INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

IJRCM

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
Indexed & Listed at:
Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.,
Open J-Gage, India [link of the same is duly available at Inflibnet of University Grants Commission (U.G.C.)],
Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.
Circulated all over the world & Google has verified that scholars of more than 2840 Cities in 164 countries/territories are visiting our journal on regular basis.
Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA
http://ijrcm.org.in/

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	**CRITICAL ISSUES IN PROCESSING MARKETING AND INVESTMENT: IT'S CHALLENGES AND OPPORTUNITIES IN AGRICULTURAL RAW MATERIALS IN NIGERIA** *DR. ABDULSALAM JIBRIL*	1
2.	**A STUDY ON OCCUPATIONAL STRESS AND COPING STRATEGIES AMONG ITES EXECUTIVES** *DR. SUMATHI ANNAMALAI & DR. R. NANDAGOPAL*	8
3.	**AN ECONOMIC ANALYSIS OF THE PRODUCTION AND MARKETING OF GRAPE CULTIVATION IN THENI DISTRICT, TAMIL NADU** *VAIRAM & B. MUNIYANDI*	14
4.	**GENDER DISCRIMINATION AT WORKPLACE AMONG ITES EMPLOYEES** *T. CHRISTY CHANCHU & DR. K. T. GEETHA*	19
5.	**A STUDY OF IMPACT OF LEADERSHIP ON MOTIVATION IN A GOVERNMENT AND A PRIVATE SECTOR ENTERPRISE** *DR. E. LOKANADHA REDDY & DR. G HARANATH*	25
6.	**A REVIEW OF THE IMPACT OF VISUAL MERCHANDISING ON CONSUMER PSYCHOLOGY: CONCEPTUAL FOUNDATIONS AND RESEARCH ISSUES** *KAVITA SASIDHARAN KULKARNI & DR. D.LALITHAA RANI*	29
7.	**MICROFINANCE: A TOOL FOR EMPOWERMENT OF WOMEN** *DR. M S SUBHAS & KIRAN KUMAR*	35
8.	**IMPACT OF SELF HELP GROUPS ON GENDER EQUITY AND SUSTAINABLE DEVELOPMENT** *DR. H. R. UMA, PUSHPA NANAIAH K & MADHU G. R.*	38
9.	**THE IMPACT OF CREDIT RISK ON THE PERFORMANCE OF TANZANIAN COMMERCIAL BANKS** *DR. SRINIVAS MADISHETTI & KAMUGISHA ALFRED RWECHUNGURA*	42
10.	**RELATIONSHIP BETWEEN PRINCIPALS' LEADERSHIP STYLE AND TEACHING STYLE OF TEACHERS** *DR. SURABHI PUROHIT*	48
11.	**THE ROLE OF HIGHER EDUCATIONAL INSTITUTES IN FOSTERING EDUCATIONAL SOCIAL RESPONSIBILITY IN INDIA** *DR. BADAL RATH, DR. KALPANA SAHOO & VIJAYA LAKSHMI MOHANTY*	53
12.	**GENDER DISPARITY IN ELEMENTARY EDUCATION IN INDIA: A CHALLENGE FOR INCLUSIVE GROWTH** *ANDALIB ZAIHRA, JIYAUR RAHMAN & ZEBA SHEEREEN*	57
