India. The bottom line is that the Indian economy is far more connected and dependent on European, American and Middle-Eastern countries. So another financial crisis in Europe will impact India.

REVIEW OF LITERATURE

The following are the few researches done previously based on US 2008 and Eurozone debt crisis recession-

Bera, Soumitra Kumar (2010), in his research paper titled "**Financial crisis: The incredible hulk in Indian economic growth and external sector**", has examined the impact of current world-wide recession on India's growth. The results suggest that financial crisis has adversely impacted India's GDP and that the recovery of global economy is important. **Marc Labonte (2009)** in his research "**U.S. Economy in Recession: Similarities To and Differences From the Past**" has made an attempt to provide information on the patterns found across past recessions since World War II and analyzes whether and how the current recession might be different.

J. Isaac Miller and Ronald A. Ratti (2009), in their study titled "**Crude Oil and Stock Markets: Stability, Instability, and Bubbles**" have analysed the long-run relationship between the world price of crude oil and international stock markets over 1971-2008 using a co-integrated vector error correction model with additional regressors. **Robert D. Gay (2008)**, author of the research paper "**Effect Of Macroeconomic Variables On Stock Market Returns For Four Emerging Economies: Brazil, Russia, India, And China**" has made an attempt to investigate the time-series relationship between stock market index prices and the macroeconomic variables of exchange rate and oil price for Brazil, Russia, India, and China (BRIC) using the Box-Jenkins ARIMA model. His study did not find any significant relationship found between present and past stock market returns.

Bishnu Kumar Adhikary (2011), in his research paper on the topic "**FDI, Trade Openness, Capital Formation, and Economic Growth in Bangladesh: A Linkage Analysis**" examines the linkage between FDI, trade openness, capital formation, and economic growth rates in Bangladesh over a period 1986 to 2008 using time series analysis. **Global Research Limited**, in their report on the topic "**Impact of Greece Crisis**" found that Greece is currently facing accumulated high levels of debt during the decade before the crisis, when capital markets were highly liquid. As the crisis has unfolded and there is liquidity crunch in world economy, Greece may no longer be able to roll over its maturing debt obligations.

Yılmaz Akyüz (2011), in the working paper series titled "**The Global Economic Crisis and Trade and Growth Prospects in East Asia**" shows that in pre-crisis years, at least one third of growth in the People's Republic of China was due to exports. It will be necessary to embark on industrial restructuring necessitated by a shift from export-led growth to growth led by domestic demand and intraregional trade. **Raphael Sauter and Shimon Awerbuch (2003)** in their survey and literature review on the topic "**Oil Price Volatility And Economic Activity**" have made an attempt to survey recent researches in the area of oil price movements and their effect on economic and financial performance in IEA countries.

Nouriel Roubini (2004), in the research "**The effects of the recent oil price shock on the U.S. and global economy**" have explained that Oil prices shocks have a stagflationary effect on the macroeconomy of an oil importing country. The size of the output growth and inflation rate effect of an oil shock depends on many factors: they slow down the rate of growth and they lead to an increase in the price level and potentially an increase in the inflation rate. **Thomas Hofmann, Dr. Rolf Schneider (2010)** have attempted to analyse the Eurozone crisis and its impact on the economy in their research paper titled "**Eurozone debt crisis: Impact on the economy**". They have tried to identify the repercussions of the debt crisis on the basis of the individual transmission channels. **Nida Iqbal Malik, Subhan Ullah, Kamran Azam, Anwar Khan Marwat** in their research "**The Impact of Recent Global Financial Crisis on the Financial Institutions in the Developing Countries – the need for Global Solutions**" examine the recent impact of financial crisis on the financial institutions in the developing countries. This study contributes to the knowledge of investors and market practitioners.

OBJECTIVES

The objectives of the study are:

1. To analyze the impact of the US and Euro crisis on the Indian economy through a study of selected variables (2000-2010).
2. To examine the impact of global recession on World GDP.

The variables studied in the research are Indian GDP, Indian FDI, FII, Exports, Imports, Inflation.

RESEARCH METHODOLOGY

The research carried out was a **conclusive research** as the findings from this research are considered to be conclusive in nature and they can be used as an input into managerial decision making. The data used for the research is secondary in nature, which has been collected from the websites of World Bank, Reserve Bank of India, etc.

RESULTS AND DISCUSSION

The present section attempts to analyse the impact of the global financial crisis on the World economy with special emphasis on the Indian Economy.

IMPACT ON WORLD GDP GROWTH RATE

Due to globalisation the whole world has become a global village where nations deal with each other for trade or investing activities which leads to one nation impacting the other.

The below table gives an insight into the GDP growth rate of the major countries from 2000 to 2010:

TABLE 1: GDP GROWTH RATE OF DEVELOPED AS WELL AS DEVELOPING NATIONS

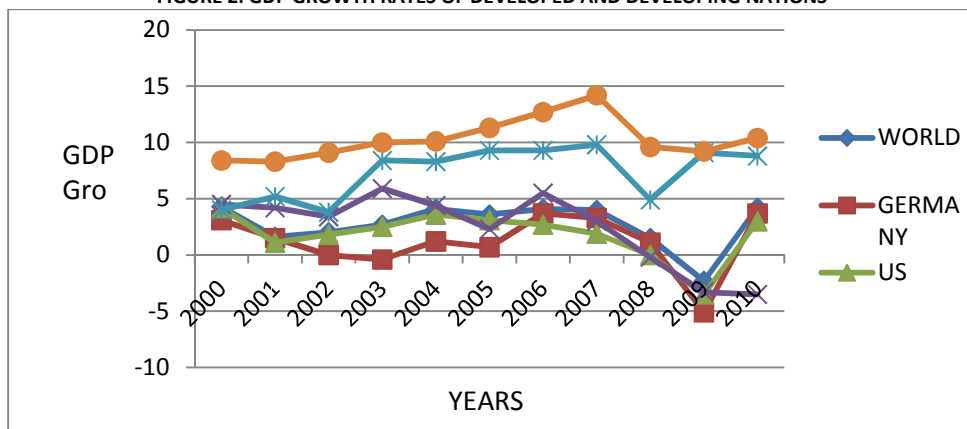
YEAR	WORLD	GERMANY	US	GREECE	BRAZIL	RUSSIA	INDIA	CHINA
2000	4.3	3.1	4.2	4.5	4.3	10	4	8.4
2001	1.6	1.5	1.1	4.2	1.3	5.1	5.2	8.3
2002	2	0	1.8	3.4	2.7	4.7	3.8	9.1
2003	2.7	-0.4	2.5	5.9	1.1	7.3	8.4	10
2004	4.1	1.2	3.6	4.4	5.7	7.2	8.3	10.1
2005	3.6	0.7	3.1	2.3	3.2	6.4	9.3	11.3
2006	4.1	3.7	2.7	5.5	4	8.2	9.3	12.7
2007	4	3.3	1.9	3	6.1	8.5	9.8	14.2
2008	1.5	1.1	0	-0.2	5.2	5.2	4.9	9.6
2009	-2.3	-5.1	-3.5	-3.3	-0.6	-7.8	9.1	9.2
2010	4.2	3.7	3	-3.5	7.5	4	8.8	10.4

Source- World Bank

As it can be observed from the above table, the GDP growth rate of the developed nations has remained lower than the world average and the GDP growth rate of the developing nations like India and China has consistently remained above the world average. Infact countries like India and China were the nations which maintained best GDP growth rates figures during 2009 when all the developed nations had negative growth.

Other BRIC nations like Russia and Brazil had negative GDP growth rates in 2009. However, these countries have recovered rapidly and the economic impact of global recession on these countries has been mild. A major problem for Russia during financial crisis was tightening of the international financial markets, the fast withdrawal of foreign money from domestic markets and fewer investments.

FIGURE 2: GDP GROWTH RATES OF DEVELOPED AND DEVELOPING NATIONS



The above figure shows that China has the highest GDP growth rate consistently over the years. This was because even after collapse in its export figures due to financial crisis it restored its economic growth by launching a massive stimulus program. India was second best performing developing nation because it was not completely dependent on US and other countries for export and import of products, employment remained quite steady. The banking system in India was so well established that India didn't face any mortgage issues like that USA did.

IMPACT ON THE INDIAN ECONOMY

Indian GDP growth rate

During the 2000s, India was one of the fastest growing economies in the world. Historically, from 2000 until 2011, India's average quarterly GDP growth was 7.45 per cent reaching a historical high of 11.80 per cent in December of 2003 and a record low of 1.60 per cent in December of 2002.

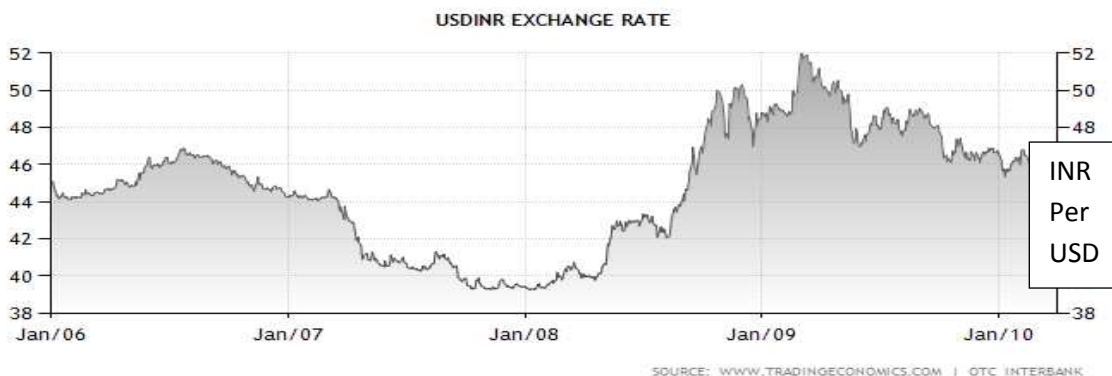
Post the economic downturn, the year 2009 saw a significant slowdown in India's official GDP growth rate to 6.1% as well as the return of a large projected fiscal deficit of 10.3% of GDP which would be among the highest in the world.

Indian currency- USD per INR

Any major disruption in the stability of the dollar has important implications on Indian Rupee. The depreciating rupee added further pressure on domestic inflation and India's import bills. India is an emerging economy and a huge percentage of investment in India is from outside especially US. Due to recession in US, big institutions collapsed because of which investments in India fell whereby, the demand Dollar increased and rupee depreciated. Since the global uncertainties aggravated, the Indian exchange rate has depreciated 17.4% against the US Dollar.

This can be seen in the figure below.

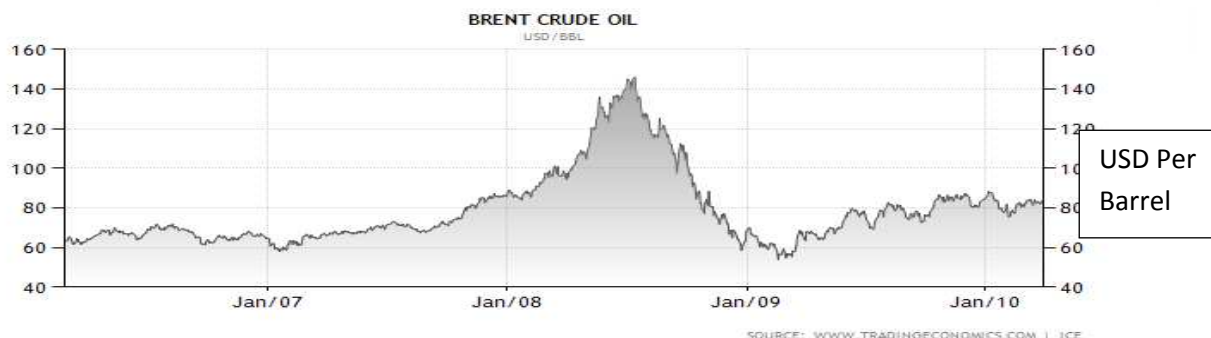
FIGURE 3: USD INR (2006-2010)



Changes in Brent crude oil prices and its impact

A recessionary environment created an actual oil demand contraction because of lower demand from developed nations. From 2006 until 2012 Brent Crude Oil futures prices averaged 80.90 dollars reaching a historical high of 145.91 dollars in July of 2008 and a record low of 54.04 dollars in February of 2009. The following figure shows the oil price movement.

FIGURE 4: BRENT CRUDE OIL PRICES 2006-2010



INDIAN FDI, FII, EXPORTS, IMPORTS

FDI - The FDI inflows in the economy were hit during recession because of global recovery from global crisis hit investor appetite. The most immediate effect of the crisis on India had been outflow of FII's from the equity market. A slowdown in US economy is a bad news because Indian companies have major outsourcing deals from the US.

TABLE 2: INDIAN IMPORTS, EXPORTS, FDI, FII IN US MILLION DOLLARS

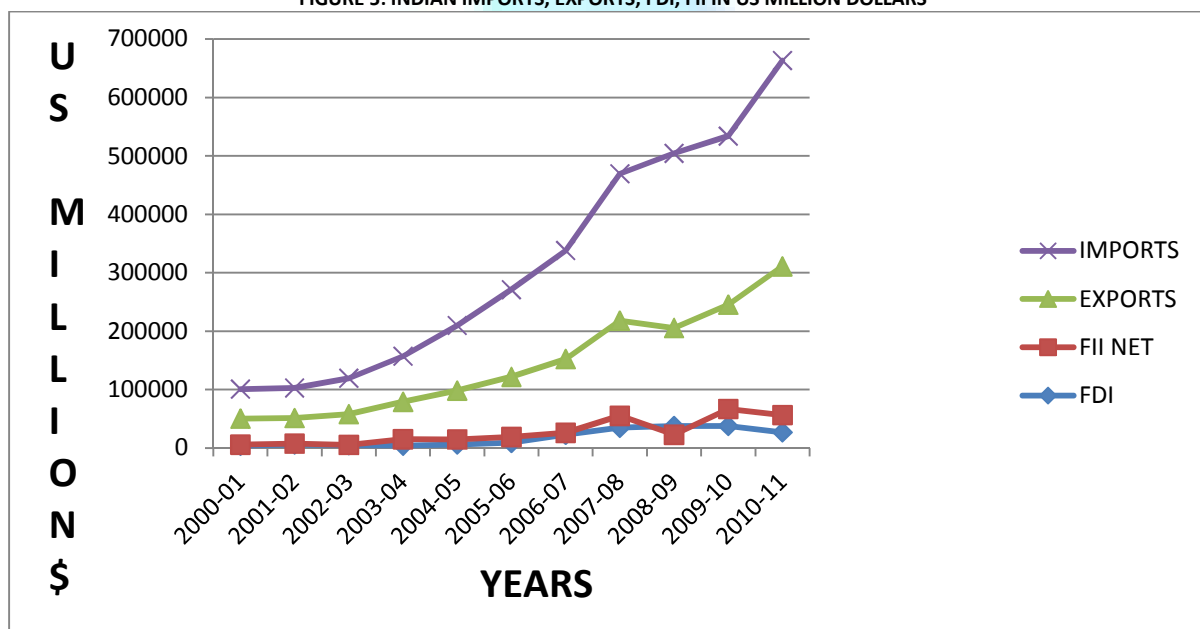
YEAR	FDI	FII NET	EXPORTS	IMPORTS
2000-01	4029	1847	44560	50537
2001-02	6130	1505	43827	51413
2002-03	5035	377	52719	61412
2003-04	4322	10918	63843	78149
2004-05	6051	8686	83536	111517
2005-06	8961	9926	103091	149166
2006-07	22826	3225	126414	185735
2007-08	34835	20328	162904	251439
2008-09	37838	-15017	182800	298833
2009-10	37763	29048	178751	288373
2010-11	27024	29422	254402	352575

Source- World Bank

Trade – Export/ Import - India has fairly strong trade relationship with the U.S. and EU which account for almost 30 percent of India's exports. In 2008-09, Indian exports had actually declined 3 percent following U.S. recession. Since then there has been diversion of exports to Asia and Africa. During the core period of the crisis, the average contraction in exports and imports has been around 20% in the first phase (October 2008-September 2009) and 28% in the second (December 2008-September 2009).