13.	**A STUDY OF PROBLEMS AND MEASURES OF ECONOMIES OF ONION IN MAHARASHTRA** *R. S. SALUNKHE*	62
14.	**EMERGING MARKETS: THE STORY OF DISCOVERY AND DYNAMICS OF A NEW ASSET CLASS** *DR. HARIP RASULSAB KHANAPURI*	65
15.	**IMPACT OF STOCK MARKET LIBERALIZATION ON THE ECONOMIC DEVELOPMENT OF EMERGING COUNTRIES** *DR. S. BEULAH MABEL*	74
16.	**MAJOR APPROACH OF EFFECTIVE LEADERSHIP** *SUBHRANSU SEKHAR JENA*	76
17.	**GLASS CEILING- GLOBAL STUDY AND ITS RELATED IMPLICATIONS** *MONIKA KHEMANI*	86
18.	**A STUDY ON DAIRY PRACTICES AND OPPORTUNITIES IN DAIRY INDUSTRY IN INDIA** *DR. R. SUBRAMANIYA BHARATHY & M.SELVAKUMAR*	90
19.	**IMPLICATIONS OF FDI ON RETAIL SECTOR IN INDIA: A COMPARATIVE STUDY IN EXPERIENCE OF INDIA AS A HOST ECONOMY** *SANCHAY JOSHI & PRAVIN JADHAV*	93
20.	**POSITIVE AFFECT IN RELATION TO AD LIKENESS AND PREFERENCE TO BUY AMONG THE HIGH AND LOW EMOTIONALLY INTELLIGENT YOUNG ADULTS** *DR. SANTHOSH.K.R. & RISHA-RUMANA.C.C.*	97
21.	**DISASTER MANAGEMENT: A CASE STUDY OF UTTARAKHAND** *DR. M. N. ZUBAIRI & NAZIA ABBAS ABIDI*	102
22.	**A COST-BENEFIT ANALYSIS OF THE EFFICACY OF NHIS AS A TOOL FOR SOLVING HEALTH CARE INEQUALITY PROBLEM IN NIGERIA** *OBIWURU, TIMOTHY CHIDI, EDY-EWOH, UDUAK & OKWU, ANDY TITUS*	104
23.	**EXAMINING THE EFFECT OF MOTIVATION STRATEGIES ON PERCEIVED EMPLOYEE BEHAVIOR: EVIDENCE FROM PUBLIC ORGANIZATIONS IN AMHARA REGIONAL STATE** *DEMEKE GADISSA UMETA*	114
24.	**IMPACTS OF LAND USE SYSTEM ON SOIL PROPERTIES AND FERTILITY STATUS IN THE MIZEWA WATERSHED OF LAKE TANA BASIN, NORTH WESTERN ETHIOPIA** *MESFIN ANTENEH WUBIE*	120
25.	**THE VARIATION OF CUSTOMER SATISFACTION IN THE SPHERE OF MARUTI SUZUKI CAR MARKETING** *SAMIDH PAL*	125
26.	**DO FINANCIAL SECTOR REFORMS PROMOTE PRIVATE SECTOR INVESTMENT? THE CASE OF GHANA** *GRACE OFORI-ABEBRESE & KOFI KAMASA*	129
27.	**PRODUCTION AND EXPORT PERFORMANCE OF FRESH AND DRY FRUITS IN JAMMU AND KASHMIR** *GOWHAR BASHIR AHANGAR & R. GOVINDASAMY*	137
28.	**CONSUMPTION TO CONSUMERISM-EFFECTS AND IMPACTS** *SREEJA MOLE .S*	141
29.	**AN ASSESSMENT OF DECLINING CHILD SEX RATIO IN SAMBA DISTRICT (J&K)** *HARDEV SINGH*	145
30.	**THE RURAL-URBAN DIVIDE STORY: A COMPARISON BETWEEN INDIA AND CHINA** *DEWANGANA CHHILLAR*	150
	REQUEST FOR FEEDBACK	155

CHIEF PATRON

PROF. K. K. AGGARWAL
Chairman, Malaviya National Institute of Technology, Jaipur
(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
Chancellor, K. R. Mangalam University, Gurgaon
Chancellor, Lingaya's University, Faridabad
Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL
Former State Minister for Home & Tourism, Government of Haryana
Former Vice-President, Dadri Education Society, Charkhi Dadri
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

DR. BHAVET
Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

DR. PRIYA RANJAN TRIVEDI
Chancellor, The Global Open University, Nagaland
PROF. M. S. SENAM RAJU
Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi
PROF. M. N. SHARMA
Chairman, M.B.A., HaryanaCollege of Technology & Management, Kaithal
PROF. S. L. MAHANDRU
Principal (Retd.), MaharajaAgrasenCollege, Jagadhri

EDITOR

PROF. R. K. SHARMA
Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. SAMBHAV GARG
Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI
Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia
PROF. SIKANDER KUMAR
Chairman, Department of Economics, HimachalPradeshUniversity, Shimla, Himachal Pradesh
PROF. SANJIV MITTAL
UniversitySchool of Management Studies, GuruGobindSinghI. P. University, Delhi
PROF. RAJENDER GUPTA
Convener, Board of Studies in Economics, University of Jammu, Jammu

PROF. NAWAB ALI KHAN
Department of Commerce, Aligarh Muslim University, Aligarh, U.P.
PROF. S. P. TIWARI
Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad
DR. ANIL CHANDHOK
Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana
DR. ASHOK KUMAR CHAUHAN
Reader, Department of Economics, KurukshetraUniversity, Kurukshetra
DR. SAMBHAVNA
Faculty, I.I.T.M., Delhi
DR. MOHENDER KUMAR GUPTA
Associate Professor, P.J.L.N.GovernmentCollege, Faridabad
DR. VIVEK CHAWLA
Associate Professor, Kurukshetra University, Kurukshetra
DR. SHIVAKUMAR DEENE
Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. ABHAY BANSAL
Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida
PARVEEN KHURANA
Associate Professor, MukandLalNationalCollege, Yamuna Nagar
SHASHI KHURANA
Associate Professor, S.M.S.KhalsaLubanaGirlsCollege, Barara, Ambala
SUNIL KUMAR KARWASRA
Principal, AakashCollege of Education, ChanderKalan, Tohana, Fatehabad
DR. VIKAS CHOUDHARY
Asst. Professor, N.I.T. (University), Kurukshetra

TECHNICAL ADVISOR

AMITA
Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL
Advocate & Tax Adviser, Panchkula
NEENA
Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL
Advocate, Punjab & Haryana High Court, Chandigarh U.T.
CHANDER BHUSHAN SHARMA
Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

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

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

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____________

THE EDITOR
IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF.**

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled '____' for possible publication in your journals.

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

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:
Designation:
Affiliation with full address, contact numbers & Pin Code:
Residential address with Pin Code:
Mobile Number (s):
Landline Number (s):
E-mail Address:
Alternate E-mail Address:

NOTES:
a) The whole manuscript is required to be in ***ONE MS WORD FILE*** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
b) The sender is required to mentionthe following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
d) The total size of the file containing the manuscript is required to be below **500 KB**.
e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE**: The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS**: The author (s) **full name**, **designation**, **affiliation** (s), **address**, **mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT**: Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS**: Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

6. **MANUSCRIPT**: Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.

7. **HEADINGS**: All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

8. **SUB-HEADINGS**: All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

9. **MAIN TEXT**: The main text should follow the following sequence:

   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

   It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed ***5000 WORDS***.

10. **FIGURES &TABLES**: These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

11. **EQUATIONS**:These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.