The following figure shows the trend of the Indian Exports, Imports, FDI and FII in India.

FIGURE 5: INDIAN IMPORTS, EXPORTS, FDI, FII IN US MILLION DOLLARS



INFLATION IN INDIA

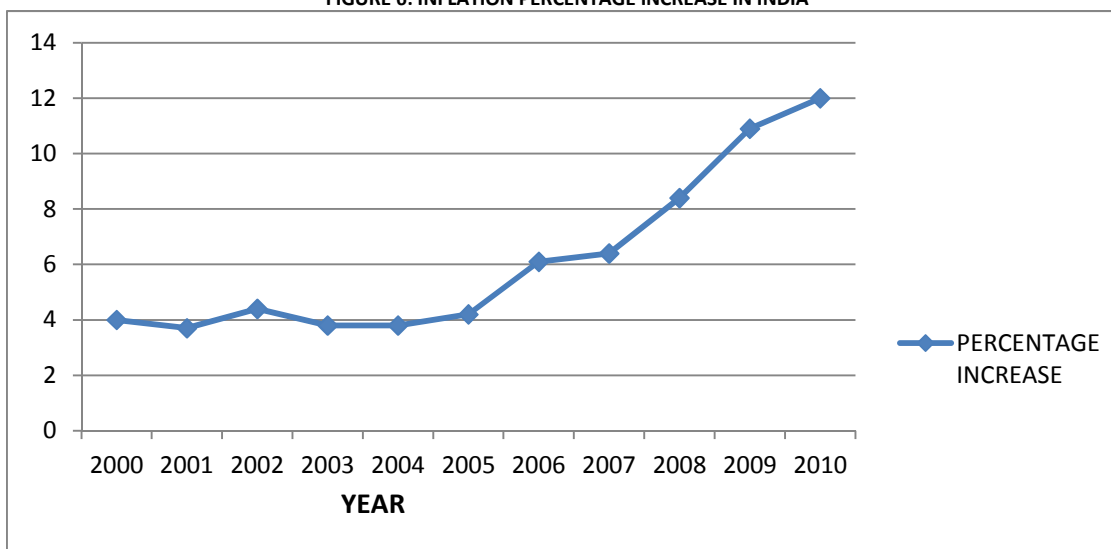
The following figure shows the percentage increase in inflation of consumer prices in India from the year 2000 till the year 2010. The percentage increase in inflation percentage was lowest during the year 2001 with 3.7% and highest during the year 2009 with 10.9% in the given period.

TABLE 3: INFLATION PERCENTAGE INCREASE IN INDIA

YEAR	YEAR ON YEAR PERCENTAGE INCREASE
2000	4
2001	3.7
2002	4.4
2003	3.8
2004	3.8
2005	4.2
2006	6.1
2007	6.4
2008	8.4
2009	10.9
2010	12

Source- World Bank

FIGURE 6: INFLATION PERCENTAGE INCREASE IN INDIA



When the world slows down the prices of oil will come down because of low demand. This will reduce India’s import bill as well as inflation percentage.

IMPACT OF INDIAN EXPORTS, IMPORTS, FDI, FII, INFLATION ON INDIAN GDP

Multiple regression analysis was done for the analysis in which the Indian GDP was the dependent variable and India exports, imports, FDI, FII and inflation were the independent variables.

TABLE 4: MULTIPLE REGRESSION ANALYSIS
MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.902 ^a	.814	.627	1.435

a. Predictors: (Constant), INFLATION, FII, FDI, EXPORTS, IMPORTS

The multiple regression analysis shows an R SQUARE value of 0.814. This means that all the factors (exports, imports, FDI’s, FII’s, inflation) account for approximately 81.4% of the variance in the GDP growth rate. The factors taken in this study were all external factors. Therefore it can be said that the rest of the factors not considered for the study would account for approximately 18.6% of the variation in the GDP growth rate.

Simple regression was also carried out in which all the independent variables (exports, imports, FDI’s, FII’s, inflation) were individually put as independent variable and Indian GDP was again taken as the dependent variable. The result show that the Indian GDP (dependent variable) is most affected by FII’s flow in India amongst the variables studied.

CONCLUSION

During the US crisis, Russia had major changes in its export and import of goods than that of services. China launched fiscal stimulus program which was quickly implemented and it restored economic growth. But later it was observed that government spent more than required. Germany saw decrease in demand for automobiles which led to plunge in exports. Greece economy GDP dependent on tourism, private sector and credit could maintain a constant GDP.

Due to the Eurozone crisis Brazil had to open up for cheap imports especially from China. Chinese companies saw attractive opportunities to buy assets in the European nations due to economic slowdown, led to transferring of technology to Chinese companies. Initially European nations used to impose restrictions on Chinese investors but because of the slowdown they changed their stance.

Amongst the factors studied in the research the Indian GDP (dependent variable) is most affected by FII’s flow in India. So, during the crisis the foreign investors quickly pulled out their investments to fund other necessary expenses. This shows that India must look for other better investment options to attract foreign funds. For example recently India allowed QFI’s (Qualified Foreign Investors) to invest directly in India so that the markets are deepened and market volatility is reduced.

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POPULATION AND REGIONAL INEQUALITY IN INDIA

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ABSTRACT

Regional Inequalities, namely per capita income inequalities across states are a matter of serious concern in India. Regional disparities has been rising in India since 1993, which is revealed by the fact that Gini-coefficient in this connection has risen from .240 in 1993-94 to .277 in 2009-10 and it was noted highest .285 in 2002-03. Ahluwalia (2002) also highlighted the trend of increasing inequality among states by using per capita state domestic product data for the period 1980-81 to 1998-99. This paper aims to determine whether regional disparities are linked to population in twenty five states and four union territories of India over the period 1993-94 to 2009-10. The paper highlighted that there was a sharp increase in regional inequalities in India during the last decade of twentieth century and first decade of twenty first century. In 2009-10, the per capita Net State Domestic Product (NSDP) of the richest state, Gujarat, was about 8.55 times that of Bihar, the poorest state. This ratio had increased from 7.58 in 1993-94. Disparity in total NSDP during this period has widen as per annum growth for relatively developed states like Gujarat (14.26%), Haryana (13.39%), Maharashtra (12.12%) has been found higher than poor states like Assam (4.52%), M.P. (6.65%) and Jharkhand (7.05%). Similarly, Per annum growth in per capita NSDP were found lower for EAG states like as Assam (2.29%), U.P. (2.99%), M.P. (3.27%) and Jharkhand (3.41%) as compared to developed states like Haryana (9.25%), Uttarakhand (8.98%), Kerala (8.60%), Maharashtra (7.74%), Himachal Pradesh (7.74%). More interestingly, Rajasthan, Bihar and even Gujarat have not done well in the growth of per annum per capita NSDP due to high population growth in spite of high per annum growth in total NSDP in this period. Significant to mention that per annum growth in per capita NSDP is higher in lower per annum population growth states as Andhra Pradesh (8.03) and Jammu & Kashmir (7.14%) (Due to negative annual population growth) Kerala (8.60%) and Tamil Nadu (8.81%) with lower than one percent annual population growth rate in this period.

KEYWORDS

Gini, India, OLS, Population, regional inequality.

INTRODUCTION

Population of a country constitutes human resources of that country. Large size of population and its fast growth in developing country like India provides a large human resource base and a very fast growth in developing countries like India provides a large number of human resource bases and a very large increase in it takes place every year. The large human resource is the source of large potential labour force which can be both a source of strength as well as a source of weakness. If fully and efficiently utilised, it can be a massive productive asset for the country. If underutilised, it becomes a constraint on the country's progress. Labour alone cannot produce anything. For production, besides labour other resources are also required such as natural resources and capital. For absorbing the large and fast increasing labour force more and more of other resources are also needed. The regional disparity in India is now a matter of serious concern. It is well known that in a large economy, different regions with different resource bases especially human resource bases and endowments would have a dissimilar growth path over time.

REVIEW OF LITERATURE

In India, Regional Inequalities, namely per capita income inequalities across states are a matter of serious concern before policy makers and planners. Regional disparities has been rising in India since 1993, which is revealed by the fact that Gini-coefficient in this connection has risen from .240 in 1993-94 to .277 in 2009-10 and it was noted highest .285 in 2002-03. Ahluwalia (2002) also highlighted the trend of increasing inequality among states by using per capita state domestic product data for the period 1980-81 to 1998-99. Bhattachary and Sakthiwal (2004) in their paper entitled, "Regional Growth and Disparity in India – Comparison of Pre and Post Reform Decades", have observed that growth rate of gross domestic product has improved only marginally in the post reform decade, the regional disparity in state domestic product has widened much more drastically. Industrial states have grown much faster than the backward states, and there is no evidence of convergence of growth rates among states. Even more disturbing is that there is now an inverse relationship between population growth and GDP growth. The inverse relationship is stronger for per capita income growth among states.

The World Bank (2006) in its report entitled, "India – Inclusive Growth and Service Delivery: Building on India's Success" has observed sharp differentiation across states since the early 1990s reflects acceleration of growth in some states but deceleration in others. The report further adds that more worryingly, growth failed to pick up in states such as Bihar, Orissa and Uttar Pradesh that were initially poor to start with, with the result that the gap in performance between India's rich and poor states widened dramatically during the 1990s. An approach to the 11th Five Year Plan (Planning Commission, Government of India, 2006) has also acknowledged regional backwardness as an issue of concern. The differences across states have long been a cause of concern and therefore, we cannot let large parts of the country be trapped in a prison of discontent, injustice and frustration that will only breed extremism. The World Bank (2008) in its recent release "The Growth Report Strategies for Sustained Growth and Inclusive Development" has mentioned that disparity in income distribution in India has risen during 1993-2005. The report (pp.125-126) further adds that Gini-Coefficient in this connection stood at 0.3152 during 1993-94 which increased later on and was recorded at 0.3676 in the year 2004-05. Similarly, Gaur A.K. (2010) found that Gini ratio stood at 0.4409 during 1980-81 have risen, however moderately, and stood at 0.4558 in 2001-02.

OBJECTIVES

This paper aims to determine whether regional disparities are linked to population in twenty five states and four union territories of India over the period 1993-94 to 2009-10.

RESEARCH METHODOLOGY

Data on total as well as per capita net state domestic product (NSDP) at factor cost (At constant prices) for the period 1993-94 to 2009-10 has been taken from central statistics office (CSO) website. It is significant to mention that state income and per capita income have their limitations in any study of inter-state comparison (Bhattacharya and Sakthiwal 2004). Inter-state comparison of NSDP is also hampered by the quality of statistics provided by different states and the CSO has revised the base year from 1993-94 to 2004-05. The modifications in the new NSDP series have done in terms of price, production boundaries for many sectors etc. and hence any comparison of inter-state income levels and growth rate based on 1993-94 base series up to 2004-05 base series may not yield correct picture. In view of this, an important task before analyzing the trends in income disparities is to evolve a comparable income series with a single base year. This has been done through the technique of base sifting (Gaur A.K. 2010). State income are available from 1993-94 to 1999-00 at 1993-94 base, 1999-00 to 2004-05 at 1999-2000 base and later on it is available at 2004-05 base year. Thus, in order to evolve a comparable NSDP with a single base year, technique of base sifting has been applied for NSDP and per capita NSDP data from 1993-94 to 2003-04 has been converted at the base 2004-05. The paper highlighted that there was a sharp increase in regional inequalities in India during the study period.

Pooled OLS regression models have been used to find conclusions in this paper. As it is well known, the quantile regression technique is a means of allowing estimated marginal effects to differ at different points of the conditional distribution of the dependent variable. Quantile regressions were initially developed as a robust regression technique that would allow for estimation where the typical assumption of normality of the error term might not be strictly satisfied (Koenker and Bassett 1978). However, they are now used extensively to analyze the relationship between dependant and independent variables over the entire distribution of the dependant variable-not just at the conditional mean (Buchinsky and Eide 1994). Appropriate diagnostic tests have also been performed in checking accuracy of the models. SPSS vs. 17 and gretl vs. 1.9.5 software were used for database, figure constructions and regression analysis.

RESULTS & DISCUSSION

The paper highlighted that there was a sharp increase in regional inequalities in India during the last decade of twentieth century and first decade of twenty first century. In 2009-10, the per capita Net State Domestic Product (NSDP) of the richest state, Gujarat, was about 8.55 times that of Bihar, the poorest state. A time series graph of this ratio shows that the disparity between the richest and poorest state shot up remarkably during the 1993-94 to 2009-10. Figure 1 shows that disparity ratio was highest (10.98) in 1999-2000 and lowest (7.14) in 1994-95. This ratio had increased from 7.58 in 1993-94. One more interesting conclusion, which can be drawn from the figure, is that there is a clear sign of reducing disparity ratio after 2006-07. Regional disparities has been rising in India since 1993, which is revealed by the fact that Gini-coefficient in this connection has risen from .240 in 1993-94 to .277 in 2009-10 and it was noted highest .285 in 2002-03. The link between inequality and average well-being for two sector economy is known as per Kuznets hypothesis (1955, 1963) which maintains that given a two-sector economy with not too distinct degrees sectoral mean incomes, a perennial shift of population from one sector to another will initially raise aggregate inequality and it will decrease at later stage. This formulation has been labeled as the "Inverted U" (I-U)¹ hypothesis or Kuznets Cycle (Branlke, 1983). Here, Indian inequality coefficient is showing that it has been become flatter while declining where as it should be downward in accordance to Kuznets hypothesis.

REGIONAL DISPARITIES IN GROWTH OF NSDP

NSDP growth rates have shown a fair degree of variation. While some states have witnessed rapid and phenomenal growth, the rest continuously lagged behind in comparison to others. For this we have included 25 major states and four union territories. Mizoram and Nagaland are excluded because of non availability of time series data. The comparative average annual growth rates of NSDP for twenty states and four union territories at 2004-05 prices for 1993-94 and 2009-10 are given in table 1. Disparity in total NSDP during this period has widen as per annum growth for relatively developed and industrialized states like Gujarat (14.26%), Haryana (13.39%), Maharashtra (12.12%) has been found higher than poor states like Assam (4.52%), M.P. (6.65%) and Jharkhand (7.05%). Goa, a small state, also grew at over 12 percent growth. Figure 3 show that Union territories, Chandigarh, Puducherry and Delhi are ahead in growth of NSDP. Among other major states, Tripura, Uttarakhand, Himachal Pradesh, Rajasthan, Karnataka, West Bengal, Kerala, Sikkim have also performed very well with over 10 percent growth.