12. **REFERENCES**: The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

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

CONTRIBUTIONS TO BOOKS

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

JOURNAL AND OTHER ARTICLES

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

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

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

ONLINE RESOURCES

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

WEBSITES

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

IMPLICATIONS OF FDI ON RETAIL SECTOR IN INDIA: A COMPARATIVE STUDY IN EXPERIENCE OF INDIA AS A HOST ECONOMY

SANCHAY JOSHI
STUDENT
UNIVERSITY OF PETROLEUM & ENERGY STUDIES
DEHRADUN

PRAVIN JADHAV
ASST. PROFESSOR
UNIVERSITY OF PETROLEUM & ENERGY STUDIES
DEHRADUN

ABSTRACT

The paper makes an earnest attempt to analyse the implications of FDI in retail sector by taking empirical evidence from China and thus negating or supporting the arguments in favour or opposition of FDI and promulgating guidelines for making such FDI policy which can strike out a balance between apprehensions of Foreign retail investors outsmarting Indian domestic retail industries undermining the control possessed by domestic industries over Indian economy and FDI in retail sector bringing Indian economy at par with global economy. Firstly, this paper highlights the journey of enforcement of FDI policy in India with different caps for investment into retail sector and respective gradual changes since New Economic Policy 1991. Secondly this paper addresses the recent debates regarding 100% allowance of FDI in retail sector. The paper also deals with possible implications of FDI in retail sector in India vis-a- vis some emerging economies like China which can serve as an evidence and corroborate the arguments in favour or opposition of FDI. Finally, this paper give policy recommendations and implications for the inclusive growth of retail sector in India and give credible strategies for better allocation of foreign investment in India's retail sector. Overall results shows that in order to yield favourable outputs of allowing 100% FDI in retail sector India should strengthen its domestic industry framework so they should be became adaptive in nature which can be done on the part of Government by providing time lag in complete enforcement of FDI policy which in turn can provide the domestic industries a base platform for strengthen their "adaptive" prospect.

JEL CLASSIFICATION
F21,F23

KEYWORDS
FDI, Retail.

INTRODUCTION

The topic of FDI of retail sector has recently become a topic of discussion, the rationale being the impact it would have on various constituents of economic chain. Regarding the FDI in retail sector, the tiff is between local domestic retailers including both organised and unorganised retailers and foreign investors with government as a mediator to discharge function of intervening in such a way that FDI proves to be beneficial for domestic retailers, farmers, consumers and other persons affected by it. The debate yields a lot of arguments against and favour of FDI in retail sector. FDI in retail sector will increase employments, transparent prices, availability of greater choice of products, improve infrastructure, dissemination of technology, good management practices, removal of intermediaries and consequential upliftment of farmers. Contrary to being beneficial it can pose threat to Indian industry not able to survive competition, marginalised retailers leading to unemployment, predatory pricing. There is need to analyse the arguments in a manner so that the investment by foreign retailers can be promoted without proving detrimental to the nation.

TRACING THE TRANSITION IN FDI POLICY IN INDIA

In 2004 the High Court of Delhi defined the term retail as a "sale for final consumption in contrast to a further sale or processing by wholesale, a sale to the ultimate consumer"[1]. Retailing is the last link that connects the individual consumer with the manufacturing and distribution chain.

As a consequence of India being a signatory to **World Trade organization's General Agreement on Trade in Services**, which included wholesale and retailing services, India opened up the trade sector to foreign investment. The government however, due to predictable adverse effects of FDI in retail sector such as, job losses, procurement from international market, competition, loss of entrepreneur opportunities procrastinated the opening up of the retail sector to FDI.

In 1997, under the government approval route, FDI on cash and carry (wholesale) with 100% ownership was allowed. However, in 2006, it was brought under the automatic route in 2006. FDI in Multi-brand retailing is prohibited in India although in 2006, the government promoted 51% investment in a single brand retail outlet. On January 2012 Government of India notified 100% FDI in Single brand retail Trading raising the cap from 51 % permitted in 2006 while putting on hold FDI in MBRT compelled by several political parties who fear the possibility of monopoly of foreign entrants over both farmers and consumers, their predatory pricing strategies, manipulation of prices for the entrants own benefit and a fall in income, employment and eventual destruction of the unorganised indigenous retail sector.

Press Note 4 2006 issued by DIPP and Consolidated FDI policy issued in October 2010 mentions the sector specific guidelines for FDI with regard to the conduct of trading activities which are as follows-

- FDI up to 100% for cash and carry wholesale trading and export trading allowed and the automatic route
- FDI up to 51% with prior government approval(i.e., FIPB) for retail trade of single brand products subject to press note 3 (2006 Series)
- FDI is not permitted in Multi-brand retailing in India.

PROPOSED FDI POLICY FOR MBRT IN INDIA

The condition for 51% FDI include a minimum investment of US$100 million by each player, 50% of it in back-end infrastructure, 30% procurement from Micro, small and medium enterprises and the government's right to procure the farm produce first. But MBRT players are allowed to sell perishables such as fruits and vegetables as "unbranded". Further, the permission has been granted for cities with a population of 1 million or more, which brings in **53 cities**, Gupta (2012).

In order to address concerns of some states that multi-brand FDI will muscle out local shops, the draft proposes powers to state governments to impose additional conditions on MNC retailers, such as measures to integrate *kiranas* or local retailers into the value chain. The Economic Survey Report, 2010-2011

[1] Association of Traders of Maharashtra V Union of India, 2005(79) DRJ 436

suggests that the Indian government also aims to take up this case gradually by permitting FDI in retail in a phased manner beginning with metros and incentivising the retail the existing retail shops to modernise, to help address the concerns of farmers and consumers, Rajput and Kesharwani (2012).

GROWTH AND EVOLUTION OF INDIAN RETAIL SECTOR

AT Kearney's, the well-known management consultancy firm, in its 2011 edition index has ranked Indian retail industry as the 4th largest retail destination, Rajput and Kesharwani (2012) and also most attractive market. Till 1980, retail continued in the form of 'kiranas' that is unorganized retailing. Later in 1990's branded retail outlets like Food World, Nilgiris, and the local retail outlets like Apna Bazaar originated. The contemporary times, big players like Reliance, Tata's, Bharti, ITC, and other reputed companies have entered into organized retail business. 51% opening of FDI in single brand retail has promoted the direct entrance of companies like Nike, Metro, and Reebok or through joint ventures like Wal-Mart with Bharti, Tata with Tessco, (Malik 2012) to serve the needs of the consumer which has increased due to key factors like young demographic profile, increasing consumer aspirations, growing middle class incomes and improving demand from rural markets that drive growth in retail industry, Malik (2012). Domestic players are too coming up with their mega projects which is evident by planning of Aditya Birla Group, Spencer' Reliance Retail to open up supermarkets and hypermarkets. Because of recognizing the short term and long term growth of retail in India, a number of foreign business giants have entered the retail industry or are planning to do so in future. For example- French Supermarket giant Carrefour has opened its first cash and carry store in India, hoping the government will soon relax restrictions on foreign investment in its massive retail sector. Wal-Mart signed a partnership agreement in 2006 with India's Bharti Enterprises while Britain's Tesco formed a tie-up with Tata Group conglomerate. US giant Wal-Mart has already opened 2 wholesale stores and plans to open 10 more within 4 years, Baskaran (2012). Organised retail sector is growing at a staggering 35% per year, Baskaran (2012). The total retail sales in India will grow from US$ 395.9 billion in 2011 to US$ 785.1 billion by 2015, according to the BMI India Retail report for the 3rd quarter of 2011, Rajput and Kesharwani (2012). The organised retail sector is expected to grow stronger than GDP growth in the next 5 years driven by changing lifestyles, increase in income, purchasing power and favourable demographic outline, Rajput and Kesharwani (2012). Food and apparel retailing are key drivers of growth. Indian retail chains will get integrated with global supply chains since FDI will bring in technology, quality standards, and marketing thereby, leading to new economic opportunities and creating more employment generation.

A COMPARATIVE ANALYSIS OF INDIA WITH CHINA AS A HOST ECONOMY

India and China share similarities such as difference between urban and rural consumers are significant regarding choosing of relatively quality goods at cheaper rates, existence of multiple cultures, population crossing 100 crores, people belonging to middle income group. India is at lead in comparison to China because of its markets being less saturated, less number of counterfeits in comparison to China, Jain and Sukhlecha (2012).