It is also interesting to note that West Bengal which is not considered to be a pro market state has grown faster than fifteen states, in which some pro-reform states, such as Andhra Pradesh and Punjab are also included. The poor performance of both Punjab and Andhra Pradesh during the reform era came as surprise. These states have comparatively better infrastructure and known to have pro market attitude. While Punjab's slow growth may be attributed to stagnation in agriculture and fiscal mismanagement, and that of Andhra Pradesh need a careful scrutiny. A detailed study on Andhra Pradesh (Rao and Mahendra Dev, 2003) also confirms this. On the other hand, poor states like, Assam, Madhya Pradesh, Jammu & Kashmir, Jharkhand Chhattisgarh and Orissa have attracted less foreign capital (and also probably domestic) and performed badly, with NSDP growth below 9 percent per annum. Apart from lack of investment, poor infrastructure combined with poor governance (and terrorism in case of Assam, Jammu & Kashmir) might have also restrained growth in these states.

TABLE 1: AVERAGE GROWTH RATE OF NSDP AT CONSTANT PRICES 2004-05 (Crore)

S.N.	State	1993-94 ¹	2009-10 ²	Difference	AAGR*
1	Andhra Pradesh	147584	304018	156434	6.24
2	Arunachal Pradesh	1808	4845	3037	9.88
3	Assam	34431	60912	26481	4.52
4	Bihar	41964	110778	68814	9.65
5	Goa	5301	16590	11289	12.53
6	Gujarat	82898	283930	201032	14.26
7	Haryana	41880	137201	95321	13.39
8	Himachal Pradesh	9929	28756	18827	11.15
9	Jammu & Kashmir	14157	30765	16608	6.90
10	Jharkhand	31975	70309	38334	7.05
11	Karnataka	79822	219358	139536	10.28
12	Kerala	56630	159144	102514	10.65
13	Madhya Pradesh	65359	139300	73941	6.65
14	Chhattisgarh	27879	63297	35418	7.47
15	Maharashtra	207423	634829	427406	12.12
16	Meghalaya	2844	7645	4801	9.93
17	Orissa	39168	97359	58191	8.74
18	Punjab	55310	124116	68806	7.32
19	Rajasthan	57472	156952	99480	10.18
20	Sikkim	752	2175	1423	11.14
21	Tamil Nadu	18741	46823	28082	8.81
22	Tripura	3538	11917	8379	13.93
23	Uttar Pradesh	16277	41126	24849	8.98
24	Uttarakhand	12069	40065	27996	13.65
25	West Bengal	96475	269454	172979	10.55
26	Andaman & Nicobar	1011	2599	1588	9.23
27	Chandigarh	2656	12418	9762	21.62
28	Delhi	42072	157817	115745	16.18
29	Puducherry	1888	7977	6089	18.97

Source: Central Statistical Office (CSO) Website as on 08.03.11

Difference = NSDP² – NSDP¹

* Average Annual Growth Rate = (NSDP² – NSDP¹) * 100/17 * NSDP¹

REGIONAL DISPARITIES IN GROWTH OF PER CAPITA NSDP

For a better analysis of regional disparities, we should analyze not merely aggregate growth rate but also the growth of Per Capita NSDP. The average annual growth of per capita NSDP for twenty five states along with four union territories is presented in Table 2. It may be seen that the regional disparities in standard of living, as measured by per capita NSDP at constant prices have widened during 1993-94 to 2009-10. Assam recorded the lowest per capita NSDP at 2.29 percent per annum and Puducherry the highest at 12.54 percent. During this period, Per annum growth in per capita NSDP were found lower for EAG states like Assam (2.29%), U.P. (2.99%), M.P. (3.27%) and Jharkhand (3.41%) as compared to developed states like Haryana (9.25%), Uttarakhand (8.98%), Kerala (8.60%), Maharashtra (7.74%), Himachal Pradesh (7.74%). The main reason for this could be the comparatively higher growth of population in these states. While the standard of living improved faster in Haryana, Uttarakhand, Tamil Nadu and Kerala, the opposite happened in Assam, Uttar Pradesh, Madhya Pradesh, Jharkhand, Punjab, Goa and Chhattisgarh. Bihar and Rajasthan are not doing well in spite of a fairly high NSDP.

TABLE 2: AVERAGE GROWTH RATE OF PER CAPITA NSDP AT CONSTANT PRICES (Rs.)

S.N.	State	1993-94 ¹	2009-10 ²	Difference	AAGR
1	Andhra Pradesh	15364	36345	20981	8.03
2	Arunachal Pradesh	19380	39679	20299.33	6.16
3	Assam	14601	20279	5678.221	2.29
4	Bihar	6134	11558	5423.581	5.20
5	Goa	13535	22780	9244.775	4.02
6	Gujarat	46474	98807	52332.76	6.62
7	Haryana	19060	49030	29970.19	9.25
8	Himachal Pradesh	23838	55214	31376.29	7.74
9	Jammu & Kashmir	18385	40690	22304.75	7.14
10	Jharkhand	16928	26739	9810.551	3.41
11	Karnataka	16947	37464	20517.13	7.12
12	Kerala	18897	46511	27614.19	8.60
13	Madhya Pradesh	12687	19736	7048.74	3.27
14	Chhattisgarh	14989	25835	10846.5	4.26
15	Maharashtra	24807	57458	32651.48	7.74
16	Meghalaya	14874	29656	14782.2	5.85
17	Orissa	11826	24098	12272.39	6.10
18	Punjab	25974	43539	17565.39	3.98
19	Rajasthan	12255	23669	11413.54	5.48
20	Sikkim	17495	36075	18580.37	6.25
21	Tamil Nadu	18741	46823	28082.43	8.81
22	Tripura	12066	33503	21436.99	10.45
23	Uttar Pradesh	10723	16182	5459.032	2.99
24	Uttarakhand	16277	41126	24848.82	8.98
25	West Bengal	13472	30504	17032.2	7.44
26	Andaman & Nicobar	35788	54830	19042.38	3.13
27	Chandigarh	38187	90051	51863.77	7.99
28	Delhi	40148	89037	48889.17	7.16
29	Puducherry	22259	69704	47444.57	12.54

Source: Central Statistical Office (CSO) Website as on 08.03.11

Difference = PCNSDP² – PCNSDP¹*Per Capita Average Annual Growth Rate = (PCNSDP² – PCNSDP¹)* 100/17*PCNSDP¹

In general, the poor states – notably, Bihar, Jharkhand and Uttar Pradesh with faster population growth have performed badly in terms of Per capita NSDP growth. It may be therefore worth investigation the relationship between NSDP growth and population growth at the state level. Table 3 shows average annual population growth rate during the study period. More interestingly, Rajasthan, Bihar and even Gujarat have not done well in the growth of per annum per capita NSDP due to high population growth in spite of high per annum growth in total NSDP in this period. Significant to mention that per annum growth in per capita NSDP is higher in lower per annum population growth states as Andhra Pradesh (8.03) and Jammu & Kashmir (7.14%) (Due to negative annual population growth) Kerala (8.60%) and Tamil Nadu (8.81%) with lower than one percent annual population growth rate in this period.

TABLE 3: AVERAGE ANNUAL POPULATION GROWTH RATE (Thousand)

S.N.	State	1993-94 ¹	2009-10 ²	Difference	AAPGR.
1	Andhra Pradesh	96058	83648	-12410	-0.76
2	Arunachal Pradesh	933	1221	288	1.82
3	Assam	23581.76	30036.98	6455	1.61
4	Bihar	68407	95845	27439	2.36
5	Goa	3916.232	7282.704	3366	5.06
6	Gujarat	17837	28736	10898	3.59
7	Haryana	21972.9	27983.07	6010	1.61
8	Himachal Pradesh	4165.062	5208.099	1043	1.47
9	Jammu & Kashmir	7700.222	7560.826	-139	-0.11
10	Jharkhand	18889	26295	7406	2.31
11	Karnataka	47101.08	58551.68	11451	1.43
12	Kerala	29967.85	34216.42	4249	0.83
13	Madhya Pradesh	51515.51	70581.68	19066	2.18
14	Chhattisgarh	18600.25	24500.48	5900	1.87
15	Maharashtra	83616.32	110485.7	26869	1.89
16	Meghalaya	1911.918	2577.893	666	2.05
17	Orissa	33121.29	40401.28	7280	1.29
18	Punjab	21295	28507	7212	1.99
19	Rajasthan	46894.78	66311.21	19416	2.44
20	Sikkim	429.6127	602.9106	173	2.37
21	Tamil Nadu	57875.96	66836.38	8960	0.91
22	Tripura	2932.009	3556.995	625	1.25
23	Uttar Pradesh	143504	195838.6	52335	2.15
24	Uttarakhand	7414.523	9742.012	2327	1.85
25	West Bengal	71612.34	88333.99	16722	1.37
26	Andaman & Nicobar	282.6125	474.0106	191	3.98
27	Chandigarh	695.5562	1378.996	683	5.78
28	Delhi	10479.35	17724.88	7246	4.07
29	Puducherry	848.1021	1144.411	296	2.06

HAVE POPULATION GROWTH CAUSED REGIONAL INEQUALITY?

Bhattacharya and Sakthivel (2004) have observed inverse relationship between per capita GDP growth and population growth. The correlation coefficient between population growth rate and per capita GDP growth, which was -0.22 in 1980s, shot up to -0.39 in 1990s. In my analysis it also remained -0.25 for all twenty five states and four UT's. If we divide it in four categories less than 1 % population growth rate, great than one and less than two, great than 2 and less than 3 and great than three than their correlation remained +0.66, -0.37, -0.33 and +0.25 respectively. This analysis increases our interest to find an econometric relationship between two. First we plot four figures showing relationship between these two. Figure 7 (A) and (D) showing fast growing states with lower population growth rate than one percent per annum and higher population growth rate than 3 percent per annum. But the states which have population growth in between 1% to 3% are facing inverse relationship with per capita NSDP during the study period.

Estimated OLS results for NSDP and per capita NSDP with regional dummy variables in linear (Table 4) and log linear specifications (Table 5) confirms that though population is positively and significantly associated with NSDP but it has significant and negative association with per capita NSDP in twenty five states and four union territories of India during 1993-94 to 2009-10. It also discloses that three western states (Gujarat, Maharashtra and Goa) have highest positive impact on NSDP and Per capita NSDP of India. It is followed by northern and southern states. In the northern states we have included Uttar Pradesh, Madhya Pradesh, Rajasthan, Haryana, Punjab, Uttarakhand, Himachal Pradesh, Jammu & Kashmir, Chandigarh and Delhi. In the eastern states West Bengal, Bihar, Orissa, Chhattisgarh and Jharkhand have been included where as in southern states Andhra Pradesh, Tamil Nadu, Karnataka, Tripura and Kerala have been included. Assam, Meghalaya, Arunachal Pradesh and Sikkim have been included in northern – eastern states. We use dummy variable for five regions, ones were given to those states which have been included in concerning region and otherwise.

TABLE 4: ESTIMATION OF POOLED OLS MODELS FOR INDIA, 1993-94 TO 2009-10

Dependent Variable	NSDPfc		Per Capita NSDPfc	
	coefficient	t-ratio	coefficient	t-ratio
const	101.750	-0.0167	22693.7	13.09
POPULATION	1.72263	28.58	-0.14937	-8.668
Dummy Western States	101697	10.75	24303.5	8.988
Dummy Northern States	8172.57	1.109	14641.3	6.949
Dummy Eastern States	-8704.29	-1.027	1027.03	0.4236
Dummy Southern States	30966.9	3.999	13332.1	6.022
R-squared	0.698395		0.293674	
Adjusted R ²	0.695298		0.286422	
Observations	493		493	
Durbin - Watson	2.09		1.67	

Omitted due to exact collinearity: Dummy Northern- Eastern States. Bold value shows significant at 1% level.

TABLE 5: ESTIMATION OF POOLED OLS MODELS FOR INDIA, 1993-94 TO 2009-10

Independent Variables	I_NSDPfc		I_PCNSDPfc	
	coefficient	t-ratio	coefficient	t-ratio
const	1.72983	15.17	10.9401	95.92
I_POPULATION	0.872182	67.04	-0.127817	-9.825
Dummy Western States	0.770623	9.083	0.770633	9.083
Dummy Northern States	0.514529	7.730	0.514540	7.730
Dummy Eastern States	0.045791	0.579	0.0457979	0.5792
Dummy Southern States	0.498272	7.328	0.498270	7.328
R-squared	0.927854		0.352751	
Adjusted R ²	0.927113		0.346106	
Observations	493		493	
Durbin - Watson	2.069		2.069	

Omitted due to exact collinearity: Dummy Northern- Eastern States. Bold value shows significant at 10% level.

Results of quantile regression have been reported in Table 5. They indicate that population in all the states of India have significant negative association with per capita income at all quantiles. The highest negative impact of population was recorded at 0.75 quantile. At 0.05 quantile, the estimated effect of western states (Dummy of Western States) is insignificant, but on higher quantiles it is successively higher significant positive association with per capita NSDP. For northern and southern states dummy it is also successively higher significant positive association at all level of distribution of population, but situation is different for eastern states, it is negative on lowest quantile and positive on highest quantile.

TABLE 6: RESULTS FROM THE SIMULTANEOUS QUANTILE REGRESSION

Independent Variable	0.05 Coef. (t-ratio)	0.25 Coef. (t-ratio)	0.5 Coef. (t-ratio)	0.75 Coef. (t-ratio)	0.95 Coef. (t-ratio)
const	10.449 (120.6)	10.74 (98.10)	10.99 (90.06)	11.29 (75.65)	11.356 (58.37)
I_POPULATION	-0.11011 (-11.14)	-0.125 (-10.02)	-0.137 (-9.874)	-0.151 (-8.875)	-0.134 (-6.077)
WEST	0.00193 (0.03005)	0.14 (1.719)	0.9198 (10.12)	1.298 (11.69)	1.3903 (9.607)
NORTH	0.229710 (4.542)	0.3068 (4.802)	0.509 (7.142)	0.669 (7.68)	0.9712 (8.554)
EAST	-0.413956 (-6.890)	0.0488 (0.643)	0.124 (1.476)	0.23 (2.225)	0.2511 (1.862)
SOUTH	0.126509 (2.449)	0.470 (7.205)	0.539 (7.406)	0.603 (6.775)	0.7109 (6.130)

CONCLUSIONS

The paper highlighted that there was a sharp increase in regional inequalities in India during the last decade of twentieth century and first decade of twenty first century. In 2009-10, the per capita Net State Domestic Product (NSDP) of the richest state, Gujarat, was about 8.55 times that of Bihar, the poorest state. Regional disparities has been rising in India since 1993, which is revealed by the fact that Gini-coefficient in this connection has risen from .240 in 1993-94 to .277 in 2009-10 and it was noted highest .285 in 2002-03.