In China FDI was allowed in the year 1992 and in contemporary times, China's retail industry is worth upwards of $700 billion with more than 14 global mega retailers setting up shop in the last 10 years. In the first phase, FDI was restricted to 6 six major cities namely (including Beijing, Shanghai and Guangzhou, Tianjin, Dalian, Qungdao) and Special Economic Zones, initial restriction on foreign ownership to 49% of joint venture, and foreign retailers that operate large retailers being limited to 50 units, Jain and Sukhlecha (2012). In December 2004, retail sector was opened up completely by China with propagating new regulations under which overseas entities are now allowed to set up a **Foreign Invested Commercial Enterprise (FICE)**, which may act as a commission agent, retailer and wholesale or engage in franchising activities on a wholly owned basis in China. With the opening of the retail sector, since 1992, 40 foreign retailers have secured approval. China has attracted $22 billion of FDI which forms 3.6% of total FDI. There has been growth in employment in retailing at 6% p.a. since 1992 to 53 million. Retail sales have growth @13.5% CAGR. In 2003, China's FDI in wholesale and retail was US$ 1.1 Billion which amounts to around 30% of our total FDI in 2003. Over 600 hypermarkets being opened between 1996 and 2001 corroborates the fact that there has been considerable increase in traditional stores, hypermarkets, super markets, Jain and Sukhlecha (2012). Increase in supermarkets, hypermarkets has served shoppers by providing improved quality of experience, choice and prices for the Chinese shoppers with entry of well-known foreign retail corporations including Nike, Wal-Mart, Carrefour, 7- Eleven and Giordano. Before the introduction of FDI in China it was anticipated that FDI in retail in Chinese would muscle out local retail chains including mom-and-pop stores. Surprisingly contrary to anticipation, since, 1992 FDI has improved the quality of the number of small outlets (equivalent to kiranas) which have increased from 1.9 million to over 2.5 million. And even employment in the retail and wholesale sectors has shown an increase from 28 million people to 54 million people from 1992 to 2000, Malik (2012).

On the basis of above implications of FDI may be seen to have persuasive value in the favour of FDI. Most of the researchers have directly linked the success story of China in FDI with India but the matter to be pondered upon is that there should be some rationale behind reaching conclusion India will also benefit the same way as China which is lacking.

China is predominantly a manufacturing economy. According to recently published data from United Nations, the fear that China will displace the United States as the world's largest manufacturing nation has been realised. Manufacturing value-added in China totalled $1.92 trillion in 2010 while U.S manufacturing value-added was $1.86 trillion[2].

Rank	Year 1990	2000	2010
1	United States	United States	China
2	Japan	Japan	United States
3	Germany	China	Japan
4	Italy	Germany	Germany
5	United Kingdom	United Kingdom	Italy
6	France	Italy	Brazil
7	China	France	South Korea
8	Russian Federation	South Korea	France
9	Spain	Mexico	United Kingdom
10	Canada	Canada	India
11	Brazil	Spain	Russian Federation
12	South Korea	Brazil	Mexico
13	Mexico	India	Indonesia
14	Turkey	Turkey	Spain
15	India	Netherlands	Canada

Above table represents top 15 largest countries in the world for Manufacturing Value-Added (Valued in U.S dollars) where India is ranked 10th while China 1st 2010[3]. While talking about India in this context it is far behind China and that seems to weaken the argument or possibility that India too will have the same impact as China had due to FDI in retail sector.

The economic condition of India is different from China. Although both are emerging economies production cost in both countries are different. China has less production cost as well more efficient management practices hence most of the sourcing will be done from the domestic sources like Medium and Small Scale Enterprises. This can be understood well by the fact China is the largest supplier to Wal-Mart and other international majors. Secondly, China ranks 2nd in ease of

[2] The statistics are estimated by the United Nations based on the international classification of manufacturing (ISICD). http://unstats.un.org/unsd/snaama/selectionbasicFast.asp

[3] 'Table illustrating top 15 largest countries in the world for Manufacturing Value-Added (Valued in U.S dollars)'. (MAPI and United Nations) Available from: http://www.mapi.net/china-largest-manufacturer-world [Accessed 30th January 2013].

doing business while India ranks 132. A high ranking on the ease of doing business index means the regulatory environment is more conducive to the starting and operation of firm. In case of India, production cost is higher in comparison to China as India does not have good management practices, business conditions are not supportive, polices are not that favourable hence, global retailers may not source from Medium and Small Scale Industries and other small manufacturers which could lead to increase in the chances of dangers regarding eroding of our Medium and Small Scale Industries.

LINKING THE ECONOMIC CHAIN
Retail should be the process of Linking of Indian economy from globalised economy through FDI in retail which will require strategic planning. It requires the assessment of implications that will be faced by various sections of economic chain. With the entrance foreign investors in multi-brand in India will lead competition between both foreign investors and. The organised and unorganised domestic retail sector will lead and they will confront MNC's like Wal-Mart etc.

Considering the case of unorganised retail sector *Kirana* stores, mom-and-pop stores **The Indian Council for research on International Economic Relations (ICRIER)** study (M. Joseph and N. Sundararajan, 2009) has shown that hardly 1.7 per cent of small shops have closed down due to competition from organised retail. They have completed successfully against organised retail through adoption of better business practices and technology, Baskaran (2012). They will be affected only in small magnitude as these supermarkets will exist only in major towns and cities while mom-and-pop stores can operate in small cities. Sacrifice of these small retailers can be understood as the cost for organisation of Indian retail sector. For example- In China, unorganised retail, represented by street vendors and neighbourhood "community retailers", has continued to thrive, offering cheaper prices than supermarkets and retail chains. Similar is the scene expected in India as poor are not able to negotiate with modern but traditional retailers. Further, the products which are offered at a lower price by modern retail are less relevant for the poor who buy them in loose in small quantities. Likewise, the presence of big global retail markets in rural China is also smaller.

Organised retail industry accounts for only 5% of the total retail industry and the rest 95% being occupied by the unorganised retail sector, Reardon and Minten (2001). So the possibility of unorganised sector becoming extinct seems less but if it happens the battle will be fought by organised retail sector like – Big Bazaar, Relaince, Bharti etc. Now, India lacks at infrastructure to support supply chains and efficient retail operations in India. Inadequate highways, the absence of cold storage facilities, an underdeveloped supply chain, limitless bureaucracy and the lack of regulations. For example- The selling of the perishable items has been significantly affected because of lack of proper count of cold storages although it is ranked among one of the largest producers of vegetables and fruits, Rajput and Kesharwani (2012). Secondly, the retailers are not able to raise funds for the expansion projects sector in India as Indian Retail industry is devoid of enjoying the status of an 'industry', which if was granted, it would have been easier to access the flow of funds with that status.

The need of the hour is to give a boost to our own domestic fledging organised retail industry by the government through identification and implementation of those policy initiatives which will provide them the desired level playing field and making them available with weapons in their arsenal to compete with global retailers. For instance- In China the largest player in the supermarket segment, the China-based Shanghai Bailian Group enjoys only 11% market share. Even Wal-Mart which dominates the retail market in the US commands only around 6% share in China, despite the fact the big-box retailer set up shop nearly 15 years ago in this country, Gupta (2012).

Another concern of Government of India before opening this sector to foreign investors should be that the Indian retail sector, particularly organised retail, is still immature, undersized and is in nascent stage, therefore, should be allowed to nurture and strengthen first. And once they are capable enough to compete automatically argument of global retailers becoming monopolies will be nullified and this possibility be further be weakened by the accompanying reasons that global retailers will have to face an **unfamiliar cultural and culinary environment**, the infamous bureaucracy, **political opposition** and will always be vulnerable to adverse media coverage.

Farmers are too connected with this issue as they are the ones who grow raw materials so they are the producers, it becomes necessary to analyse what impact they will have. Looking back at the past scenario Indian farmers have suffered a lot because of intermediaries who dominate the value chains and flout mandi norms. Famers will benefit if they directly sell their produce to organised retailers. Farmers will realise better price for their produce and consumer get the product at reasonable price if procurement by MNC's will be made by surpassing the middlemen and brokers. With FDI in retail sector, the consumer will get wide range of products, at lesser prices, ease of access and it will prove beneficial to Indian consumer.

RECOMMENDATIONS
FDI in multi brand retailing should be allowed somewhat less than 51% because of the Indian retail sector particularly organised retail is still under a nascent stage and is underdeveloped and before opening it is important that the domestic retail sector is allowed to grow and consolidate first. The slow opening up of FDI in retail will give time to government for experimentation and it will be easy analyse in a practical way the impact of FDI. It should be allowed in metro cities and there its impact should be witnessed and then according the policy changes should be made further.