Disparity in total NSDP during this period has widen as per annum growth for relatively developed and industrialized states like Gujarat (14.26%), Haryana (13.39%), Maharashtra (12.12%) has been found higher than poor states like Assam (4.52%), M.P. (6.65%) and Jharkhand (7.05%). Goa, a small state, also grew at over 12 percent growth. Figure 3 show that Union territories, Chandigarh, Puducherry and Delhi are ahead in growth of NSDP. Among other major states, Tripura, Uttarakhand, Himachal Pradesh, Rajasthan, Karnataka, West Bengal, Kerala, Sikkim have also performed very well with over 10 percent growth.

Assam recorded the lowest per capita NSDP at 2.29 percent per annum and Puducherry the highest at 12.54 percent. During this period, Per annum growth in per capita NSDP were found lower for EAG states like as Assam (2.29%), U.P. (2.99%), M.P. (3.27%) and Jharkhand (3.41%) as compared to developed states like Haryana (9.25%), Uttarakhand (8.98%), Kerala (8.60%), Maharashtra (7.74%), Himachal Pradesh (7.74%). The main reason for this could be the comparatively higher growth of population in these states. While the standard of living improved faster in Haryana, Uttarakhand, Tamil Nadu and Kerala, the opposite happened in Assam, Uttar Pradesh, Madhya Pradesh, Jharkhand, Punjab, Goa and Chhattisgarh. Bihar and Rajasthan are not doing well in spite of a fairly high NSDP.

Estimated OLS results for NSDP and per capita NSDP with regional dummy variables in linear and log linear specifications confirms that though population is positively and significantly associated with NSDP but it has significant and negative association with per capita NSDP in twenty five states and four union territories of India during 1993-94 to 2009-10. It also discloses that three western states (Gujarat, Maharashtra and Goa) have highest positive impact on NSDP and Per capita NSDP of India.

Results of quantile regression indicate that population in all the states of India have significant negative association with per capita income at all quantiles. The highest negative impact of population was recorded at 0.75 quantile. At 0.05 quantile, the estimated effect of western states (Dummy of Western States) is insignificant, but on higher quantiles it is successively higher significant positive association with per capita NSDP. For northern and southern states dummy it is also successively higher significant positive association at all level of distribution of population, but situation is different for eastern states, it is negative on lowest quantile and positive on highest quantile.

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APPENDIX

FIGURE 1: RATIO OF PER CAPITA NET STATE DOMESTIC PRODUCT OF THE RICHEST (GUJARAT) AND THE POOREST (BIHAR) STATE OF INDIA, 1993-2010

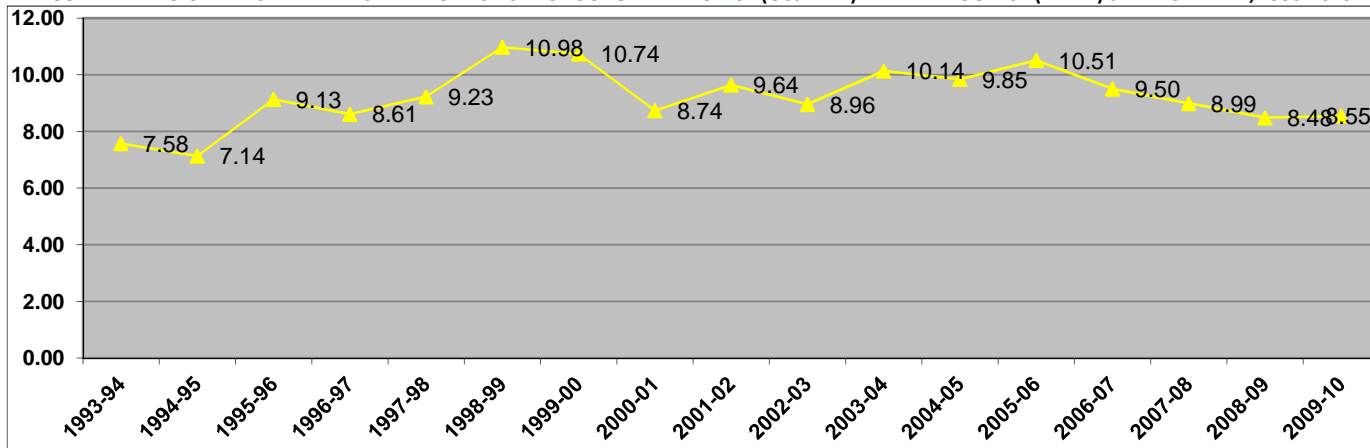


FIGURE 2: TREND IN INTER-STATE INEQUALITY BY GINI COEFFICIENT

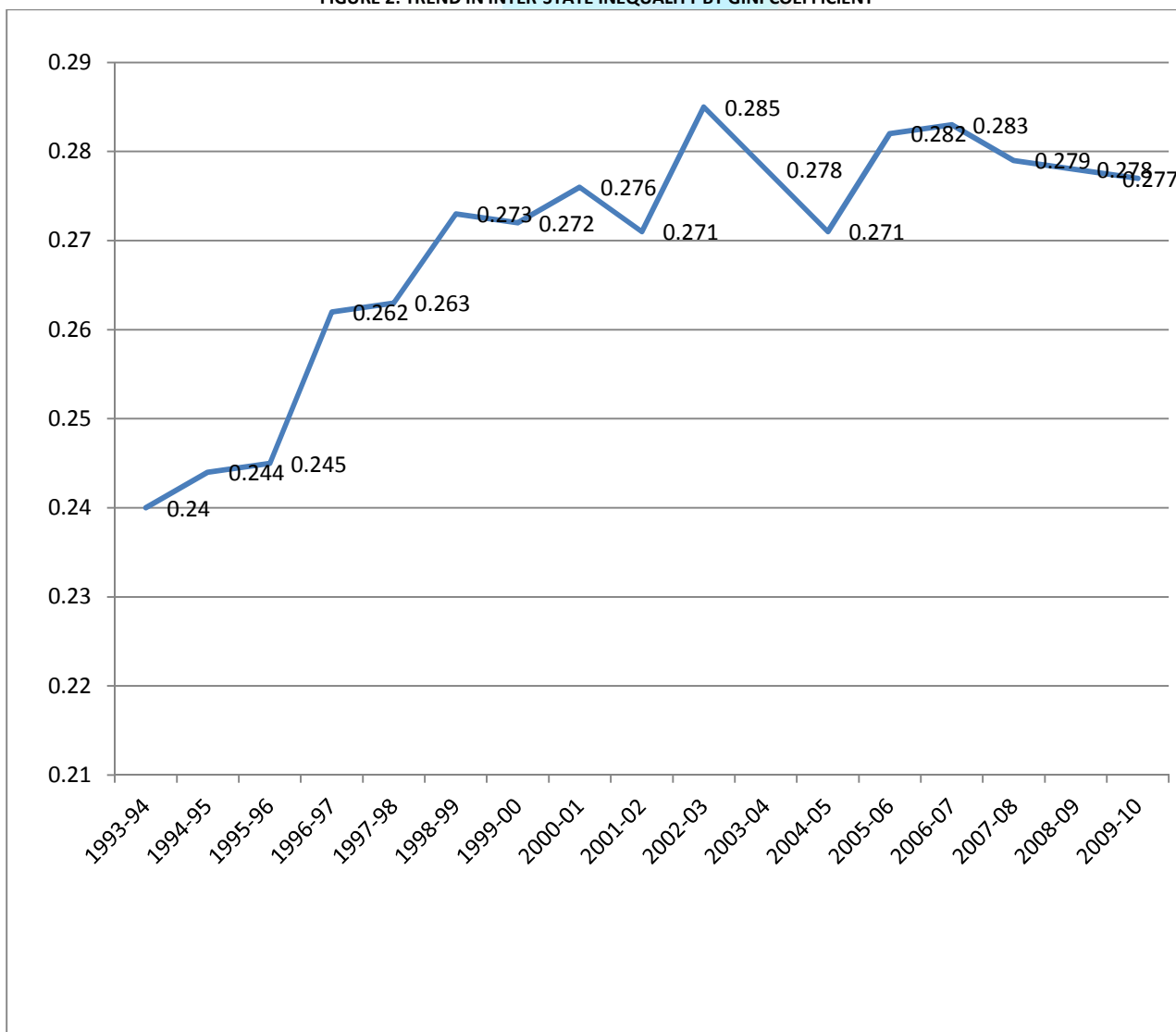


FIGURE 3: GROWTH RATE OF NSDP AT CONSTANT PRICES (PERCENT PER ANNUM)

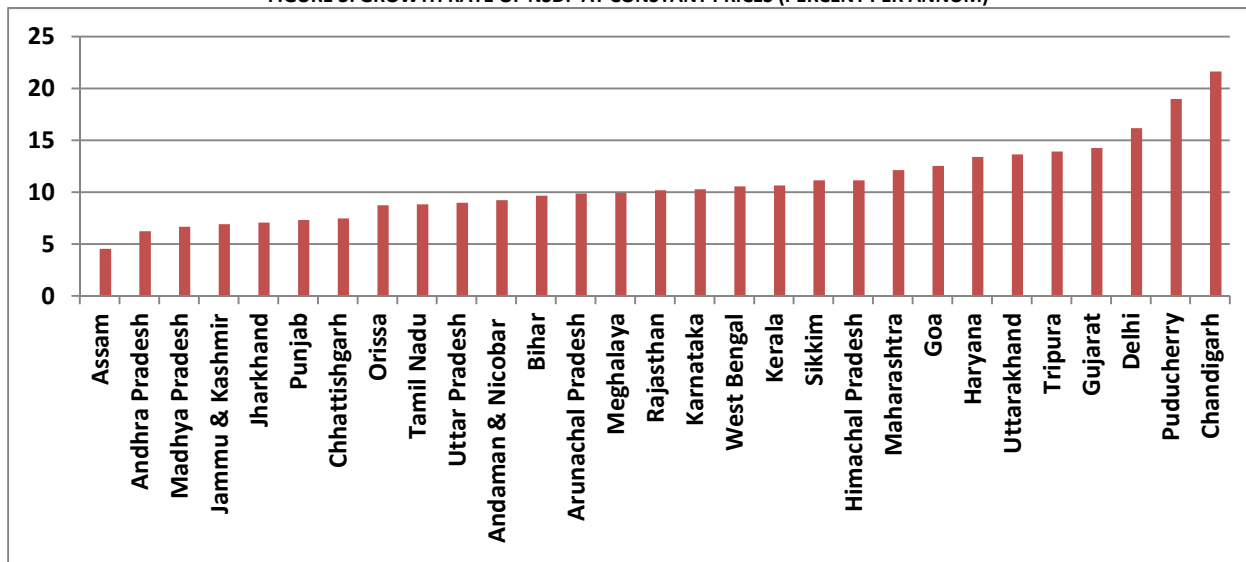


FIGURE 4: GROWTH RATE OF PCNSDP AT CONSTANT PRICES (PERCENT PER ANNUM)

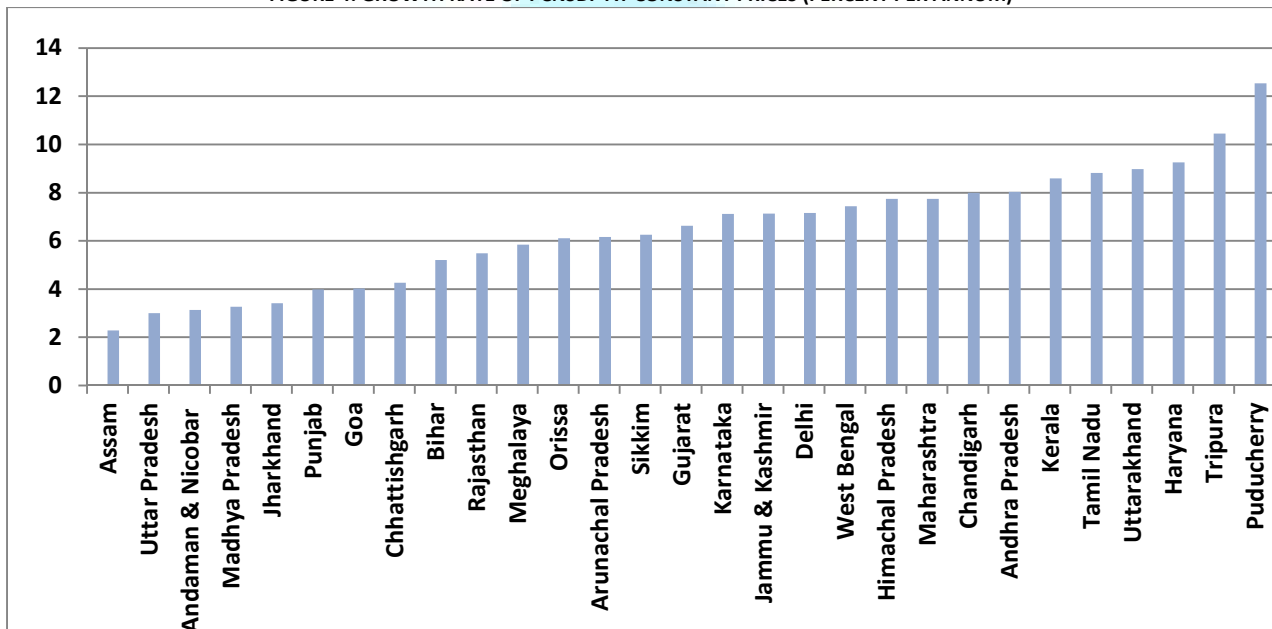
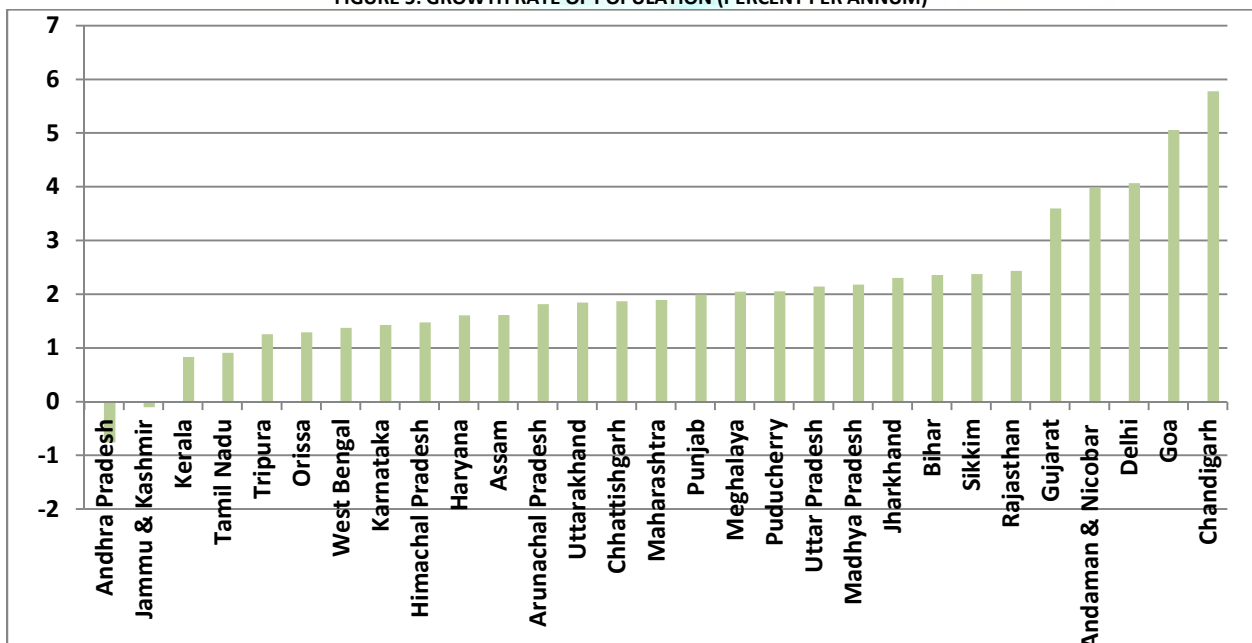


FIGURE 5: GROWTH RATE OF POPULATION (PERCENT PER ANNUM)



SOCIOECONOMIC STATUS OF ELECTED WOMEN REPRESENTATIVES IN UTTAR PRADESH

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ABSTRACT

Socioeconomic and political status of elected representatives, especially women representatives, substantially affects the decentralization process. In India, women constitute nearly half of the population and also contribute substantially in all walks of life. Majority of rural women suffer from social and economic problem, which affect their political empowerment. Several attempts have been made by the government to empower the rural women through various legislations and programs/schemes specifically designed for the women. These efforts have substantially influenced the pace and direction of decentralization and empowerment of rural women. In this regard, implementation of Panchayati Raj Act and reservation seats for women in the Panchayati Raj Institutions has helped the women in attaining economic and political empowerment to a large extent. However, the ground realities indicates that still majority of elected women representative are not fully aware about their role and responsibilities and also lack awareness about various rural development programmes. Their active participation in the decision making process and implementation of these rural development programmes is very poor. This calls for increasing awareness among the elected women representatives about their role and responsibilities and functioning of various rural development programmes.

KEYWORDS

women representatives, U.P.

INTRODUCTION

Empowerment is a political process and can be achieved through democratic decentralization and good governance. Decentralisation is the process of dispersing broad-based participation in local public decision-making. It offers an alternative solution to increase popular participation for promoting more equitable and efficient forms of local management and development (Ribot, 2003). Therefore, with the right opportunities to share knowledge and gain the appropriate powers local communities have a greater chance of success than the State. This leads from the assumption that people are excluded (Ribot, 2007) by the state in decision-making, causing them to appear to not care, when in fact they do but can do little about it. Depending on the type of decentralisation used (Oyono, 2004), in many circumstance local people are represented by others; these could be elected or local authorities chosen by the government. As state releases all control to the lowest possible level (Larson, 2003). However, there are still factors that can limit its success: Political infrastructure, history, territory, culture and society. Decentralisation is more effective in communities where achieving consensus is relatively straightforward. As processes will move smoother with fewer objections. This was put to practice in the Aga Khan Rural Support Programme (AKRSP) <http://www.akdn.org/AKF> in the Gujarat province of India (Sccones, I 1944). Shah, 1994 found that non-governmental organisations, within decentralisation acted as a catalyst to aid villagers in a community water management programme which was deemed a success as there was no State involvement. Thus, decentralisation opens up opportunities for local people to make a difference by coming together and giving them the resources to effect the local governments (Larson, 2002).

Decentralization—the transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organizations and/or the private sector (Meenakshi Sundaram 1944) is a complex and multifaceted concept. It embraces a variety of concepts. There are various types of decentralisation such as political, administrative, fiscal, and market decentralization (World Bank 2000) and have different characteristics, policy implications, and conditions for success. Administrative decentralization seeks to redistribute authority, responsibility and financial resources for providing public services among different levels of governance. It is the transfer of responsibility for the planning, financing and management of public functions from the central government or regional governments and its agencies to local governments, semi-autonomous public authorities or corporations, or area-wide, regional or functional authorities while political decentralization aims to give citizens or their elected representatives more power in public decision-making.

It is often associated with pluralistic politics and representative government, but it can also support democratization by giving citizens, or their representatives, more influence in the formulation and implementation of policies. Advocates of political decentralization assume that decisions made with greater participation will be better informed and more relevant to diverse interests in society than those made only by national political authorities. The concept implies that the selection of representatives from local electoral constituency allows citizens to know better their political representatives and allows elected officials to know better the needs and desires of their constituents. Political decentralization often requires constitutional or statutory reforms, creation of local political units, and the encouragement of effective public interest groups.

The issue of 'decentralisation' can be addressed into four different forms of decentralization (Cohen et al. 1981; Rondinelli and Nellis 1986; Rondinelli et al. 1987; Blair 1995, 1998) namely *Deconcentration*, *Devolution*, *Delegation*, and *Privatisation* and *partnerships*. Out of these four forms of decentralisation, deconcentration amounts to the least amount of transfer of power to the local people. This type of administrative organisation can hardly be described as a move towards the development of local governance. Delegation, too, does not by itself transfer power to the local people, although the delegated agencies have scope for involving local people in their decision-making process. The two other forms, devolution and privatisation or partnership, provide the greatest scope for developing genuinely local governance based on popular participation. However, people's participation in the process of governance is an essential precondition for successful decentralisation from the point of view of both efficiency and equity.

Women play an important role in the rural life and good governance through women's empowerment at the local level is expected to help in socioeconomic transformation of rural areas. But, the traditional Indian mentalities assume that the place of women is mainly concentrated to the household activities like kitchen work and upbringing of the children. They have not been given due status in the society because still the gender-sensitization has not percolated to the grass root level even after more than sixty years of independence. Still women are one of the most powerless and marginalized sections of Indian society. There is too much discrimination against rural women as they do not have secure rights to productive resources, specifically land while most of them are actively engaged in agriculture. But, it has been observed that still there is lack of adequate involvement of people at the grass root level and there is no transparency and leakages of funds provided for development.

OBJECTIVES OF THE PAPER

In this paper, an attempt has been made to present the socioeconomic status of elected women representatives and the level of awareness about various rural development programmes in Barabanki district of Uttar Pradesh.

RESEARCH METHOD

Analysis of data is based on the sample of 100 Gram Pradhans (comprising of 50 men and 50 women Gram Pradhans) out of 318 Gram Pradhans in five selected blocks of Barabanki district of Uttar Pradesh. Details of selected men and women Gram Pradhans are given in Table 1. It is evident from Table 1 that out of total

318 Gram Pradhans in five Blocks, men Pradhan accounts for about 53 percent while women Gram Pradhan accounts for 47 percent. This shows that women Gram Pradhans are more or the less are equal number. Hence, equal number of Men and Women Gram Pradhans were selected for the study (Table 1).

TABLE 1: NUMBER OF SELECTED GRAM PRADHANS IN SELECTED BLOCKS OF BARABANKI DISTRICT IN U.P.

Particular	Selected blocks					Total
	Sidhaur	Masuali	Banki	Ramnagar	Haidergarh	
Number of Gram Pradhans						
Women	34	25	44	41	24	168
Men	41	23	18	28	40	150
Total	75	48	62	69	64	318
Number of selected Gram Pradhans						
Women	12	7	11	12	8	50
Men	15	7	7	9	12	50
Total	27	14	18	21	20	100

PROFILE OF SELECTED GRAM PRADHAN

While studying the socio-economic background of the selected Gram Pradhans, their age, education, occupation, marital status, land holding size, etc. were considered as important factors that affects their role and effectiveness in Panchayati Raj System. Basic profile of women in selected villages of Barabanki district is given below.

CASTE

In the existing environment caste has become a very sensitive issue but directly and indirectly play a major role in selection of Panchayat representatives and also performance of women in the villages. In fact, caste and politics influence each other and the electoral process, administration and politics are greatly affected by caste. Caste has its hold in the Indian politics and often voting preference is made on caste line. It was found that women from the reserved category were participating in the Panchayati Raj institutions but in a limited way as they have not been fully accepted by the higher caste people, especially in those villages where dominance of higher caste and influential person was prevalent. However, greater number of elected representatives belonging to socially depressed class is likely to change the equation in Panchayat electoral politics. Reservation of seats and posts for them was the main reason for the prominence of SCs. But, election of SCs women from the unreserved seats may establish the phenomenal presence of reserved women. It was found that most (65 to 70%) of the Gram Pradhans in selected blocks of Barabanki district belong to backward caste, followed by scheduled caste (20 to 25%). Gram Pradhans belonging to general caste were only 5 to 10 percent while representation of scheduled tribe was quite low (5% and that too in case of male Gram Pradhans only). Representation of women in total number of Gram Pradhans was relatively higher in case of backward caste and scheduled caste compared to men (Table 2).

TABLE 2: PERCENTAGE (%) DISTRIBUTION OF SELECTED GRAM PRADHANS BY CASTE (Percentage)

Social Category	Male Gram Pradhan	Female Gram Pradhan	Both
General	10	5	8
Backward Caste	65	70	67
Scheduled Caste	20	25	22
Scheduled Tribe	5		3
Total Gram Pradhan	50 (100)	50 (100)	100 (100)

Figures in parentheses are percentage to total

RELIGION

Most (80 to 90%) of the Gram Pradhans were Hindu but Muslim were also represented in the Panchayati Raj system. However, their representation was limited to merely 10 to 20 percent. Among selected Gram Pradhans, Muslim Gram Pradhans were 20 percent compared to men (10 % only). In case of Hindu Gram Pradhans, representation of male was slightly higher than women. This is also to be noted that women, especially in Muslim community normally observe Purdah system and they do not participate in such type of social system. However, a few Muslim women belonging to status families having outside exposure do feel active participation in political system (Table 3).

TABLE 3: PERCENTAGE (%) DISTRIBUTION OF SELECTED GRAM PRADHANS BY RELIGION (Percentage)

Religion	Male Gram Pradhan	Female Gram Pradhan	Both
Hindu	90	80	85
Muslim	10	20	15
Christian	-	-	-
Total Gram Pradhan	50 (100)	50 (100)	100 (100)

Figures in parentheses are percentage to total

AGE

Age is an important determinant for the performance of role played by the elected women Gram Pradhans and women panchayat members. Table 4 shows that nearly half of the Gram Pradhans were in the age group of 36 to 45 years. The proportion of male Gram Pradhan in this age group was relatively less (40%) compared to women Gram Pradhan (60%). About one-fourth women Gram Pradhan were young in the age group of 26 to 35 years while proportion of men Gram Pradhan in this age group was only 10 percent. Large proportion (40%) of men Gram Pradhans were in the age group of 46 to 55 years. None of the women Gram Pradhan were in the age group of more than 55 years while 10 percent of the men Gram Pradhan were more than 55 years of age. However, none of the men or women Gram Pradhan was too young in the age group of less than 25 years (Table 4).

TABLE 4: PERCENTAGE DISTRIBUTION OF SELECTED GRAM PRADHANS BY AGE (Percentage)

Age group (Years)	Male Gram Pradhan	Female Gram Pradhan	Both
Less than 25	-	-	
26-35 yrs	10	25	17
36-45 yrs	40	60	50
46-55 yrs	40	15	28
55 and above	10	-	5
Total	50 (100)	50 (100)	100 (100)

Figures in parentheses are percentage to total

Women Gram Pradhans and elected members in the middle age groups of 35-45 years had greater participation in the Panchayat. This was mainly because women at this age are relatively free from household responsibilities while older women of more than 55 years were very less and also played lesser active role. It shows that old-aged women had less interest in this activity. Thus, more and more young people can be drawn into electoral process and political awareness as well as aspirations is likely to increase. The presence of larger number of young women in Panchayati Raj system indicates some indication of social change in

the rural society. While a few decade earlier younger women were shut out from public exposure, it is now quite possible for them to come to centre-stage of public activities. Those Gram Pradhans who started their career at the early age could easily understand the dynamics of Panchayati Raj institutions and started performing their role more effectively. However, there was sharp difference in the age of men and women Gram Pradhans in the selected Blocks of Barabanki district (Table 4).

MARITAL STATUS

Among the selected Gram Pradhans, 75 to 85 percent were married while only 15 to 25 percent of the Gram Pradhans were widow/widower. Divorce as well as separated/deserted husbands was a rare phenomenon in the villages. Among the selected Gram Pradhans, none of them belonged to such category (Table 5).

TABLE 5: PERCENTAGE DISTRIBUTION OF SELECTED GRAM PRADHANS ACCORDING TO MARITAL STATUS (Percentage)

Marital Status	Male Gram Pradhan	Female Gram Pradhan	Both
Married	85	75	80
Divorced	-	-	-
Separated/deserted	-	-	-
Widow/widower	15	25	20
Total Gram Pradhan	50 (100)	50 (100)	100 (100)

Figures in parentheses are percentage to total

EDUCATION

Higher educational level is an important prerequisite for greater role in political process as it enables one to act rationally. This was true in case of women representatives. However, it was important in case of men also but compared to illiterate women active participation was greater by elected men representatives.

TABLE 6: PERCENTAGE DISTRIBUTION OF SELECTED GRAM PRADHANS BY LEVEL OF EDUCATION (Percentage)

Level of Education	Male Gram Pradhan	Female Gram Pradhan	Both
Illiterate	-	-	-
Literate but without formal schooling	5	25	15
Less than primary	-	5	3
Primary school (up to 5 th)	40	15	27
Middle school (up to 8 th)	10	30	20
High school (up to 10 th)	25	15	20
Intermediate (up to 12 th)	10	-	5
Technical Education/ Diploma	-	-	-
Graduate	10	5	7
Professional Degree	-	5	3
Total Gram Pradhan	50 (100)	50 (100)	100 (100)

Figures in parentheses are percentage to total

It is clear from Table 6 shows that none of the Gram Pradhans were illiterate or had higher education of more than graduate degree or had any technical education/diploma degree. In general, men Gram Pradhans had higher education than women Gram Pradhans. However, even 5 percent of women Gram Pradhans had graduate degree and even about 5 percent had some professional course. About 40 percent of men Gram Pradhans had education up to primary level against 15 percent women Gram Pradhans. In contrast, more than 30 percent of women Gram Pradhans had education up to middle level (8th standard) than men Gram Pradhans (10% only). About 25 percent men Gram Pradhans had education up to high school (10th standard) compared to 15 percent women Gram Pradhans. It was observed that women with at least secondary level education had greater participation in Panchayati Raj system. They also monitored various rural development programmes more effectively and were more efficient in their office work. Most of the illiterate women representatives or with less formal education were often dependent on the village secretary or family members, especially husbands for various official work for various official work (Table 6).

OCCUPATION

Occupation, which is often associated with caste, is an important factor in determining the effectiveness of role performed by women. For example, women from Yadav families or farming caste, especially from Koiri or Kurmi (mainly vegetable growers) find less time for such work as most of them remain busy with their household and farming activities. Most of the women leaders were dependent on their husbands while others had to go for daily wages or own farming activity. These leaders were also influenced by their nearest relatives in every aspect (Table 7).

TABLE 7: PERCENTAGE DISTRIBUTION OF SELECTED GRAM PRADHANS BY OCCUPATION (Percentage)

Main Occupation	Male Gram Pradhan	Female Gram Pradhan	Both
Farming	55	35	45
Animal Husbandry/Fisherman/ herder		25	12
Agricultural wage labour	10	10	10
Skilled work in government	5		3
Rural artisan		5	2
Home based workers	-	20	10
Self employed professional	15		7
Self employed worker	5		3
Trader/retail business	10		5
Other		5	3
Total Gram Pradhan	50 (100)	50 (100)	100 (100)

Figures in parentheses are percentage to total

Selected Gram Pradhans had more than one occupation but main occupation which provides major source of income was considered while reporting their occupation. Diversification of occupation was necessary for the elected representatives to earn income from various sources to meet their requirement of food and other expenses. However, main occupation of majority of the Gram Pradhans was farming and animal husbandry. The proportion of Gram Pradhans having trade as occupation and skilled job in the government was very low. Most of the women Gram Pradhans were busy with household activities, as agricultural labours and rural artisans. While about 25 percent of men Gram Pradhans were self employed workers or self employed professionals (Table 7).

HOUSING

Housing condition of selected Gram Pradhans indicates that less than 10 percent of the Pradhans had Kuccha house while about 45 percent had semi-kuccha and remaining about 45 percent had pucca house. However, there was no such difference in the type of houses of men and women Gram Pradhans. In fact, due

to increase in the income level in rural areas people whether elected representative or common people, all prefer to have pucca house. The construction of pucca house has become a common thing in the villages (Table 8).

TABLE 8: PERCENTAGE DISTRIBUTION OF SELECTED GRAM PRADHANS BY TYPE OF HOUSE (Percentage)

Type of house	Male Gram Pradhan	Female Gram Pradhan	Both
Kuccha	10	10	10
Semi pucca	40	50	45
Pucca	50	40	45
Total Gram Pradhan	50 (100)	50 (100)	100 (100)

Figures in parentheses are percentage to total

INCOME STATUS

On average, per household annual income of Gram Pradhans was Rs 52,000, slightly higher in case of male Pradhans than women Pradhans. However, income per household was highly unequally distributed and a few of the Pradhans belonging to higher caste had substantially higher income than rest of the Pradhans. A few of Gram Pradhans having business or were involved in trade, etc. also had higher income (Table 9).

TABLE 9: PERCENTAGE DISTRIBUTION OF SELECTED GRAM PRADHANS BY INCOME STATUS (Percentage)

Change in income	Male Gram Pradhan	Female Gram Pradhan	Both
Income per annum (Rs)	54,000	48,000	52,000
Change in income during last 10 years	94	90	92
Increased	72	72	72
Decreased	22	18	20
Remained same	6	10	8
Total Gram Pradhan	50 (100)	50 (100)	100 (100)

The Gram Pradhans who were solely dependent on farming or animal husbandry had limited income. The answer to the question that whether they experienced any change in their income, 92 percent of them indicated that their income did change during last 10 years. However, about 6 to 8 percent of the Pradhans indicated that their income remained almost the same. It was interesting to note that they expressed that their real income has in fact declined. In nominal term, income of 72 percent of the Gram Pradhans increased while 20 percent expressed that their income declined (Table 9).

ECONOMIC STATUS

The economic status of selected Gram Pradhans indicate that as per village record more than 70 percent of them were below poverty line (BPL) while 25 percent were above poverty line (APL). About 5 percent Gram Pradhans were not aware about their status. However, as per ration card the economic status of selected Gram Pradhans was quite different. About 74 to 78 percent Gram Pradhans had ration card as BPL while only 12 to 16 percent had ration card as APL. About 10 percent of the elected Gram Pradhans had no ration card (Table 10).

TABLE 10: PERCENTAGE DISTRIBUTION OF SELECTED GRAM PRADHANS BY ECONOMIC STATUS (Percentage)

Economic Status	Male Gram Pradhan	Female Gram Pradhan	Both
As per Village record			
Above Poverty Level (APL)	32	24	28
Below Poverty Level (BPL)	68	70	69
Not Aware	-	6	3
Total Gram Pradhan	50 (100)	50 (100)	100 (100)
As per ration card			
Above Poverty Level (APL)	16	12	14
Below Poverty Level (BPL)	74	78	76
Do not own ration card	10	10	10
Total Gram Pradhan	50 (100)	50 (100)	100 (100)

LAND OWNERSHIP

Distribution of land holdings of selected Gram Pradhans does not indicate the actual pattern of land distribution in the selected blocks. Since many of the seats of Gram Pradhans were reserved for women and backward/scheduled caste the pattern of land distribution is quite different than actual record for the block as a whole. However, nearly half of the Gram Pradhans were marginal farmers (having less than 1 ha of land) while about 18 percent were small farmers having 1 to 2 ha of land. These Pradhans were mainly those who belonged to backward/scheduled caste. The proportion of men as well as women Gram Pradhans was about 13 to 15 percent and they mainly belonged to higher caste. It is to be noted that in Barabanki district backward caste (Kurmi) also have more land. Hence, the Pradhans of this caste had larger holdings (Table 11).

TABLE 11: PERCENTAGE DISTRIBUTION OF SELECTED GRAM PRADHANS BY FARM SIZE CLASS

Farm size class	Male Gram Pradhan	Female Gram Pradhan	Both
Marginal (less than 1 ha)	42	54	48
Small (1-2 ha)	24	12	18
Sub-Medium (2-4 ha)	7	5	6
Medium (4-10 ha)	14	4	7
Large (more than 10 ha)	13	15	14
Total Gram Pradhan	50 (100)	50 (100)	100 (100)

Figures in parentheses are percentage to total

FOOD SECURITY

Food security of elected Gram Pradhan indicates that about 36 to 40 percent of men and women Gram Pradhans expressed that they had inadequate food for the whole year while 24 and 12 percent men and women Gram Pradhans respectively indicated that they had in fact surplus food throughout the year. But, about 4 to 8 percent men and women Gram Pradhans expressed that they did not have adequate food for the whole year while 8 and 16 percent men and women Gram Pradhans indicated that they did not have adequate food for some months of the year. As against this, 28 and 24 percent men and women Gram Pradhans respectively expressed that they had neither deficit nor surplus food. This variation in availability was mainly because of income status and caste of men and women Gram Pradhans. This shows that food security in the selected villages was good (Table 12).

TABLE 12: PERCENTAGE DISTRIBUTION OF SELECTED GRAM PRADHANS BY ADEQUACY OF FOOD (Percentage)

Adequacy of food	Male Gram Pradhan	Female Gram Pradhan	Both
Adequate food throughout the year	36	40	38
Inadequate food throughout the year	4	8	6
Inadequate food for some months of year	8	16	12
Neither deficit nor any surplus	28	24	26
Surplus food throughout the year	24	12	18
Total Gram Pradhan	50 (100)	50 (100)	100 (100)

Figures in parentheses are percentage to total

EFFECTIVENESS OF RURAL DEVELOPMENT PROGRAMMES

The Constitution of India and the Ministry of Rural Development have made several provisions for devolution of functional and financial powers to the Panchayati Raj Institutions as an ongoing process. But, devolution of financial powers to the Panchayati Raj institutions at the village level is not encouraging. Women play a major role in Panchayati Raj institutions but they lack political as well economic empowerment. Recognizing the importance of women empowerment, the Ministry of Rural Development has special components for Women in its various programmes like Swarnjayanti Gram Swarozgar Yojana (SGSY), the Jawahar Gram Samridhi Yojana (JGSY), the Indira Awas Yojana (IAY), the National Social Assistance Programme (NSAP), the Restructured Centrally Rural Sanitation Programme (RCRSP), the Accelerated Rural Water Supply Programme (ARWSP) and funds are earmarked as "Women's Component" to ensure flow of adequate resources for the same. But, it was found that majority of women were not aware about these programmes and the chairpersons or Block officials have not adequately spread the message among the women in general and especially among the elected representatives.

The study shows that many of the elected representatives, especially women and members of Panchayats at the village level were not aware about many of the rural development programmes initiated by the central government. It was also surprising that even a few of the Block Development Officers, who were expected to implement various rural development programmes were not fully familiar with the complete procedures of the implementation of the programmes. Circulars or revised guidelines for various programmes were not very clear to them and the interpretation of these revised guidelines was quite different by various grass root officials.

The awareness about various important rural development programmes indicates that less than 85 percent representatives had no knowledge about Total Sanitation Campaign, while about 80 percent were not aware about Pradhan Mantri Gram Sadak Yojana. Similarly, more than three-fourth representatives were not aware about National Old Age Pension. In contrast, 60 to 65 percent elected representatives were not aware about National Rural Employment Guarantee Programme (NREGP) and Indira Awas Yojana (Table 13). It was also surprising to note that still people and even elected representatives talk about Integrated Rural Development Programmes (IRDP), Development of Women and Child and Rural Artisans (DWACRA), and Jawahar Rojgar Yojana (JRY) while these programmes have been revised or changed to new programmes.

TABLE 13: AWARENESS AMONG ELECTED REPRESENTATIVES ABOUT RURAL DEVELOPMENT PROGRAMMES (Percentage)

Sl. No.	Programme	Answer	
		Yes	No
1	Sampoorna Gramin Rozgar Yojana (SGRY)	70	30
2	Swarnjayanti Gram Swarozgar Yojana (SGSY)	35	65
3	Pradhan Mantri Gram Sarak Yojana (PMGSY)	20	80
4	Total Sanitation Campaign (TSC)	15	85
5	National Old Age Pension Scheme (NOAPS)	25	75
6	National Rural Employment Guarantee Programme (NREGP)	60	40
7	Indira Awas Yojana	65	35

This shows that awareness about various rural development programmes among elected representatives was in general quite low. There was also lack of proper training to elected representatives and inadequate protection as well as recognition on part of the government. However, it is too early to have more expectation from the elected representatives without creating a proper institutional framework. One need to be satisfied for some time till these institutions becomes more mature.

CONCLUSION

It can be concluded from the forgoing analysis that the decentralization process through Panchayati Raj Act has been quite helpful in empowering the women but still the elected women representatives are not fully familiar about their roles and responsibilities in the decision making process. Most of them are working as a proxy to the office bearers and main decisions are taken by their counterparts or dominated/dictated by the influencing higher caste people in the village. Majority of elected women representative still lack awareness about various rural development programmes and their active participation in the decision making process and implementation of these programmes are very poor. In fact, awareness about components, implementation process, and benefits of various rural development programmes, either by state or central government is very poor among the rural people as well as elected representatives.

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A SEPARATE AGRICULTURE BUDGET FOR INDIA-NEED OF THE HOUR

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ABSTRACT

Every year government of India has come up with different policies & budget allocation process aim to enhance of standard of living of people. A budget is necessary device that worldwide the Indian Government employ to define the direction of their planned national activities, Projects, and programmes, cost implications and the possible sources of revenues during any fiscal year. It is an instrument used by corporate as well to allocate their various activities. At the country level, it is the main tool for allocating scarce public resources and therefore its process is very crucial in stimulating, inter alia, economic growth, reducing or mitigating extreme condition of poverty and unemployment. It could also be aimed at developing a specific sub-sector or a certain group of sub-sectors or indeed an aspect of economy to active a specific goal. This paper focuses on need of separate agriculture budget in India for development of agriculture sector in India. The study is base on secondary data available in various research papers, reports, articles etc.

KEYWORDS

Agriculture, Budget, Economy.

INTRODUCTION

The India is agriculture country. Agriculture & allied business practices are going on many years ago. The total arable territory in India is 1,269,219 km², which represents about 56.78% of the overall land zone of the country. Arable land in India is diminishing because of continuous strain from an ever-increasing number of inhabitants and growing urbanization. The overall water surface area of the country is 31440 km² and the country experiences a mean yearly precipitation of 1,100 mm. In 2009, agriculture and it contributed 16 % of the Gross Domestic Product of the country. In addition, the sector recruited about 52% of the entire manpower.

Indian fiscal year (IFY) 2012/13 budget increases Ministry of Agriculture authority by 19 percent for spending on agricultural support to INR 176.9 billion (\$3.5 billion), roughly 10 percent greater than the rate of inflation. With a few exceptions the budget consists of continuation and slight expansion of existing programs. The allocation for irrigation (Ministry of Water Resources) is tripled, to INR 10.82 billion (\$216.4 million). The budget is intended to support growth of the agricultural sector of 4% per annum during the 12th Five Year Plan (2012-2017), a necessary condition if the Indian government's overall GDP growth target is to be met, as well as reduction of post-harvest losses by expanding food grain storage and promoting food processing. Every year same kind provision made for agriculture sector by Government of India. But growth of agriculture sector is only 4% form last few years. The question is, if India is formers country & Government of India gives lot of financial support to agriculture sector so why the growth rate is only 4% from last few years? Why formers doing suicides? This kind big question in front of Government of India

In year 2010 farmers in Karnataka state did suicides and Government of Karnataka took very important decision start agriculture budget for year 2011-12. For effective implementation of scheme & programmes of the agriculture and allied sector including irrigation, it is proposed to spend a sum of Rs.17, 857 crore in the year 2011-12 Agriculture budget. And Government of Maharashtra thinks about separate agriculture budget.

MEANING AND OBJECTIVES OF BUDGET

A budget is a target in that it establishes boundaries for how much money could be spent on one particular area of department or competency. The budget may not be laid in stone but provides a guideline for how operations need to function in order to stay within a maximum goal of money spent Allocate resources in a manner consistent with the vision, goals, strategies and priority projects

- outlined in the Strategic Plan
- Maintain core Public Safety services
- Support programs and policies consistent with long-term fiscal sustainability
- Continue to identify potential cost-recovery and contracting opportunities
- Stabilize the fund balance

REVIEW OF LITERATURE

The Karnataka government started separate agriculture budget for agriculture sector form year 2011-12. Last three year there are large increments in problems of famers; many farmers in Karnataka attempted suicide due to financial crises & others reasons. Overcoming of these problems government of Karnataka started separate agriculture budget in state. This separate budget gives lot of benefit to farmers than regular budget e.g. In regular annual budget agriculture finance is available from 4% to 6% but in separate agriculture budget in Karnataka give only 1% , this types of many changes are available in separate agriculture budget of Karnataka. The government of Maharashtra is also thinking to start separate agriculture budget from year 2012-13.

Madhya Pradesh, First state to have agriculture economic survey for separate budget, Madhya Pradesh government has resolved to establish Agriculture Cabinet and present a separate Agriculture Budget in the next budget session 2011-12. Madhya Pradesh will become the first state in the country to do so. The share of agriculture sector in Madhya Pradesh's State Gross Domestic Product (SGDP) was 22.47 percent in year 2009-10. "Status of Agriculture in Madhya Pradesh 2011" will be presented on the basis of the report submitted by Dr. Mrityunjay. The Agriculture Economic Survey will consist of studies on agriculture and agriculture-related sectors, guidelines, short, medium and long-term targets, hurdles coming in the way of agriculture development and their solution, suggestions, policy fixation etc.

NEED OF STUDY

Since 1951, Government of India is planning to increase agriculture growth but it could not successful in his planning. Government of India made lot scheme for farmers Subsidies, lot financial support and lot of provision in Five years plans & annual budget. But it could not help to increases growth of agriculture sector. So why not to make separate agriculture budget for agriculture sector, it can be beneficial for overall growth of agriculture sector in India.

STATEMENT OF THE PROBLEM

Why there is need of separate agriculture budget in India?

OBJECTIVES

The study was planned with the following objectives:

- To find out investment in Agriculture sector in India
- To find out major of problems of Indian agriculture
- To find out allocation of fund for agriculture sector in last Five years plans & annual budget of India
- To find out need a separate agriculture budget for India

HYPOTHESIS

H1.The investment in agriculture sector is constantly increasing from last years

H2.The Government of India made lot of financial provisions in five years plans & annual budget for growth of agriculture sector but percent of financial provision is decreased last few years

RESEARCH METHODOLOGY

The study is based on secondary data which is collected from the published reports, Census Surveys, newspapers, journals, websites, etc

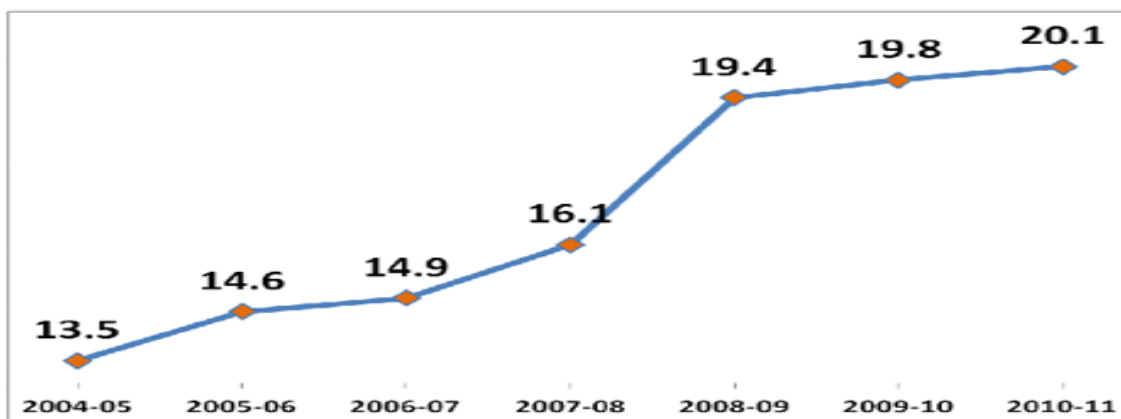
1) THE INVESTMENT IN AGRICULTURE SECTOR IN INDIA

Capital investment in agriculture and allied sectors has witnessed a steadily increasing trend in recent years. It has risen from 13.5% in 2004-05 to 20.1% in 2010-11. This growth has been possible because of initiatives taken by the Government to make agriculture a sustainable vocation. Investment in public sector includes irrigation works, command area development, land reclamation, a forestation and development of state farms. Private sector investment includes construction activities including improvement/reclamation of land, construction of non-residential buildings, farm houses, wells and other irrigation works.

The capital investment is measured in terms of Gross Capital Formation (GCF) relative to the country's Gross Domestic Product (GDP).

As per Annual Report of the Department of Agriculture and Cooperation for the year 2011-12, GCF in agriculture and allied sectors in 2010-11 was Rs. 142254 crore. It was Rs. 76,096 crore in 2004-05

GCF in agriculture and allied sectors from 2004-05 to 2010-11 is represented in the following graph:-

GRAPH 1

Sources-India Infoline News Service / 08:37, Apr 11, 2012

These all thing shows that agriculture is one of biggest business in India. Every years Government of India provides lot of financial support in form of subsidies, finance and other support in direct & indirect forms.

2) PROBLEMS OF INDIAN AGRICULTURE SECTOR

The following are major problems face by Indian agriculture sector

A) SLOW AGRICULTURE GROWTH

It is very important problem for Indian agriculture. Last few years growth of agriculture sector if decreased because of so many reasons e.g. weather problem, lack of credit, lack of new technology etc. This year budgeted target for agriculture growth is only 4 %

B) LACK OF WATER RESOURCES AND IRRIGATION/DRAINAGE MANAGEMENT

Main problem face by Indian agriculture is lack water resources. Farmers can not get enough water to farms it causes low production. Agriculture is India's largest user of water. However, increasing competition for water between industry, domestic use and agriculture has highlighted the need to plan and manage water on a river basin and multi-sectoral basis. As urban and other demands multiply, less water is likely to be available for irrigation. Ways to radically enhance the productivity of irrigation ("more crop per drop") need to be found. Piped conveyance, better on-farm management of water, and use of more efficient delivery mechanisms such as drip irrigation are among the actions that could be taken.

C) SHORT OF CREDIT FACILITY

Another problem face by Indian agriculture is lack of credit facility & higher interest rate to the farmers it affected on agriculture production. The farmer can not get bank credit on time for farming that's why he can't fulfill requirement of farming result is low production

D) LACK OF ADVANCED TECHNOLOGY

Due to lack advanced technology Indian agriculture growth is very slow. After 1967 there is no green revolution done in India & nobody take effort for this. In western & European countries farmers used advance technology for farming & get maximum out put

E) NEED OF INFRASTRUCTURE FACILITY

In rural India have lack of infrastructure facility for farmers. The main problems are warehouse & cold storage facility for farm product & another one is transportation facility. The government fails to fulfill infrastructure facility in rural area of India.

F) DEFICIENCY OF R&D IN AGRICULTURAL SECTOR

This is also very big problem in agriculture sector in India, i.e. lack of research & development work. This is major reason for slow agriculture growth in India.

G) LACK OF AVAILABILITY OF SEEDS & FERTILIZERS

The India is farmer's country but every year farmers face problem of less availability of seeds & fertilizers for farming. He pays higher charges to traders than actual prizes due shortage of seeds this affect budget of farmers & he required more finance for farming

3) THE ALLOCATION OF FUNDS FOR AGRICULTURE SECTOR IN FIVE YEARS PLANS IN INDIA**AGRICULTURAL SECTOR: OBJECTIVES FOR FIVE-YEAR PLANNING**

In order to develop the agricultural sector, the Planning Commission has outlined four broad objectives.

A) INCREASE AGRICULTURAL PRODUCTION

The primary aim for this is to bring more land under cultivation, raise the per hectare yield through intensive application of such agricultural inputs as irrigation, improved seeds, fertilizers, etc. and hence bring about increased agricultural production.

B) INCREASE EMPLOYMENT OPPORTUNITIES

Besides increase in production, the agricultural sector should generate additional employment opportunities and provide scope for increasing the incomes of the poorer sections in the villages.

C) REDUCE THE PRESSURE OF POPULATION ON LAND

Another basic objective of planning in the agricultural sector is to reduce the number of people working on land. The surplus labour on land should be shifted to the secondary and tertiary sectors, preferably in rural and semi-rural areas.

D) REDUCE INEQUALITY OF INCOMES IN RURAL AREAS

It is desired that the government should make efforts to remove the exploitation by tenants, and also should distribute surplus land among small and marginal farmers in such a way so that there would be some degree of equality and justice in the rural areas.

It is important to note that all these objectives are being followed in all our plans but in practice, agricultural planning has come to mean the increase in production, namely, the achievement of the first objective, while all other objectives seem to have been ignored.

AGRICULTURE UNDER THE FIVE-YEAR PLANS

Before the planning period, agriculture was in a deplorable condition. The farmers were generally in heavy debt to the village money-lenders. They were having small and scattered holdings. They had neither the money nor the knowledge to use proper equipment, good quality seeds and chemical fertilizers. Except in certain areas, they were dependent upon rainfall. Productivity of land as well as of labour had been declining and was lowest in the world. In spite of the fact that nearly 60% of our working population was engaged in cultivation, the country was not self-sufficient in food grains but had to depend on food imports. Table 1 gives the total outlay for each plan and correspondingly the outlay on agriculture and irrigation had also increased with every plan.

TABLE 1: PLAN EXPENDITURE ON AGRICULTURE AND ALLIED SECTORS, IRRIGATION (Rs. crore)

Sr.No	Five Years Plan	Total plan Expend.	Agri. & allied sectors	Irrigation	Percentage of total outlay
1	First plan	1960	289.9	441.8	37.3
2	Second plan	4,671.8	549	541.6	23.3
3	Third plan	8,576.5	1088.9	1019.1	24.6
4	Fourth plan	15778.8	2120.4	2415.7	28.7
5	Fifth plan	39426.2	4864.9	3925.8	22.3
6	Sixth plan	109291.7	6623.5	10929.9	16.1
7	Seventh plan	218729.6	12792.6	16589.9	13.4
8	Eighth plan	485457.2	24895.7	31398.9	11.6
9	Nine plan	941041	37239	67875	11.2
10	Ten plan	152563.9	58933	103315	10.6

Source- Indian Agriculture under the Five-Year Plans, Booklet No. 539, Agricultural Situation in India: ASIS-10

The above figures show that percent of fund allocation in five years plans for agriculture sector is decreases and fund allocation for industry & other sector increases. The growth agriculture sector only 4% from last few years and contribution of agriculture sector in GDP is decreases that's why need of separate agriculture budget for India

The Allocation of funds for agriculture sector in Annual budget Year 2010-11 to 2012-13 in India.

Agriculture retained its high priority in the budget with a planned allocation for agriculture and allied sectors raised by 19 percent to INR 176.9 billion (\$3.5 billion). The budget provides additional funds to several ongoing programs for enhancing agricultural production, irrigation management, higher farm credit and improving post-harvest storage and processing infrastructure.

TABLE 2: INDIA: SELECTED AGRICULTURAL AND FOOD-RELATED BUDGET ITEMS (Ministry of Agriculture, billion Indian rupees)

	2010-2011 Actual	2011-2012 Budget	2011-2012 Revised	2012-2013 Budget
Crop Husbandry	98.13	78.91	74.31	90.34
Soil and Water Conservation	0.14	0.15	0.16	0.16
Animal Husbandry	7.15	9.50	7.50	10.63
Dairy Development	0.85	2.23	1.84	3.53
Fisheries	2.91	2.70	2.83	3.00
Forestry and Wildlife	9.29	7.85	7.82	9.07
Plantations	4.74	4.15	4.39	4.46
Food, Storage and Warehousing	5.02	6.44	6.34	7.87
Agricultural Research and Education	25.22	24.92	25.70	28.98
Co-operation	1.03	2.22	1.17	1.25
Other Agricultural Programs	2.68	8.36	16.48	17.64
Total	157.16	147.77	148.55	176.92

Source-GOI Budget 2012-13 - Agricultural Highlights

The above figures show that agriculture expenditure in annual budget is decreased year by year. This thing is responsible for slow growth rate for agriculture sector & less contribution in GDP of India.

4) NEED OF SEPARATE AGRICULTURE BUDGET TO INDIA**A) HIGHER GROWTH**

If separate agriculture budget is made by government of India, it could be help to increase growth rate of Indian agriculture sector and increase the percent of agriculture sector in GDP. Take example of Indian railways, government provide the annual budget to Indian railways and every year we seen gradual growth in Indian railways.

B) BETTER FUND UTILIZATION

The separate agriculture budge gives better utilization of fund allocated. In regular annual budget government made several provisions for agriculture sector but due to hurdles in system fund can not be utilized properly. Every year lot of funds & grants return back to government in agriculture sector

C) IMPROVE STANDARD OF LIVING

The basic intention of any government budget to improve standard of living of people and the separate agriculture helps to improve standard of living of people who depend upon agriculture sector.

D) INCREASE PRODUCTIVITY

The separate agriculture budget helps to increase agriculture productivity in India. Today condition agriculture production is vary year to year. The aggregate food grain output in 2010-11 is likely to be 232.1 million tonnes, which is slightly less than the record harvest of 234.5 million tonnes in 2008-09. And India is

likely to produce 250.42 tonnes of food grains during 2011-12 compared to 232.07 tonnes last year. This is 18.35 tonnes higher than 2010-11. The separate agriculture budget tries to maintain variation in agriculture productivity through planning, better utilization of fund & marketing strategies etc.

E) IMPROVE CREDIT FACILITY TO FARMERS

In current year interest rate on farm finance is 4 % to 6 %. The percent of interest is not reliable to farmers. If government made separate agriculture budget it helpful to decrease the percent of interest on farm finance. e.g. In Karnataka government made separate agriculture budget & rate of interest on farm finance is only 1% which would be beneficial to farmer for farming

F) GOOD INFRASTRUCTURE FACILITY

The poor infrastructure facility in rural area is affected on growth of agriculture sector in India. Reason of poor infrastructure in rural area is lack fund availability in annual & five year plans & lack of proper utilization of funds in rural area. Every years government allocate fund for rural infrastructure in annual budget but this funds is return back to government treasury due to lack of utilization. The separate agriculture budget definitely helps to increase good infrastructure facility for agriculture through proper planning.

G) PROMOTING NEW TECHNOLOGIES AND REFORMING AGRICULTURAL RESEARCH AND EXTENSION

Major reform and strengthening of India's agricultural research and extension systems is one of the most important needs for agricultural growth. These services have declined over time due to chronic underfunding of infrastructure and operations, no replacement of aging researchers or broad access to state-of-the-art technologies. Research now has little to provide beyond the time-worn packages of the past. Public extension services are struggling and offer little new knowledge to farmers. There is too little connection between research and extension, or between these services and the private sector. The separate agriculture budget fulfill the this need of country

SUGGESTIONS

- 1) It could not be sufficient to make separate agriculture by state government only. Government of India should make separate agriculture budget for real agriculture growth in India.
- 2) The government of India should form a committee to make separate agriculture budget for detail evaluation
- 3) Take suggestion from farmers regarding separate agriculture budget in India
- 4) Make transparent system for distribution of agriculture subsidies in separate agriculture budget

CONCLUSION

The Government of India has made lot of financial provision for agriculture sector in annual budget & Five years plan but they fail to increase growth of agriculture sector. Every year thousands of farmers attempted suicides due to financial crunch arises by agrarian crisis. We have live examples in Maharashtra, Karnataka & other state of India of farmer's suicides. In current situation, world faces problem of food security, that's why government of many countries make Food Security Bill for People.

If India wants to become super power in world, it should give more focus on primary need of country & agriculture sector is one of important priority sector in India. In annual budget percent of fund allocation for agriculture sector is decreased & other sector is increases. This thing affects the percent of agriculture sector in GDP of India. If we want to increase contribution of agriculture sector in GDP of India to take proper steps & separate agriculture budget is one of the path to enhance agriculture growth of India.

This is right time to make separate agriculture budget by government of India for higher growth of agriculture sector & prosperity of farmers in India. The separate agriculture budget definitely helps to solve all problems in agriculture sector in India.

SCOPE OF FURTHER RESEARCH

There is lot of scope for further research because the India faces various problems in agriculture from several years. If we want to reduce them it requires systemic planning for overcoming these problems. The separate agriculture budget is one of the ways to reduce the problems in India regarding agriculture sector. The more research is requiring for making strong agriculture budget in India. The research to be require regarding benefit of separate budget, regarding framework of budget, implementation problems etc

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A STUDY ON THE IMPACT OF DIFFERENT METHODS OF HEALTH EDUCATION ON 'HIV/AIDS' AWARENESS AMONG ADOLESCENT STUDENTS AT UTKAL BHARTI SCIENCE COLLEGE, PALASUNI

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ABSTRACT

This study reflects the impact of different methods of health education on HIV/AIDS awareness among adolescent students. +2 Science Students were selected for this study. As teenagers they are the most vulnerable group in the society and are believed to be the most active group in disseminating the message to a greater segment of the community. The study was conducted in a residential science college named Utkal Bharti Science College, Palasuni, BBSR in which the students represent major part of the state of Orissa and few students are from outside the state. Students were from three different educational backgrounds such as Central Board of Secondary Education (CBSE), Indian Council of Secondary Education (ICSE) and Board of Secondary Education (BSE), Orissa. The entire students were divided in to five groups and five different methods of health education were imparted to them. The methods of health education used for the study are plain Lecture, Lecture with audio-visual aid, Textbook, Focus group discussion and a Radio play. A date was finalized with the permission of the principal of the college and consent of every student was taken before initiating the study. Before imparting health education a base line data was collected to know the awareness status of each student. A questionnaire was distributed among each group after imparting each method of health education to assess the impact of corresponding method of health education. At the end a comparison was made to find out the most effective method of health education among these students. The most effective mode of health education among these students was "Focus group discussion" (FGD). Plain lecture, Lecture with audio-visual aid, Radio play and Textbook followed FGD in a descending order. This is small study with small sample size but similar studies can be conducted among various groups to elicit better avenues for imparting health education.

KEYWORDS

Adolescent students, Awareness, Health education, HIV/AIDS.

INTRODUCTION

The pandemic of HIV/AIDS has scared the humanity. Scientists at all parts of the globe are trying endlessly for a miracle for this monster but the fruit is still sour. This indicates that though the results are not futile but not sufficient enough to create a magical impression on this disease. The drugs available these days are only supportive but not to throw the HIV out of human life. Most of the viral strains and subtypes of HIV (HIV-1, HIV-2 and A, B, C, E subtypes of HIV-1) are prevalent in India placing a great challenge before the great Indian brains to work on it. When we talk of preventive, promotive and curative health care, the former plays a pivotal role as said by John Flegenheimer; "Prevention is better than cure". This is very rightly applicable to HIV/AIDS, as the sure cure of this disease is still a distant dream. Among various methods of disease prevention health education finds a very significant role. Different type of health education methods create awareness in the community thereby helping the common man to stay away from various types of communicable and non-communicable diseases.

Health education is a process that informs, motivates and helps people adopt and maintain healthy life practices and life styles and advocates environmental changes as needed to facilitate this goal and conducts professional training and research to the same end. (Adopted from national conference on preventive and social medicine, USA)

OBJECTIVES

As on date no medicine has been developed to cure the disease with few supportive therapies, so prevention of this disease takes a vital role to lower HIV/AIDS load from the community. Health education is one of the best media to disseminate awareness among the general public. Health education will help in:

- Preventing fresh infection in the community by the way of spreading knowledge of different media of transmission and the ways to get rid of them.
- This will help in health maintenance of the people living with HIV+ by life style administration.

The objective of selecting adolescent student is to trap the right group in the community. As this mass represents age group 10-19 which is biologically and socially prone to unprotected sex due to the modern form of life style, so the basic objective of the study is to make them aware and spread the message through them. In this study +2 Sc. Students of a residential science college were chosen for better convenience. The study was conducted in Utkal Bharti Science College, BBSR in which the students are mainly from Orissa and a few are from outside of the state.

MATERIALS AND METHODS

SUBJECT

For the study purpose +2 Science students were selected from a residential science college from Bhubaneswar city. The name of the college is Utkal Bharti Science College, Palasuni, BBSR. 100 students were taken from the batch of 2nd yr +2 Science. All these students were divided in to five groups. Grouping was done on the basis of simple random sampling. The sample represents the following characteristics:

1. The students represent different parts of the state of Orissa both from rural (37%) and urban (63%) areas and some students are from outside of the state. The purpose is to find out preoccupied awareness and impact of health education on HIV/AIDS awareness among these geographically varied groups.
2. The 10th medium of their education was also inquired in to and the purpose is to find out preoccupied awareness and impact of health education on awareness. The mediums were BSE (Orissa) (61%), CBSE, and ICSE (both 39%). The course content and pedagogy of these councils have different scopes and limitations on HIV/AIDS awareness.
3. The optional they have in their curriculum, i.e. IT/Biology was also inquired in to. The college was having two optional during the study period as a fourth optional. This was looked in to because the two optional subjects such as Information Technology and Biology has different scope and limitation with respect to HIV/AIDS awareness.
4. Gender based classification of the sample was also done to assess gender based preoccupied awareness and the impact of health education on awareness. As the transmission of HIV/AIDS is primarily via sexual mode and open discussion on these issues have different scope and limitation among male and female adolescent students. The sample constituted 59% male and 41% female participants.

STUDY INSTRUMENT

The study is based on a "Questionnaire" devised on the idea of incorporating questions ranging from basic awareness on different media of HIV/AIDS transmission to some basic scientific questions such as CD4 cell etc. The Questionnaire consists of 10 questions.

PROCEDURE

A date was finalized with the permission of the principal of the college for conducting the study. Consent of each student was taken before the study. As the study consists of five different health education methods, so the study was conducted in five different days as per the convenience of the study participants. The entire class was divided in to five groups on the basis of simple random sampling. Each of these five groups enjoyed different types of health education. On the first day of the study before imparting different health education methods to their respective groups a base line data was collected to know the preoccupied awareness among these students. In the second phase of the study different health education methods were imparted to the respective groups and again data were collected to assess their improvement. Different methods used in the study are as follows:

1. PLAIN LECTURE (BLACK BOARD AND CHALK)

20 students (identified for this purpose) previously tested on questionnaire method were taken and were given a plane lecture on HIV/AIDS for a period of 1Hr. A resource person, expert in the field of HIV/AIDS delivered the plane lecture. After the class the students were again tested.

2. LECTURE WITH AUDIO-VIDUAL AID (MS POWER POINT)

20 students (identified for this purpose) previously tested on questionnaire method were selected and were given a lecture on MS power point on HIV/AIDS for a period of 1Hr. The same resource person delivered the lecture on audio visual aid. After the class the students were again tested.

3. FOCUS GROUP DISCUSSION

20 students (identified for this purpose) previously tested on questionnaire method were selected and were made to sit on a FGD for a period of 20 minutes. After the discussion the students were again tested.

4. TEXT BOOK (TEXT BOOK OF ZOOLOGY AVAILABLE IN THEIR COLLEGE LIBRARY)

For this purpose 20 students (identified for this purpose) previously tested on questionnaire method were taken for the study. In this particular method students with biology as a subject were taken because biology students will find it interesting, as it is a part of their curriculum, which is not the same in case of Information Technology students. After 3 days the students were tested.

5. RADIO PLAY (AN INTERVIEW WITH A DOCTORE)

An interview was recorded in a tape recorder in the same format as in professional private radio channels like FM and was broadcasted as if a radio programme and 20 students (identified for this purpose) previously tested on questionnaire method were made to listen it carefully. The interview is a "question-answer type" where a doctor is answering various questions related HIV/AIDS asked by the interviewer. After the play the students were tested.

OBSERVATIONS AND DISCUSSIONS

In this study five different methods of health education were taken to assess the impact of HIV/AIDS awareness among adolescent students. Among different educational methods adopted in the study the most effective method was FOCUS GROUP DISCUSSION. Next to FGD other methods are plain lecture, lecture with audio-visual aid, radio play and textbook in a descending order. In this study a pretest and a posttest was conducted to assess the impact of various methods of health education on HIV/AIDS awareness among adolescent students. The questionnaire consists of ten questions. Each right answer was awarded by one mark. The mean improvement was calculated by subtracting total pretest marks from the total posttest marks of each student. The same method was applied to find the mean improvement among various groups such as Male/Female, Rural/Urban and English medium/Oriya medium students.

It this study the most effective method of health education is FGD, and the reason might be familiarity of students among each other. The group discussion was among the students of the same class and all the classmates are familiar to each other, they can understand each other and can express their views in a way of their own comfortability. They may feel comfortable to discuss all related issues, which they may not feel with other resource person (as the disease is related to many kind of social issues mainly sex). The second important point might be participative commitment of each candidate to take part in the FGD and to get appraisal and recommendation among the peers and others.

FIG-1: BAR DIAGRAM SHOWING SAMPLE CHARACTERISTICS

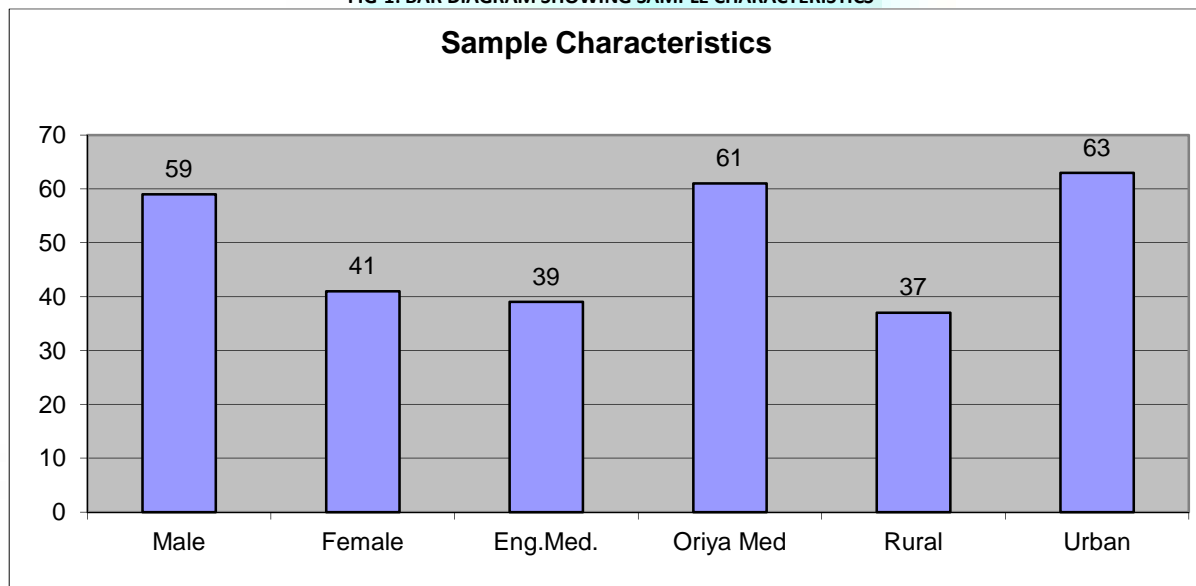
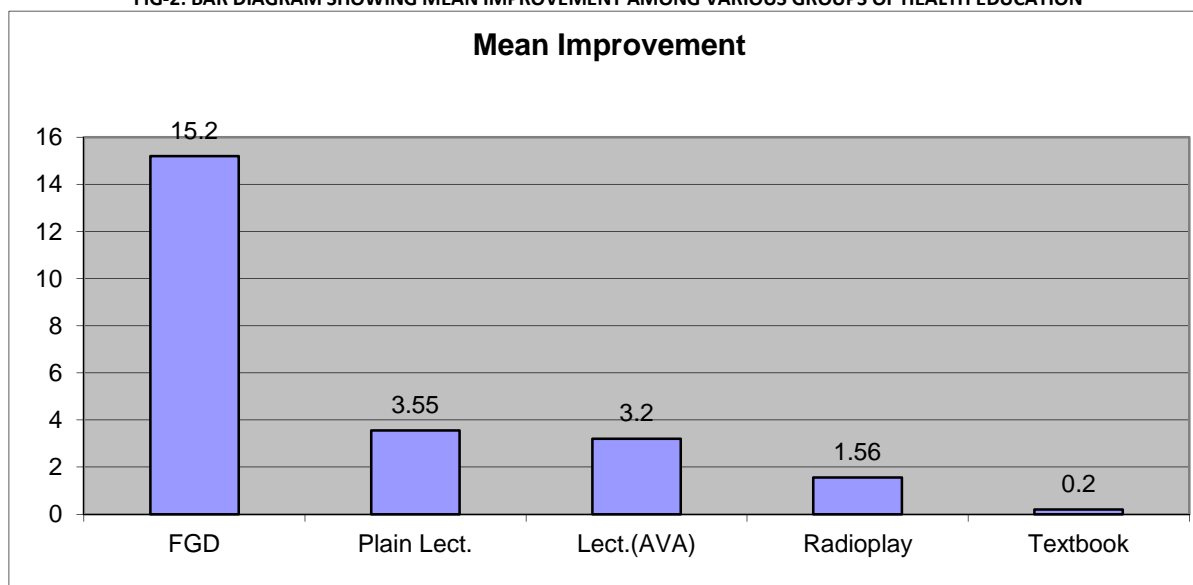


FIG-2: BAR DIAGRAM SHOWING MEAN IMPROVEMENT AMONG VARIOUS GROUPS OF HEALTH EDUCATION



The awareness of male students after being imparted by health education was more than that of female students. The reason might be shyness of the girls to discuss issues related to human sexuality. Again discussion on sexual health, sex education and other related issues among the peers are limited in certain parts due to socio cultural hindrances.

Secondly a comparison is made in between English medium students and regional medium (Oriya) (as per their 10th medium). It is found that the English medium students are more aware than the regional medium students. The English medium syllabus at 10th standard covers certain subjects of human biology and allied issues and is not the same with the regional medium students.

A similar comparison is made between rural students and urban students and the urban students are found to be more aware than their rural counterparts. Probably the comparative exposure of urban students to external world is more than their rural counterpart.

CONCLUSION

Among different educational methods adopted in the study the most effective method was focus group discussion. Next to FGD the other methods are plain lecture, lecture with audio-visual aid, radio play and textbook in a descending order.

RECOMMENDATION

This study was conducted in a residential college consisting of junior science students studying +2 Science. This is a study among intellectual mass, which cannot be applied to all community or generalized. Focus group discussion was found to be the most effective method of health education in this study, which carries limited value for other masses.

Similar studies can be conducted among different communities to find out the most effective method of health education. As the characteristic of every community is different from the next one so the method of health education is also expected to be a different one. HIV/AIDS has given many nightmares to mankind since it came to us and various attempts to find out preventive measures would always be a welcome step as- "prevention is better than cure."

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