Allowing a time period for organised retail sector to develop will allow the linking of the chain in a proper way, improvement and shifting focus towards manufacturing will yield good results, will make our Medium and Small Scale Industries industries to integrate with domestic organised retailers in a better and efficient way as they even are sourcing goods from Mandis and not farmers so, if domestic retailers are doing this, direct sourcing cannot be expected on part of global retailers to source directly from farmers.

Better supply chain should be made, farmers and Medium and Small Scale Industries should be integrated to work with organised retail companies as a well-built network may tempt global retailers to utilise it in their nascent stage, primarily for their starting years may be even further.

A commission should be made which can supervise and regulate supermarkets for suppliers, consumers, and the labour aspects and support to local retailers, can establish multi-stake holder initiative in the chains, provide support to small producers and traditional food retailers, ban buying of products below cost and selling below cost, and improve local traditional markets for small growers, can regulate the function of procurement from farmers..

CONCLUSION
The solution to the problem is to formulate such a policy framework that foreign investors are enticed to invest but they are forced to face barriers, challenges in their way. One of the prominent answers to be can be through government intervention by making policy changes. But this would be visible to the foreign investors before investing so they may restrain themselves from investing. For instance- IKEA announced in January that it is putting hold on its plan to open stores in India because of the 30% requirement, Sharma and Sahu (2012). The policy should be like a "mirage in a desert". From far away investors should see easy and favourable policy which is the main key driving factor but the moment they step in they should realise that they will have tough time in controlling the market and over smarting others. This could be achieved by first of all making our local retail chains not only strong and expansive but most importantly "adaptive" in the sense that even if they do not possess the technology, marketing strategies as good as in comparison to MNC's, on the arrival of MNC's in the Indian market they can learn the technology and marketing strategies etc. easily from them and give MNC's tougher competition likewise as it happened in China otherwise they will fall prey to MNC's if not immediately then gradually as they will intentionally lower the prices of products to muscle out domestic retailers and gain monopoly. Since the Indian retail sector is highly fragmented and domestic retailers are in the process of consolidating their position, the opening up of FDI regime, especially multi-brand retailing should be in phased manner over 5 to 10 years' time frame so that domestic retailers can avail enough time to adjust changes as China did.

REFERENCES

1. Baskaran K (2012)., "The FDI Permit For Multi Brand Retail Trading In India – Green Signal or Red Signal" Business Intelligence Journal. 176
2. Jain M & Sukhlecha M L (2012), "FDI in Multi-brand retail: Is it the need the Hour" International Journal Of Multidisciplinary Research. 122. Available from: http://www.zenithresearch.org.in/images/stories/pdf/2012/JUNE/ZIJMR/9_ZIJMR_VOL2_ISSUE6_JUNE2012.pdf [Accessed 30th January 2013].

3. Kaanan Gupta (2012) FDI in Multi-brand Retailing: Lessons from China, Center for Civil Society. 4. [Online] Available from: http://ccsinternship.files.wordpress.com/2012/06/258_fdi-in-multi-brand-retailing-lessons-from-china_kaanan-gupta.pdf [Accessed 30th January 2013].
4. Malik P (2012)., "FDI in Indian retail sector: Analysis of competition in Agro-food Sector", Competition Commission of India. 13. [Online] Available from: http://cci.gov.in/images/media/ResearchReports/FDI%20in%20Indian%20Retail%20Sector%20Analysis%20of%20Competition%20in%20Agri-Food%20Sector.pdf [Accessed 30th January 2013].
5. Rajput N & Kesharwani S (2012), "FDI and Indian Retail Sector: An Analysis", Journal of Business Administration Research., 55.
6. Sharma, A, Sahu, P., (2012)., "India Lifts Some Limits on Foreign Retailers". The Wall Street Journal.
7. UNSTATS, United Nations based on the international classification of manufacturing (ISICD). http://unstats.un.org/unsd/snaama/selectionbasicFast.asp

.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail **info@ijrcm.org.in** for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals