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CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	CORPORATE SOCIAL RESPONSIBILITY AND ITS IMPACT ON SCHOOL EDUCATION <i>DR. GOPAL KRISHNA THAKUR</i>	1
2.	A STUDY ON NATIONAL POLICY FOR OLDER PERSONS <i>DR. RASHMI RANI AGNIHOTRI H.R & K.S MALIPATIL</i>	5
3.	IMPACT OF MICRO AND MACRO ENVIRONMENTAL ANALYSIS IN THE BANKING SECTOR OF ZAMBIA: A STRATEGIC PLANNING PERSPECTIVE <i>DR. B. NGWENYA & E. MASAMBA</i>	11
4.	A STUDY ON EXTENSION AND IMPLEMENTATION OF INTERMEDIATION BY MUTUAL FUNDS WITH SPECIAL REFERENCE TO INDIAN MUTUAL FUND INDUSTRY <i>G.V.MRUTHYUNJAYA SHARMA, DR. M.G.KRISHNAMURTHY, DR.MAHESHA KEMPEGOWDA & DR. C.SRIKANT</i>	14
5.	REINFORCING CONVENIENCE AND COMFORT FACTORS FOR MOTIVATING TRAINERS <i>DR. P.S RAVICHANDRAN</i>	25
6.	IMPACT OF KNOWLEDGE ECONOMY ON FIRM PERFORMANCE: THE EFFICIENCY OF COMPANIES IN KNOWLEDGE ECONOMY <i>SHAHZAD GHAFOOR</i>	28
7.	AN EMPIRICAL STUDY ON EMPLOYEE WELFARE MEASURES IN SELECTED PUBLIC SECTOR ENTERPRISES <i>DR. RAJNALKAR LAXMAN & SAHANA .L.</i>	33
8.	WOMEN ENTREPRENEURSHIP FACED VARIOUS HURDLES IN SMEs AT TAMIL NADU <i>DR. M. KOLANGIYAPPAN</i>	39
9.	EMPLOYMENT, UNEMPLOYMENT AND REASONS FOR ABSENTEEISM OF RURAL LABOUR HOUSEHOLDS: A STUDY IN CHITTOOR DISTRICT OF ANDHRA PRADESH <i>DR. TRIPURANENI JAGGAIAH</i>	43
10.	RURAL CREDIT THROUGH CO-OPERATIVES IN SHIVAMOGGA DISTRICT <i>VINAYA.L & DR. SURESHRAMANA MAYYA</i>	46
11.	e-WASTE: A THREAT TO HEALTH AND ENVIRONMENTAL SUSTAINABILITY <i>DR. S. M. JAWED AKHTER & MOHD WASEEM</i>	49
12.	A STUDY ON THE SERVICE QUALITY AND LEVEL OF CONSUMER SATISFACTION IN PRIVATE SECTOR BANK OF INDIA <i>DILIP KUMAR JHA</i>	53
13.	GENDER INEQUALITY ISSUES IN ENTREPRENEURSHIP IN MANIPUR <i>DR. LAIRENLAKPAM BIMOLATA DEVI</i>	56
14.	QUALITY OF WORK LIFE OF THE EMPLOYEES IN TAMIL NADU TEA PLANTATION CORPORATION LIMITED, COONOOR <i>P.GAYATHRI</i>	61
15.	ROLE OF HUMAN RESOURCE MANAGEMENT IN MODERN ERA <i>POOJA BHUTANI</i>	65
16.	ROLE OF MICROFINANCE IN ECONOMIC EMPOWERMENT OF WOMEN <i>KOSHY C.J</i>	70
17.	ANALYSIS OF INTER-LINKAGES BETWEEN OFFSHORE NDF RUPEE MARKET AND ONSHORE RUPEE MARKETS: A REVIEW OF LITERATURE <i>SANCHITA DHINGRA</i>	74
18.	THE ROLE OF CHEMICAL FERTILIZERS AND PESTICIDES IN SUSTAINABLE AGRICULTURAL DEVELOPMENT IN INDIA <i>ANITA KUMARI</i>	80
19.	FACTORS AFFECTING WOMEN SELF-EMPLOYMENT IN PUNJAB: A CASE STUDY OF PATIALA DISTRICT <i>DEEPIKA</i>	85
20.	RURAL DEVELOPMENT THROUGH MICROFINANCE AND WOMEN EMPOWERMENT <i>KAHKASHAN KHAN</i>	92
	REQUEST FOR FEEDBACK & DISCLAIMER	95

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CORPORATE SOCIAL RESPONSIBILITY AND ITS IMPACT ON SCHOOL EDUCATION

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ABSTRACT

The businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance. This also makes business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers. Indian entrepreneurs and business enterprises have a long tradition of working within the values that have defined our nation's character for millennia. India's ancient wisdom, which is still relevant today, inspires people to work for the larger objective of the well-being of all stakeholders. This paper delineates the outcome of a qualitative study that took up survey method to look into the CSR (Corporate Social Responsibility) activities of an organisation working in and around Gautam Buddha Nagar district of Uttar Pradesh in India to cater to the educational needs of children from low income strata of society. The outcome of the study suggests that there is a genuine need of similar efforts to touch the lives of the deprived section of society and improve their life conditions. This will certainly help corporate houses or business groups to make their place in the hearts of people in society with everlasting impact.

KEYWORDS

Corporate Social Responsibility; Human Rights, Social Rights, Inclusive Development.

INTRODUCTION

 Our society in the 21st century is witnessing unprecedented challenges and opportunities, arising from globalization, barrier free flow of information network across the globe, advancement of science and technology and its subsequent impact of environment, the desire for inclusive development and the imperatives of climate change. Indian business, which is today viewed globally as an important economy in the world scenario, is determined now to take up a leadership role in the challenges of our times. It is recognized all over the world that for achieving sustainability in business it is very important to recognize social, environmental and ethical responsibilities associated with the business endeavours and integrate the same into it, if businesses have to succeed on a long term basis. This would also help the businesses to make their presence felt in the society with a positive impact. This approach also accentuates the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance. This also makes business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

THE TRAJECTORY OF CSR IN INDIA SINCE ITS ADVENT

The idea of CSR (Corporate Social Responsibility) first came up in 1953 when it became an academic topic in HR Bowen's "Social Responsibilities of the Business". It has been over more than half a century since this concept of CSR has been around and Governments, society and business houses across the globe are pursuing it more actively now since last couple of decades. The CSR has been defined in many ways by the thinkers all across. However, one of the most contemporary definitions is from the World Bank Group, stating, "Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large, to improve their lives in ways that are good for business and for development.

Indian entrepreneurs and business enterprises have a long tradition of working within the values that have defined our nation's character for millennia. India's ancient wisdom, which is still relevant today, inspires people to work for the larger objective of the well-being of all stakeholders. Our age old scriptures emphasize on the opinion that the first and foremost use of wealth should be for the betterment of the humanity, for the well being of the society and it should be judiciously spent for bringing peace and harmony in society, for helping others, supporting genuine people in the time of their needs, etc. Such all-encompassing values are even more relevant in current times, as organizations grapple with the challenges of modern-day enterprise, the aspirations of stakeholders and of citizens eager to be active participants in economic growth and development.

CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES 2009

In year 2009, The Ministry of Corporate Affairs prepared a set of voluntary guidelines which indicate some of the core elements that businesses need to focus on while conducting their affairs. The purpose of this initiative was to facilitate the businesses to adopt responsible governance practices and integrate themselves with society in a meaningful manner. The salient features of these guidelines are as the following:

FUNDAMENTAL PRINCIPLE

Each business entity should formulate a CSR policy to guide its strategic planning and provide a roadmap for its CSR initiatives, which should be an integral part of overall business policy and aligned with its business goals. The policy should be framed with the participation of various level executives and should be approved by the Board.

CORE ELEMENTS

The CSR Policy should normally cover following core elements:

CARE FOR ALL STAKEHOLDERS

The companies should respect the interests of, and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them. They should develop mechanism to actively engage with all stakeholders, inform them of inherent risks and mitigate them where they occur.

ETHICAL FUNCTIONING

Their governance systems should be underpinned by Ethics, Transparency and Accountability. They should not engage in business practices that are abusive, unfair, corrupt or anti-competitive.

RESPECT FOR WORKERS' RIGHTS AND WELFARE

Companies should provide a workplace environment that is safe, hygienic and humane and which upholds the dignity of employees. They should provide all employees with access to training and development of necessary skills for career advancement, on an equal and non-discriminatory basis. They should uphold the freedom of association and the effective recognition of the right to collective bargaining of labour, have an effective grievance redressal system, should not employ child or forced labour and provide and maintain equality of opportunities without any discrimination on any grounds in recruitment and during employment.

RESPECT FOR HUMAN RIGHTS

Companies should respect human rights for all and avoid complicity with human rights abuses by them or by third party.

RESPECT FOR ENVIRONMENT

Companies should take measures to check and prevent pollution; recycle, manage and reduce waste, should manage natural resources in a sustainable manner and ensure optimal use of resources like land and water, should proactively respond to the challenges of climate change by adopting cleaner production methods, promoting efficient use of energy and environment friendly technologies.

ACTIVITIES FOR SOCIAL AND INCLUSIVE DEVELOPMENT

Depending upon their core competency and business interest, companies should undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of their operations. These could include: education, skill building for livelihood of people, health, cultural and social welfare etc., particularly targeting at disadvantaged sections of society.

IMPLEMENTATION GUIDANCE

1. The CSR policy of the business entity should provide for an implementation strategy which should include identification of projects/activities, setting measurable physical targets with timeframe, organizational mechanism and responsibilities, time schedules and monitoring. Companies may partner with local authorities, business associations and civil society/non-government organizations. They may influence the supply chain for CSR initiative and motivate employees for voluntary effort for social development. They may evolve a system of need assessment and impact assessment while undertaking CSR activities in a particular area. Independent evaluation may also be undertaken for selected projects/activities from time to time.
2. Companies should allocate specific amount in their budgets for CSR activities. This amount may be related to profits after tax, cost of planned CSR activities or any other suitable parameter.
3. To share experiences and network with other organizations the company should engage with well established and recognized programmes /platforms which encourage responsible business practices and CSR activities. This would help companies to improve on their CSR strategies and effectively project the image of being socially responsible.
4. The companies should disseminate information on CSR policy, activities and progress in a structured manner to all their stakeholders and the public at large through their website, annual reports, and other communication media.

PROVISION FOR CSR IN COMPANIES BILL 2012

Till date it is very difficult exercise to analyze the spending of CSR by various firms and private companies and such information is not maintained at government level, even among the top 100 firms by revenue, there are many who don't report their CSR spends or even declare the social causes they support, that is because they are not required to do so by law and no provisions for CSR exists in the Companies Act, 1956 so currently the Ministry does not maintain such details. But all that will change when the new Companies Bill, 2012 (which has already been passed by the Lok Sabha) becomes a law.

The Companies Bill, 2012 incorporates a provision of CSR under Clause 135 which states that every company having net worth Rs. 500 crore or more, or a turnover of Rs. 1000 crore or more or a net profit of rupees five crore or more during any financial year, shall constitute a CSR Committee of the Board consisting of three or more Directors, including at least one Independent Director, to recommend activities for discharging corporate social responsibilities in such a manner that the company would spend at least 2 per cent of its average net profits of the previous three years on specified CSR activities. It is proposed to have detailed rules after passing of Companies Bill 2012 by Rajya Sabha to give effect to this provision.

According to Schedule-VII of Companies Bill, 2012 the following activities can be included by companies in their CSR Policies:-

(i) eradicating extreme hunger and poverty; (ii) promotion of education; (iii) promoting gender equality and empowering women; (iv) reducing child mortality and improving maternal health; (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases; (vi) ensuring environmental sustainability; (vii) employment enhancing vocational skills; (viii) social business projects; (ix) contribution to the Prime Minister's National Relief Fund or any other fund set by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women; and (x) such other matters as may be prescribed.

The Companies Bill, 2012, Clause 135 also provides for constitution of a CSR Committee of the Board. The CSR Committee is required to; (a) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII; (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and (c) monitor the Corporate Social Responsibility Policy of the company from time to time; (d) The format for disclosure of CSR policy and the activities therein as part of Board's report will be prescribed in the rules once the Bill is enacted. The data pack compiled by CSR identity.com together with Forbes India is revealing to some extent how much each company will have to fork out on CSR when they will bound by law and their actual spending for the financial year 2012.

GUIDELINES ON CSR FOR PUBLIC ENTERPRISES

The Department of Public Enterprises had issued detailed guidelines on Corporate Social Responsibility (CSR) for CPSEs in April, 2010 which have been issued formally to the Ministries/Departments for compliance in the Central Public Sector Enterprises (CPSEs) under their administrative control.

THE PRESENT STUDY

If we look at the school education sector in totality, we find complete plurality and heterogeneity in terms of how schools under different managements (Govt. run, Private, Aided, etc.) function. The instructional facilities, physical and academic infrastructure vary from one school to another. We find there are schools catering to the rich people's children having ultra advanced facilities at one hand; on the other hand we find Govt. schools and several others deprived of even basic facilities. In fact, our school system is creating two parallel worlds of our own future citizens with "haves and have not's". Lots of funding is being claimed to be spent on improving schools by the government, however situation is not very encouraging. Of late, the business houses, corporate houses have come up to contribute and support schools of their vicinity in order to bring out some positive change in the lives of those children who are attending such schools in the hope of shaping their future. The present study attempted to look into one such CSR initiative having been started in the Gautam Buddha Nagar of the State of Uttar Pradesh in India.

OBJECTIVES OF THE STUDY

The purpose of the study was to examine the nuances of CSR activities taking place in the schools of Gautam Buddha Nagar of Uttar Pradesh in India. The study intended to collect and analyse information about the aspects of CSR activities being conducted in the identified schools and assess the impact of the same in terms of qualitative output in the selected schools.

METHODOLOGY

The study is a descriptive study and took up survey method to collect and the data. The nature of the study is qualitative and the study. The primary and secondary data were collected for analysis during the study. For collecting primary data, semi-structured questionnaire was used to get information from students, teachers and concerned corporate house. For secondary data, company's records, and information placed on the website of the company was retrieved.

SAMPLE

The sample of the study was Steria India Foundation – the organisation that is conducting CSR activities in and around Delhi and NCR and 25 institutions where such activities are being carried out. The students, teachers and the staff of Steria India Foundation also constituted the sample.

DISCUSSION

Steria India Foundation is the CSR arm of Steria India Limited, the India subsidiary of the French IT major – Steria. Steria India community philosophy is focused on 'education', for children from impoverished and rural backgrounds, studying in government schools located near its campuses in Chennai, Pune and Noida. The organisation claims to be giving special emphasis on 'computer literacy', 'English language skills, 'all round development' – with emphasis on the education of the girl child. Steria India Community Services begins in the primary school, with Steria sponsored teachers, play area equipment, computer lessons, nutritious milk supplements, lap-desks, school uniforms, footwear and so on. The organisation supports on these aspects as an ongoing process throughout middle and high school education of the students. It helps in setting up computer centres with English language learning software, mentorship, computer lessons, soft skills workshops, awareness campaigns on a host of issues from the environment to career choices, prep classes for board exams and so on. The Steria India model also gives due importance to extra-curricular skills, like sports, dramatics etc. through leadership clubs running in all Steria supported schools and specially hired professional coaches for sports activities. The objectives for Steria Community Services, as they pronounce, are not merely "charity", but to make the beneficiaries self sufficient to the extent possible, and thus, useful contributing members to society.

COMMUNITY SERVICE MODEL OF STERIA

The Community Service Model, developed and implemented in schools by Steria Foundation India, include - Computer Literacy, English Language, Counselling and Guidance & Employment. Other concerns mentioned include affordability of higher education, sports coaching and science laboratories. The Steria India Foundation Community Model includes; Setting up of computer centres, Setting up of school libraries, Setting up digital classrooms, Play area in primary schools and sports training for high schools, English language skills for high schools, Mentorship sessions for senior children, Teacher training sessions, Vocational skills, Environment awareness campaigns, Merit awards for outstanding academic performance, Summer Camps, etc.

The following are the schools / institutions where CSR activities of Steria Foundation India are being carried out:

NOIDA KANYA INTER COLLEGE, BHANGEL

Noida Kanya (Girls) Inter College is located in Bhangel village in Noida and caters to 1100 girl students studying from Class 6 to Class 12. It is situated at 20 minutes drive from Steria office. This is a private school recognised by the government and caters to girl students in the age group of 9 to 18 years. The girls come from the surrounding villages and belong to economically backward sections of the community. This school project is being jointly implemented by Steria in partnership with its client – Boots.

CSR ACTIVITIES BY STERIA FOUNDATION

Set up the computer centre and library in 2007 in partnership with Boots, Programmes conducted include spelling competition, drawing competitions, art and craft workshops, life-skill workshops, etc.

SGSM HIGH SCHOOL DUJANA

The school is situated in Dujana village in Gautam Buddha Nagar, Noida, which is approximately 28 kms from Steria Noida office. There are 14 class rooms in the school. The total students in the school are 806. This school is sponsored by "The Co-operative Banking Group" - Steria client.

CSR ACTIVITIES BY STERIA FOUNDATION

Set up a computer centre with 20 thin client computers and library in 2010, Programmes conducted include spelling competition, drawing competitions, summer camps, fun day/outing, henna & embroidery workshops, vermi - composting workshops, computer teacher sponsorship, etc.

ADARSH PRATHMIK VIDYALAYA, HAROLA – SEC 5, NOIDA

Adarsh Prathmik Vidyalaya, Sec 5, Harola in Noida, is a Government School with over 1715 students. The children whose parents are mainly daily wage workers come from the neighbouring community.

CSR ACTIVITIES BY STERIA FOUNDATION

Set up the computer centre and library in 2002 and later upgraded with the help of LTSB client, Conducted vaccination camps in partnership with Max India Foundation, Programmes conducted in the school include teacher training in basics of computers, leadership clubs, mentorship programme, football training, drawing competitions, summer camps, art/craft, theatre workshop, donation of durries (mats) for the classrooms, etc., Mentorship program for the existing as well as senior children who have graduated from the school.

POORV MADHYMIK ABHINAV VIDYALAYA – SEC 12, NOIDA

Poorv Madhyamik Abhinav Vidyalaya (Middle School), Sector 12, Bisrakh, Gautambudh Nagar, is a government middle school which caters to the less privileged children coming from the surrounding urban areas of Sector 12 in Noida. Steria in partnership with Scottish Widows set up a computer centre and library in the school in 2005, when it was a primary school. The school has been upgraded to middle school in 2011. There are 191 children studying in this school from Class 6 to Class 8. 5 new computers were added in the existing computer centre to take the computer literacy programme forward.

CSR ACTIVITIES BY STERIA FOUNDATION

Programmes conducted in the school include leadership clubs, mentorship programme, football training, drawing/poster making competitions, summer camps, art/craft, theatre workshop, tree plantation and environment related programmes, sports tournaments, children's day celebrations, etc., Each One Teach One Programme (EOTO) initiated to conduct regular classes, where staff volunteers along with their families participated.

SANSKAR KENDRA SCHOOL

Sanskar Kendra School in Noida is managed by Noida Lok Manch Education Committee. There are 560 children studying in classes 1st to 8th. Children of construction workers and riksha pullers from nearby villages attend the school. Mid day meals are provided to the children. As part of the nutrition plan, children of 1st standard are given a glass of milk everyday in their respective class rooms. Children, especially the seniors are encouraged to help in the school activities. A doctor visits the school once a week for general check up of the children.

CSR ACTIVITIES BY STERIA FOUNDATION

Set up the computer centre in partnership with Yorkshire Water in 2006, Programmes conducted in the school include sports training, fun day for the children, drawing/poster making competitions, vermin compost workshops, art/craft, theatre workshop, tree plantation and children's day celebrations, etc.

YASH MEMORIAL SCHOOL

Yash Memorial School is a middle school which caters to more than 747 children from low income groups studying from Nursery to Class 8.

CSR ACTIVITIES BY STERIA FOUNDATION

Set up the science lab with in partnership with LTSB in 2006, Programmes conducted include mentorship programme, vermin compost workshops, football training, spelling competition, drawing competitions, art and craft workshops, theatre training, environment quizzes and debates, etc.

SANKALP

Sankalp caters mainly to the children of construction workers in Gurgaon. Started about 9 years ago, as a roadside school, Sankalp has developed into a school which is open not only to children but also to housewives to learn tailoring and thus make a living for themselves. There are 672 children studying from Class 1 to Class 5 in this school, after which children are enrolled into mainstream Government schools.

CSR ACTIVITIES BY STERIA FOUNDATION

Set up a computer centre, Support to 15 girls for their annual academic expenses every year, Nail art and manicure workshop, Programmes conducted include drawing competitions, art and craft workshops, annual sports day, etc.

ADARSH PRATHMIK VIDYALAYA – SEC 22

Adarsh Prathmik Vidyalaya is a Govt Primary School which caters to the less privileged children coming from the surrounding urban area of Sector 22 in Noida. Established in the year 1958, this school has 592 students. Steria is associated with the school since March 2007.

CSR ACTIVITIES BY STERIA FOUNDATION

Set up the computer centre and library, distributed flavoured milk once every week to all students for 2 years, Conducted EOTO (Each One Teach One) programme for a period of 4 months by 50 staff volunteers to address the short of teachers problem, other programmes conducted include drawing competitions, art and craft workshops, annual sports days and fun days, summer camps, training in football, karate and yoga, etc.

GOVERNMENT CO-ED. SENIOR SECONDARY SCHOOL CHILLA – (DENMARK SCHOOL)

Government Co-Ed. Senior Secondary School Chilla, Mayur Vihar Ext. Delhi, is a Govt School which caters to children of the less privileged.

CSR ACTIVITIES BY STERIA FOUNDATION

Set up the computer centre, career awareness sessions, merit awards for 12 students for outstanding academic performance every year, regular football & karate coaching classes, drawing and spelling competitions, conducted Life skill workshop session with senior students.

SANT VINOBA INTER COLLEGE, BAIDPURA, NOIDA

Sant Vinoba Inter College is situated in Village Baidpura in Greater Noida which is about 15 kms away from Steria Noida SEZ office. This is a private school, which is partially aided till Class 10. The school has strength of 1538 students studying in Class 6 to Class 12. The school has 18 classrooms and 17 teachers. Steria is associated with this school from December 2011.

CSR ACTIVITIES BY STERIA FOUNDATION

Set up a computer centre with 20 new computers, career awareness sessions, 6 students awarded scholarships for college education, organized summer camp, drawing and spelling competitions conducted for all the children as part of One Day Challenge activities, merit awards given to 12 students for outstanding academic performance every year.

APNA GHAR WELFARE SOCIETY

Apna Ghar is a primary school located in Barola village. The school began in the year 2008, and now caters to 135 students from Nursery till Class 4. A crèche facility is also available for the very young ones. The school follows the NCERT pattern of education and after Class 4, the school ensures that the children are enrolled into the mainstream schools.

CSR ACTIVITIES BY STERIA FOUNDATION

Steria India Foundation is sponsoring the salary of the computer teacher since Nov 2012, Donated books for library.

SHRI DAYANAND INTER COLLEGE, BAMBAVAD

Shri Dayanand Inter College is situated in Bambavad Village, Dadri. The school is located 30 kms away from the Steria office. This is a government school with strength of 1150 students studying from Classes 6 to 12. The school is affiliated under Uttar Pradesh Board. There are 25 classrooms in the school. Steria is associated with the school since October 2012.

STERIA INVOLVEMENT

Donated books for library as a part of students empowerment programme, a computer centre with 20 thin client systems and supporting servers was set up in early 2013.

CONCLUSION

The above described activities of Steria Foundation in the schools of Gautam Buddha Nagar district of Uttar Pradesh are commendable indeed. Feedback received from students and teachers substantiated the claims made by the organisation. The qualitative data received from the respondents accentuated the fact that the quality of teaching learning has certainly improved in the target schools. Students have better exposure of computers and related curricular areas. Teachers also feel contented with the support that their respective schools received from the Steria Foundation.

The outcome of the study has implications for the schools as well as corporate houses that are in the process of expanding their CSR activities. It is really very nice to see that the CSR initiatives of corporate sectors touch lives of so many children and indirectly of their families as well and brings the glaze of confidence on their faces thus making their place in the hearts of those who are the end recipients of these CSR activities.

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A STUDY ON NATIONAL POLICY FOR OLDER PERSONS**DR. RASHMI RANI AGNIHOTRI H.R****FACULTY****DEPARTMENT OF STUDIES & RESEARCH IN SOCIAL WORK****P.G. CENTRE RAICHUR****GULBARGA UNIVERSITY****GULBARGA****K.S MALIPATIL****CHAIRMAN****DEPARTMENT OF STUDIES & RESEARCH IN SOCIAL WORK****GULBARGA UNIVERSITY****GULBARGA****ABSTRACT**

A man's life is normally divided into five main stages namely infancy, childhood, adolescence, adulthood and old age. In each of these stages an individual has to find himself in different situations and face different problems. The old age is not without problems. In old age physical strength deteriorates, mental stability diminishes; money power becomes bleak coupled with negligence from the younger generation. There are 81million older people in India-11 lakh in Delhi itself. According to an estimate nearly 40% of senior citizens living with their families are reportedly facing abuse of one kind or another, but only 1 in 6 cases actually comes to light. Although the President has given her assent to the Maintenance and Welfare of Parents and Senior Citizens Act which punishes children who abandon parents with a prison term of three months or a fine, situation is grim for elderly people in India. According to NGOs incidences of elderly couples being forced to sell their houses are very high. Some elderly people have also complained that in case of a property dispute they feel more helpless when their wives side with their children. Many of them suffer in silence as they fear humiliation or are too scared to speak up. According to them a phenomenon called 'grand dumping' is becoming common in urban areas these days as children are being increasingly intolerant of their parents' health problems. After a certain age health problems begin to crop up leading to losing control over one's body, even not recognizing own family owing to Alzheimer are common in old age. It is then children began to see their parents as burden. It is these parents who at times wander out of their homes or are thrown out. Some dump their old parents or grandparents in old-age homes and don't even come to visit them anymore. Delhi has nearly 11 lakh senior citizens but there are only 4 governments' run homes for them and 31 by NGOs, private agencies and charitable trusts. The facilities are lacking in government run homes.

KEYWORDS

Older persons, senior citizens.

INTRODUCTION

Most developed world countries have accepted the chronological age of 65 years as a definition of 'elderly' or older person, but like many westernized concepts, this does not adapt well to the situation in Africa. While this definition is somewhat arbitrary, it is many times associated with the age at which one can begin to receive pension benefits. At the moment, there is no United Nations standard numerical criterion, but the UN agreed cut off is 60+ years to refer to the older population.

Although there are commonly used definitions of old age, there is no general agreement on the age at which a person becomes old. The common use of a calendar age to mark the threshold of old age assumes equivalence with biological age, yet at the same time, it is generally accepted that these two are not necessarily synonymous.

As far back as 1875, in Britain, the Friendly Societies Act, enacted the definition of old age as, "any age after 50", yet pension schemes mostly used age 60 or 65 years for eligibility. (Roebuck, 1979). The UN has not adopted a standard criterion, but generally use 60+ years to refer to the older population (personal correspondence, 2001).

Realistically, if a definition in Africa is to be developed, it should be either 50 or 55 years of age, but even this is somewhat arbitrary and introduces additional problems of data comparability across nations. The more traditional African definitions of an elder or 'elderly' person correlate with the chronological ages of 50 to 65 years, depending on the setting, the region and the country. Adding to the difficulty of establishing a definition, actual birth dates are quite often unknown because many individuals in Africa do not have an official record of their birth date. In addition, chronological or "official" definitions of ageing can differ widely from traditional or community definitions of when a person is older. We will follow the lead of the developed worlds, for better or worse, and use the pensionable age limit often used by governments to set a standard for the definition.

Lacking an accepted and acceptable definition, in many instances the age at which a person became eligible for statutory and occupational retirement pensions has become the default definition. The ages of 60 and 65 years are often used, despite its arbitrary nature, for which the origins and surrounding debates can be followed from the end of the 1800's through the mid-1900's. (Thane, 1978 & 1989; Roebuck 1979) Adding to the difficulty of establishing a definition, actual birth dates are quite often unknown because many individuals in Africa do not have an official record of their birth date.

DEFINING OLD

"The ageing process is of course a biological reality which has its own dynamic, largely beyond human control. However, it is also subject to the constructions by which each society makes sense of old age. In the developed world, chronological time plays a paramount role. The age of 60 or 65, roughly equivalent to retirement ages in most developed countries is said to be the beginning of old age. In many parts of the developing world, chronological time has little or no importance in the meaning of old age. Other socially constructed meanings of age are more significant such as the roles assigned to older people; in some cases it is the loss of roles accompanying physical decline which is significant in defining old age. Thus, in contrast to the chronological milestones which mark life stages in the developed world, old age in many developing countries is seen to begin at the point when active contribution is no longer possible." (Gorman, 2000)

Age classification varied between countries and over time, reflecting in many instances the social class differences or functional ability related to the workforce, but more often than not was a reflection of the current political and economic situation. Many times the definition is linked to the retirement age, which in some instances, was lower for women than men. This transition in livelihood became the basis for the definition of old age which occurred between the ages of 45 and 55 years for women and between the ages of 55 and 75 years for men. (Thane, 1978).

CATEGORIES OF DEFINITIONS

When attention was drawn to older populations in many developing countries, the definition of old age many times followed the same path as that in more developed countries, that is, the government sets the definition by stating a retirement age. Considering that a majority of old persons in sub-Saharan Africa live in rural areas and work outside the formal sector, and thus expect no formal retirement or retirement benefits, this imported logic seems quite illogical. Further, when this definition is applied to regions where relative life expectancy is much lower and size of older populations is much smaller, the utility of this definition becomes even more limited.

Study results published in 1980 provides a basis for a definition of old age in developing countries (Glascok, 1980). This international anthropological study was conducted in the late 1970's and included multiple areas in Africa. Definitions fell into three main categories: 1) chronology; 2) change in social role (i.e. change in work patterns, adult status of children and menopause); and 3) change in capabilities (i.e. invalid status, senility and change in physical characteristics). Results from this cultural analysis of old age suggested that change in social role is the predominant means of defining old age. When the preferred definition was chronological, it was most often accompanied by an additional definition.

These results somewhat contradict the findings of a more recent study conducted in Nigeria regarding perceptions about the onset of old age. (Togonu-Bikersteth, 1987 and 1988) Younger and older age groups had similar responses regarding the chronological onset of old age, with differences in the stated age for men and women. The results suggested that the generally accepted definition was similar to westernized definitions of old age; however, this was a unique community with culture-related norms that bestowed certain privileges and benefits at older ages. If one considers the self-definition of old age, that is old people defining old age, as people enter older ages it seems their self-definitions of old age become decreasingly multifaceted and increasingly related to health status (Brubaker, 1975, Johnson, 1976 and Freund, 1997).

While a single definition, such as chronological age or social/cultural/functional markers, is commonly used by, amongst others, demographers, sociologists, anthropologists, economists and researchers, it seems more appropriate in Africa to use a combination of chronological, functional and social definitions. However, the challenge of how to incorporate a suitable multidimensional definition into the "pensionable age" concept remains. It was felt that by using age 50 years, this project will be indirectly incorporating these other definitions.

For this project, we will use 50 years of age and older as the general definition of an older person. We feel these data are necessary to fully inform policy makers and programme planners. The accumulated evidence and resulting information will be able to more accurately determine the health status of the older population.

RIGHTS OF THE ELDERLY

- Parents cannot be evicted from a house without due process of law if they have been staying there from before. There is three enactments that can be applied.
- Under section 125 of the CrPC, a magistrate can order a child to maintain his old parents under the Maintenance of Parents Act.
- The Hindu Adoptions and Maintenance Act say an aged parent can demand maintenance from children in the same way that a wife can demand it from her husband.
- The Domestic Violence Act too provides parents with the right to seek relief from any kind of abuse.

A National Policy on older persons was announced in January 1999 which identified a number of areas of intervention-financial security, healthcare and nutrition, shelter, education, welfare, protection of life and property for the wellbeing of older persons in the country. A National Council for Older Persons (NCOP) was constituted by the Ministry of Social Justice and Empowerment to operationalize the National Policy on older persons. The paper shows the detail text of A National Policy on older persons.

METHODOLOGY

The study is based on the secondary data sources. The necessary information about A National Policy on older persons and its various components are collected from the sources published by Govt. department and information collected from various books, internet source of related topics.

NATIONAL POLICY ON OLDER PERSONS

THE BACKGROUND

DEMOGRAPHIC TRENDS

Demographic ageing, a global phenomenon has hit Indian shores as well. People are living longer. Expectation of life at birth for males has shown a steady rise from 42 years in 1951-60 to 58 years in 1986-90, it is projected to be 67 years in 2011-16, an increase of about 9 years in at twenty five year period (1986-90 to 2011-16). In the case of females, the increase in expectation of life has been higher-about 11 years during the same period, from 58 years in 1986-90 to 69 years in 2011-16. At age 60 too, the expectation of life shows a steady rise and is a little higher for women. In 1989-93, it was 15 years for males and 16 years for females.

Improved life expectancy has contributed to an increase in the number of persons 60+ from only 12 million persons 60+ in India in 1901, the number crossed 20 million in 1951 and 57 million in 1991. Population projections for 1996-2016 made by the Technical Group on Population Projections (1996) indicate that the 100 million mark is expected to be reached in 2013. Projections beyond 2016 made by the United Nations (1996 Revision) has indicated that India will have 198 million persons 60+ in 2030 and 326 million in 2050. The percentage of persons 60+ in the total population has seen a steady rise from 5.1 percent in 1901 to 6.8 percent in 1991. It is expected to reach 8.9 percent in 2016. Projections beyond 2016 made by United Nations (1996 Revision) has indicated that 21 percent of the Indian population will be 60+ by 2050.

Growth rate on a large demographic base implies a much larger increase in numbers. This will be the case in the coming years. The decade 2001-11 is expected to witness an increase of 25 million persons 60+ which is equivalent to the total population of persons 60+ in 1961. The twenty five years period 1991 to 2016 will witness an increase of 55.4 million persons 60+ which is nearly the same as the population of persons 60+ in 1991. In other words, in a twenty five years period starting 1991 the population 60+ will nearly double itself.

Sixty three percent of the population in 1991 (36 million) is in the age group 60-69 years, often referred to as 'young old' or 'not so old' while 11 percent (6 million) is in the age group 80 years and over i.e., in the 'older old' or 'very old' category. In 2016, the percentage in these age groups will be almost the same, but the numbers are expected to be 69 million and 11 million respectively. In other words, close to six tenths of population 60-69 years can be expected to be in reasonably good physical and mental health, free of serious disability and capable leading a active life. About one third of the population 70-79 years can also be expected to be fit for a reasonably active life. This is indicative of the huge reserve of human resource. Men outnumber women in India even after age 60 (29 million males, 27 million females 60+ in 1991). This will continue to be the situation in 2016 when there will be an estimated 57 million males and 56 million females 60+.

Incidence of widowhood is much higher among females 60+ than among males of the same age group because it is customary for women to get married to men older by several years; also, they do not remarry and live longer. There were in 1991, 14.8 million widowed females 60+ compared to 4.5 million widowed males. In other words, there were four times as many widowed females as widowed males.

IMPLICATIONS

The demographic ageing of population has implications at the macro and also at household level. The sheer magnitude of numbers is indicative both of the huge human reserve and also of the scale of endeavours necessary to provide social services and other benefits.

Demographic transition has been accompanied by changes in society and economy. These are of a positive nature in some areas and a cause of concern in others.

A growing number of persons 60+ in the coming decades will belong to the middle and upper income groups, be economically better off with some degree of financial security, have higher professional and education qualifications, lead an active life in their 60s and even first half of the 70s, they have a positive frame of mind looking for opportunities for a more active, creative and satisfying life. Some areas of concern in the situation of older persons will also emerge, signs of which are already evident, resulting in pressures and fissures in living arrangements of older persons. It is true that family ties in India are very strong and an overwhelming majority live with their sons or are supported by them. Also, working couples find the presence of old parents emotionally bonding and of great help in managing the household and caring for children. However, due to the operation of several forces, the position of a large number of older persons has become vulnerable due to which they cannot take for granted that their children will be able to look after them when they need care in old age, especially in view of the longer life span implying an extended period of dependency and higher costs to meet health and other needs.

Industrialisation, urbanization, education and exposure to life styles in developed countries are bringing changes in values and life styles. Much higher costs of bringing up and educating children and pressures for gratification of their desires affects transfer of share of income for the care of parents. Due to shortage of space in dwellings in urban areas and high rents, migrants prefer to leave their parents in their native place. Changing roles and expectations of women, their concepts of privacy and space, desire not to be encumbered by caring responsibilities of old people for long periods, career ambitions, and employment outside the home implies considerably reduced time for care giving. Also, adoption of small family norms by a growing number of people implies availability of fewer care givers specially since in a growing number of families, daughters, too, are fully occupied, pursuing their educational or work career. The position of single persons, particularly females, is more vulnerable in old age as few persons are willing to take care of non-linear relatives. So also is the situation of widows an overwhelming majority of whom have no independent source of income, do not own assets and are totally dependent.

THE MANDATE

Well-being of older persons has been mandated in the Constitution of India. Article 41, a Directive Principle of State Policy, has directed that the State shall, within the limits of its economic capacity and development, make effective provision for securing the right of public assistance in cases of old age. There are other provisions, too, which direct the State to improve the quality of life of its citizens. Right to equality has been guaranteed by the Constitution as a Fundamental Right. These provisions apply equally to older persons. Social security has been made the concurrent responsibility of the Central and State Governments.

The last two decades have witnessed considerable discussion and debate on the impact of demographic transition and of changes in society and economy on the situation of older persons. The United Nations Principles for Older Persons adopted by the United Nations General Assembly in 1991, the Proclamation of Ageing and the Global Targets on Ageing for the year 2001 adopted by the General Assembly in 1992, and various other Resolutions adopted from time to time, are intended to encourage governments to design their own policies and programmes in this regard.

There has for several years been a demand for a Policy Statement by the State towards its senior citizens so that they do not face an identity crisis and know where they stand in the overall national perspective. The need has been expressed at different forums where ageing issues have been deliberated. The Statement, by indicating the principles underlying the policy, the directions, the needs that will be addressed and the relative roles of governmental and non-governmental institutions, is expected to facilitate carving out of respective areas of operation and action in the direction of a human age integrated society.

NATIONAL POLICY STATEMENT

The National Policy seeks to assure older persons that their concerns are national concerns and they will not live unprotected, ignored or marginalized. The goal of the National Policy is the well-being of older persons. It aims to strengthen their legitimate place in society and help older persons to live the last phase of their life with purpose, dignity and peace.

The Policy visualizes that the State will extend support for financial security, health care, shelter, welfare and other needs of older persons, provide protection against abuse and exploitation, make available opportunities for development of the potential of older persons, seek their participation, and provide services so that they can improve the quality of their lives. The Policy is based on some broad principles.

The Policy recognizes the need for affirmative action in favour of elderly. It has to be ensured that the rights of older persons are not violated and they get opportunities and equitable share in development benefits, different sectors of development, programmes and administrative actions will reflect sensitivity in older persons living in rural areas. Special attention will be necessary to older females so that they do not become victims of triple neglect and discrimination on account of gender, widowhood and age.

The Policy views the life cycle as a continuum, of which post 60 phase of life is an integral part. It does not view age 60 as the cut off point for beginning a life of dependency. It considers 60+ as a phase when the individual should have the choices and the opportunities to lead an active, creative, productive and satisfying life. An important thrust is therefore, on active and productive involvement of older persons and not just their care.

The Policy values an age-integrated society. It will endeavour to strengthen integration between generations, facilitate two way flows and interactions, and strengthen bonds between the young and the old. It believes in the development of a social support system, informal as well as formal, so that the capacity of families to take care of older persons is strengthened and they can continue to live in their family.

The Policy recognizes that older persons, too, are a resource. They render useful services in the family and outside. They are not just consumers of goods and services but also their producers. Opportunities and facilities need to be provided so that they can continue to contribute more effectively to the family, the community and society.

The Policy firmly believes in the empowerment of older persons so that they can acquire better control over their lives and participate in decision making on matters which affect them as well as on other issues as equal partners in the development process. The decision making process will seek to involve them to a much larger extent specially since they constitute 12 percent of the electorate, a proportion which will rise in the coming years. The Policy recognizes that larger budgetary allocations from the State will be needed and the rural and urban poor will be given special attention. However, it is neither feasible nor desirable for the State alone to attain the objectives of the National Policy. Individuals, families, communities and institutions of civil society have to join hands as partners.

The Policy emphasizes the need for expansion of social and community services for older persons, particularly women, and enhance their accessibility and use by removing socio-cultural, economic and physical barriers and making the services client oriented and user friendly. Special efforts will be made to ensure that rural areas, where more than three-fourths of the older population lives, are adequately covered.

The foundation of the new policy, known as the "National Policy for Senior Citizens 2011" is based on several factors. These include the demographic explosion among the elderly, the changing economy and social milieu, advancement in medical research, science and technology and high levels of destitution among the elderly rural poor (51 million elderly live below the poverty line). A higher proportion of elderly women than men experience loneliness and are dependent on children. Social deprivations and exclusion, privatization of health services and changing pattern of morbidity affect the elderly. All those of 60 years and above are senior citizens. This policy addresses issues concerning senior citizens living in urban and rural areas, special needs of the „oldest old“ and older women.

In principle the policy values an age integrated society. It will endeavour to strengthen integration between generations, facilitate interaction between the old and the young as well as strengthen bonds between different age groups. It believes in the development of a formal and informal social support system, so that the capacity of the family to take care of senior citizens is strengthened and they continue to live in the family. The policy seeks to reach out in particular to the bulk of senior citizens living in rural areas who are dependent on family bonds and intergenerational understanding and support.

THE FOCUS OF THE NEW POLICY

1. Mainstream senior citizens, especially older women, and bring their concerns into the national development debate with priority to implement mechanisms already set by governments and supported by civil society and senior citizens' associations. Support promotion and establishment of senior citizens' associations, especially amongst women.
2. Promote the concept of „Ageing in Place“ or ageing in own home, housing, income security and homecare services, old age pension and access to healthcare insurance schemes and other programmes and services to facilitate and sustain dignity in old age. The thrust of the policy would be preventive rather than cure.

3. The policy will consider institutional care as the last resort. It recognises that care of senior citizens has to remain vested in the family which would partner the community, government and the private sector.
4. Being a signatory to the Madrid Plan of Action and Barrier Free Framework it will work towards an inclusive, barrier-free and age-friendly society.
5. Recognise that senior citizens are a valuable resource for the country and create an environment that provides them with equal opportunities, protects their rights and enables their full participation in society. Towards achievement of this directive, the policy visualises that the states will extend their support for senior citizens living below the poverty line in urban and rural areas and ensure their social security, healthcare, shelter and welfare. It will protect them from abuse and exploitation so that the quality of their lives improves.
6. Long term savings instruments and credit activities will be promoted to reach both rural and urban areas. It will be necessary for the contributors to feel assured that the payments at the end of the stipulated period are attractive enough to take care of the likely erosion in purchasing power.
7. Employment in income generating activities after superannuation will be encouraged.
8. Support and assist organisations that provide counselling, career guidance and training services.
9. States will be advised to implement the Maintenance and Welfare of Parents and Senior Citizens Act, 2007 and set up Tribunals so that elderly parents unable to maintain themselves are not abandoned and neglected.
10. States will set up homes with assisted living facilities for abandoned senior citizens in every district of the country and there will be adequate budgetary support.

AREAS OF INTERVENTION

The concerned ministries at central and state level as mentioned in the „Implementation Section“ would implement the policy and take necessary steps for senior citizens as under:

INCOME SECURITY IN OLD AGE

A major intervention required in old age relates to financial insecurity as more than two third of the elderly live below the poverty line. It would increase with age uniformly across the country.

- citizens living below the poverty line.
- Rate of monthly pension would be raised to Rs.1000 per month per person and revised at intervals to prevent its deflation due to higher cost of purchasing.
- The „oldest old“ would be covered under Indira Gandhi National Old Age Pension Scheme (IGNOAPS). They would be provided additional pension in case of disability, loss of adult children and concomitant responsibility for grand children and women. This would be reviewed every five years.
- The public distribution system would reach out to cover all senior citizens living below Indira Gandhi National Old Age Pension scheme would cover all senior the poverty line.
- Income Tax Taxation policies would reflect sensitivity to the financial problems of senior citizens which accelerate due to very high costs of medical and nursing care, transportation and support services needed at homes.
- Microfinance Loans at reasonable rates of Interest would be offered to senior citizens to start small businesses. Microfinance for senior citizens would be supported through suitable guidelines issued by the Reserve Bank of India.

➤ HEALTHCARE

With advancing age, senior citizens have to cope with health and associated problems some of which may be chronic, of a multiple nature, require constant attention and carry the risk of disability and consequent loss of autonomy. Some health problems, especially when accompanied by impaired functional capacity require long term management of illness and nursing care.

- Healthcare needs of senior citizens will be given high priority. The goal would be good, affordable health service, heavily subsidized for the poor and a graded system of user charges for others. It would have a judicious mix of public health services, health insurance, health services provided by not-for-profit organizations including trusts and charities, and private medical care. While the first of these will need to be promoted by the State, the third category given some assistance, concessions and relief and the fourth encouraged and subjected to some degree of regulation, preferably by an association of providers of private care.
- The basic structure of public healthcare would be through primary healthcare. It would be strengthened and oriented to meet the health needs of senior citizens. Preventive, curative, restorative and rehabilitative services will be expanded and strengthened and geriatric care facilities provided at secondary and tertiary levels. This will imply much larger public sector outlays, proper distribution of services in rural and urban areas, and much better health administration and delivery systems. Geriatric services for all age groups above 60--- preventive, curative, rehabilitative healthcare will be provided. The policy will strive to create a tiered national level geriatric healthcare with focus on outpatient day care, palliative care, rehabilitation care and respite care.
- Twice in a year the PHC nurse or the ASHA will conduct a special screening of the 80+ population of villages and urban areas and public/private partnerships will be worked out for geriatric and palliative healthcare in rural areas recognizing the increase of non-communicable diseases (NCD) in the country.
- Efforts would be made to strengthen the family system so that it continues to play the role of primary caregiver in old age. This would be done by sensitizing younger generations and by providing tax incentives for those taking care of the older members.
- Development of health insurance will be given priority to cater to the needs of different income segments of the population with provision for varying contributions and benefits. Packages catering to the lower income groups will be entitled to state subsidy. Concessions and relief will be given to health insurance to enlarge the coverage base and make it affordable. Universal application of health insurance – RSBY (Rashtriya Swasthya Bima Yojana) will be promoted in all districts and senior citizens will be compulsorily included in the coverage. Specific policies will be worked out for healthcare insurance of senior citizens.
- From an early age citizens will be encouraged to contribute to a government created healthcare fund that will help in meeting the increased expenses on healthcare after retirement. It will also pay for the health insurance premium in higher socio economic segments.
- Special programmes will be developed to increase awareness on mental health and for early detection and care of those with Dementia and Alzheimer’s disease.
- Restoration of vision and eyesight of senior citizens will be an integral part of the National Programme for Control of Blindness (NPCB).
- Use of science and technology such as web based services and devices for the well being and safety of senior citizens will be encouraged and expanded to under-served areas.
- National and regional institutes of ageing will be set up to promote geriatric healthcare. Adequate budgetary support will be provided to these institutes and a cadre of geriatric healthcare specialists created including professionally trained caregivers to provide care to the elderly at affordable prices.
- The current National Programme for Health Care of the Elderly (NPHCE) being implemented in would be expanded immediately and, in partnership with civil organizations, scaled up to all districts of the country.
- Public private partnership models will be developed wherever possible to implement healthcare of the elderly.
- Services of mobile health clinics would be made available through PHCs or a subsidy would be granted to NGOs who offer such services.
- Health Insurance cover would be provided to all senior citizens through public funded schemes, especially those over 80 years who do not pay income tax.
- Hospices and palliative care of the terminally ill would be provided in all district hospitals and the Indian protocol on palliative care will be disseminated to all doctors and medical professionals.
- Recognize gender based attitudes towards health and develop programmes for regular health checkups especially for older women who tend to neglect their problems.

➤ **SAFETY AND SECURITY**

- Provision would be made for stringent punishment for abuse of the elderly.
- Abuse of the elderly and crimes against senior citizens especially widows and those living alone and disabled would be tackled by community awareness and policing.
- Police would be directed to keep a friendly vigil and monitor programmes which will include a comprehensive plan for security of senior citizens whether living alone or as couples. They would also promote mechanisms for interaction of the elderly with neighbourhood associations and enrolment in special programmes in urban and rural areas.
- Protective services would be established and linked to help lines, legal aid and other measures.

➤ **HOUSING**

Shelter is a basic human need. The stock of housing for different income segments will be increased. Ten percent of housing schemes for urban and rural lower income segments will be earmarked for senior citizens. This will include the Indira Awas Yojana and other schemes of the government.

- Age friendly, barrier-free access will be created in buses and bus stations, railways and railway stations, airports and bus transportation within the airports, banks, hospitals, parks, places of worship, cinema halls, shopping malls and other public places that senior citizens and the disabled frequent.
- Develop housing complexes for single older men and women, and for those with need for specialized care in cities, towns and rural areas.
- Promote age friendly facilities and standards of universal design by Bureau of Indian Standards.
- Since a multi-purpose centre is a necessity for social interaction of senior citizens, housing colonies would reserve sites for establishing such centres. Segregation of senior citizens in housing colonies would be discouraged and their integration into the community supported.
- Senior citizens will be given loans for purchase of houses as well as for major repairs, with easy repayment schedules.

➤ **PRODUCTIVE AGEING**

- The policy will promote measures to create avenues for continuity in employment and/or post retirement opportunities.
- Directorate of Employment would be created to enable seniors find re-employment.
- The age of retirement would be reviewed by the Ministry due to increasing longevity.

➤ **WELFARE**

- A welfare fund for senior citizens will be set up by the government and revenue generated through a social security cess. The revenue generated from this would be allocated to the states in proportion to their share of senior citizens. States may also create similar funds.
- Non-institutional services by voluntary organizations will be promoted and assisted to strengthen the capacity of senior citizens and their families to deal with problems of the ageing.
- All senior citizens, especially widows, single women and the „oldest old“ would be eligible for all schemes of government. They would be provided universal identity under the Aadhar scheme on priority.
- Larger budgetary allocations would be earmarked to pay attention to the special needs of rural and urban senior citizens living below the poverty line.

➤ **MULTIGENERATIONAL BONDING**

- The policy would focus on promoting bonding of generations and multigenerational support by incorporating relevant educational material in school curriculum and promoting value education. School Value Education modules and text books promoting family values of caring for parents would be promoted by NCERT and State Educational Bodies.

➤ **MEDIA**

- Media has an important role to play in highlighting the changing situation of senior citizens and in identifying emerging issues and areas of action.
- Involve mass media as well as informal and traditional communication channels on ageing issues Natural disasters/ emergencies
- Provide equal access to food, shelter, medical care and other services to senior citizens during and after natural disasters and emergencies.
- Enhance financial grants and other relief measures to assist senior citizens to re-establish and reconstruct their communities and rebuild their social fabric following emergencies.

➤ **IMPLEMENTATION MECHANISM**

- There will be efforts to provide an identity for senior citizens across the country and the ADHAAR Unique identity number will be offered to them so that implementation of assistance schemes of Government of India and concessions can be offered to them. As part of the policy implementation the Government will strive for:
 - Establishment of Department of Senior Citizens under the Ministry of Social Justice and Empowerment
 - The Ministry of Social Justice and Empowerment will establish a “Department of Senior Citizens” which will be the nodal agency for implementing programmes and services for senior citizens and the NPS 2011. An inter-ministerial committee will pursue matters relating to implementation of the national policy and monitor its progress. Coordination will be by the nodal ministry. Each ministry will prepare action plans to implement aspects that concern them and submit regular reviews.
 - Establishment of Directorates of Senior Citizens in states and union territories
 - States and union territories will set up separate Directorates of Senior Citizens for implementing programmes and services for senior citizens and the NPS 2011.
 - National/State Commission for Senior Citizens A National Commission for Senior Citizens at the centre and similar commissions at the state level will be constituted. The Commissions would be set up under an Act of the Parliament with powers of Civil Courts to deal with cases pertaining to violations of rights of senior citizens. Act of the Parliament with powers of Civil Courts to deal with cases pertaining to violations of rights of senior citizens.
 - Establishment of National Council for Senior Citizens
 - A National Council for Senior Citizens, headed by the Minister for Social Justice and Empowerment will be constituted by the Ministry. With tenure of five years, the Council will monitor the implementation of the policy and advise the government on concerns of senior citizens. A similar body would be established in every state with the concerned minister heading the State Council for Senior Citizens.
 - The Council would include representatives of relevant central ministries, the Planning Commission and ten states by rotation.
 - Representatives of senior citizens associations from every state and Union Territory.
 - Representatives of NGOs, academia, media and experts on ageing.
 - The council would meet once in six months.

CONCLUSION

Ageing is a natural process of human development and must be understood in all its dimensions and effect on national development. The Ministries of Home Affairs, Health & Family Welfare, Rural Development, Urban Development, Youth Affairs & Sports, Railways, Science & Technology, Statistics & Programme Implementation, Labour, Panchayat Raj and Departments of Elementary Education & Literacy, Secondary & Higher Education, Road Transport & Highways, Public Enterprises, Revenue, Women & Child Development, Information Technology and Personnel & Training will setup necessary mechanism for implementation of the policy. A five-year perspective Plan and annual plans setting targets and financial allocations will be prepared by each Ministry/ Department. The annual report of these Ministries/ Departments will indicate progress achieved during the year. This will enable monitoring by the designated authority. Role of Block Development Offices, Panchayat Raj Institutions and Tribal Councils/Gram Sabhas Block Development offices would appoint nodal officers to serve as a one point contact for senior citizens to ease access to pensions and handle documentation and physical presence requirements, especially by the elderly women. Panchayat Raj Institutions would be directed to implement the NPS 2011 and address local issues and needs of the ageing population. In rural/ tribal areas, the

tribal council or gram sabha or the relevant Panchayat Raj institution would be responsible for implementation of the policy. The provisions of the 13th Finance Commission for special funding to them would be made applicable.

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IMPACT OF MICRO AND MACRO ENVIRONMENTAL ANALYSIS IN THE BANKING SECTOR OF ZAMBIA: A STRATEGIC PLANNING PERSPECTIVE

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ABSTRACT

The broad business benefit derived from formal strategic planning by management within the banking sector in Zambia is the realization of revenue opportunities and losses minimization through management ability to recognize future trends and potential operational risks, resulting from adequate environmental scanning strategies. Based on the findings of this study, bank managers strive for a strategic fit between organisational strengths and weaknesses (internal environmental factors) and opportunities and threats (external environmental factors) to achieve profitability, customer satisfaction, increased customer loyalty, market share, sustainable competitive advantage and high retention rates. This study makes an analysis on the micro and macro environmental factors analysis by management in the banking sector of Zambia.

KEYWORDS

environmental scanning, customer satisfaction, customer loyalty, retention rates, competitive advantage.

INTRODUCTION

The issues of business profitability and sustainability are a growing concern to most developing countries and Zambia is not an exception. Taking a quick review of the operations of most published bank's financial statements show growing trend in losses than profits and others simply maintaining a break-even status quo. This could be attributed to inadequate implementation of SWOT analysis techniques when conducting strategic planning. Clients are a vital aspect of business activities. Mallette (2006) says that most enterprises are using a financial strategy that poorly supports a client-centred operation, resulting in millions of dollars of too little revenue generation and depressing profitability. He further says many organizations lack a credible structure for consistently evaluating their financial strategy to ensure compatibility with client needs. The identified factors in the business environment using SWOT analysis may be a basis for matching financial strategy with customer needs. Moreover, Anwar (2008) argues that inadequate environmental scanning/SWOT analysis, strategy implementation; client focus, new service development, and competitiveness were collectively responsible for a huge deviation from best possible performance. The amount of financial losses resulting from poor SWOT analysis techniques, and the failure to taking advantage of opportunities using strengths while avoiding the threats and improving the weaknesses reflects the significance of the business problem proposed in this study (Mallette, 2006).

NEED FOR THE STUDY

The majority of businesses in Monze district of Zambia are small and medium enterprises (SMEs) which are mainly in the service industry. These businesses seem to be prone to their management's inexperience or challenge of lack of planning expertise, particularly environmental scanning techniques, and mismatching of financial strategies with client needs. The purpose of this study was to explore the extent to which these service organizations such as banks employ SWOT analysis techniques when conducting their strategic planning. The researchers believed that the study results would benefit service businesses in the intended geographic location by streamlining their environmental scanning activities. Business leaders and organizations in other sectors of the nation's economy may use the study's results to improve their business processes, trend related information analysis, financial strategy formulation, targeting of clients, and market positioning. The study's results may affect positive social change by boosting the potential for increasing employment and opportunities for profitable business operations.

STATEMENT OF THE PROBLEM

The broad business problem addressed in this study is that service businesses lose revenue opportunities and suffer losses because of an inability to recognize future trends and potential operational risks, resulting from inadequate environmental scanning strategies leading to wrong, strengths, weaknesses, opportunities and threats (SWOT) analysis of the business environment (De Fontnovelle *et al.*, 2006). The specific problem addressed in this study was to assess the extent to which banks in the Monze district of Zambia implement SWOT analysis techniques when conducting strategic planning process.

OBJECTIVES OF THE STUDY

1. To assess the extent to which banks in Monze in Zambia implement the SWOT analysis techniques in their strategic planning.
2. To advance knowledge that formal strategic planning within the banking sector in Zambia affords management a strategic opportunity to match the bank's capabilities against the key opportunities and threats within its environment.
3. To advance knowledge that formal strategic planning is critical for bank survival through sustainable market share, customer loyalty, profitability, high retention rate, and competitive advantage.

METHODOLOGY

The sample size studied was 40 respondents from three banks in Monze district in Zambia. The researchers adopted a purposeful sampling technique. The respondents comprising the sample were a mixture of female and male employees of the banks. A questionnaire with structured questions was designed and administered. Each question addressed a factor of either internal or external environmental analysis. Measurement of variables was done on a Likert scale. The questionnaire was subjected to reliability and validity tests before distribution and a Cronbach's alpha of 0.943 was obtained. As a result the instrument was deemed fit for operational purposes. Forty (40) questionnaires were administered to all the banks by the researchers and all were properly completed representing a 100% return rate. The Statistical Package for social sciences (SPSS) was used to compute the statistics.

SCOPE OF THE STUDY

The scope of the study is limited to the commercial banks in the Monze district of Zambia that too the study is limited to commercial banks only.

LITERATURE REVIEW

Effective strategic management requires the matching of a company's capabilities with its environment. In particular, these capabilities must be matched against the key opportunities and threats which the organization is likely to face in the future. A key step in strategic planning therefore is the analysis of the organizational environment so as to take account of organizational trends and changes in developing future strategies and plans. In order to understand this, we first need to be aware of what is meant by the term 'external environment'. The external environment of a company includes all those factors outside of the organization's boundaries over which it has little, or no control at all. In broad terms, it is possible to classify the major environmental factors into, on the one hand the 'Macro' environmental factors, and on the other hand, the 'Micro' environmental factors. The focus is to see the implications for identifying key opportunities and threats in the process of developing meaningful future strategies (Kaplan & Norton, 2008).

External or Macro Environment: Organizations operate in a dynamic political, economic, social and technological environment. Therefore, understanding and appreciation of this environment both internal and external to the organization is essential in developing a realistic strategic plan that will guide future operations. Before managers can begin strategy formulation, they must scan the external and internal environment. Environmental analysis or simply scanning is monitoring, evaluating, and discussing information from external and internal environments to key people within the corporation. The simplest way to conduct environmental scanning is through SWOT analysis. SWOT is an acronym used to describe those particular strengths, weaknesses, opportunities, and threats that are strategic factors for a specific company. The external environment consists of variables (opportunities and threats) that are outside the organization and not typically within the short-run control of top management. These variables form the context within which the corporation exists. They may be general forces and trends within the overall societal environment or specific factors that generate within an organization's specific task environment – often called its industry (Kaplan & Norton, 2008).

Opportunities are chances to make greater profits in the environment, external attractive factors that represent the reason for an organization to exist and develop. Opportunities arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable. Organizations should be careful and recognize the opportunities and grasp them whenever they arise. Opportunities may arise from market, competition, industry, government and technology (Estrin, 2009). Other opportunities that may accrue to organisations from the external environment in which they operate involve issues such as rapid market growth, rival firms' complacency, changing customer needs and tastes, new uses for product discovered, economic boom, government deregulation, and sales decline for substitute products.

Estrin (2009) identifies threats as external elements in the environment that could cause trouble for the business. He further suggests that these external factors are naturally, beyond an organization's control, which could place the organization's mission or operations at risk. He says these arise when conditions in external environment jeopardize the reliability and profitability of the organization's business and compound the vulnerability when they relate to the weaknesses. Threats are uncontrollable. When a threat comes, the stability and survival can be at stake. Threats involve issues such as entry of foreign competitors, introduction of new substitute products, product life cycle in decline, changing customer needs and tastes, rival firms adopting new strategies, increased government regulation, and economic downturn.

Internal or Micro Environment: The internal environment of an organization consists of variables (strengths and weaknesses) that are within the organization itself and are not usually within the short-run control of management. These variables form the context in which work is done. They include the organizational structure, culture, and resources. Key strengths form a set of core competencies which the organization can use to gain competitive strategy. An organization uses this tool to avoid what is called "strategic surprise" and to ensure long term organizational health or survival (Kaplan & Norton, 2008). Estrin (2009) classifies strengths as characteristics of the business or a team that give it an advantage over others in the industry. He further posits that these are positive tangible and intangible attributes, internal to an organization. They are beneficial aspects of the organization or the capabilities of an organization, which includes human competencies, process capabilities, financial resources, products and services, customer goodwill and brand loyalty. These strengths translate into abundant financial resources, well-known brand name, economies of scale, and lower costs of raw materials or processes, superior management talent, better marketing skills, good distribution skills, and committed employees, just to mention a few.

Kaplan and Norton (2008) describe weaknesses as characteristics that place the firm at a disadvantage relative to other firms. These detract the organization from its ability to attain the core goal and influence its growth. Weaknesses are the factors which do not meet the desired standards that are expected to be met. However, weaknesses are controllable. They must be minimized and eliminated (Kaplan & Norton, 2008). Weaknesses involve issues such as limited financial resources, weak spending on research and development, very narrow product line, limited distribution, higher costs, out-of-date products or technology, weak market image, poor marketing skills, limited management skills, and under-trained employees.

This study is an attempt to assess the extent to which banks in Monze in Zambia implement the SWOT analysis techniques in their strategic planning. The study also attempts to advance knowledge that formal strategic planning within the banking sector in Zambia affords management a strategic opportunity to match the bank's capabilities against the key opportunities and threats within its environment. Finally, advance knowledge that formal strategic planning is critical for bank survival through sustainable market share, customer loyalty, profitability, high retention rate, and competitive advantage.

ANALYSIS OF THE STUDY

Table 1 shows the descriptive statistics of the extent to which managers of banks in Monze perceive the internal environmental factors as strategic planning issue and apply the internal environmental analysis when strategically planning.

TABLE 1

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Adequate Finances	40	2	5	4.35	0.098951
Skilled Hum. Resources	40	2	5	4.43	0.873763
High Technology	40	0	5	4.30	0.042679
Superior Management Talent	40	2	5	4.43	0.780779
Strong Brand Equity	40	2	5	4.40	0.955416
Reliable Supplier	40	1	5	4.33	0.04728
Good Customer Service	40	1	5	4.23	0.049725
High Custom Retention	40	2	5	4.48	0.986771
Inadequate Finances	40	2	5	4.43	0.009887
Unskilled H/ Resources	40	1	5	4.33	0.997111
Inadequate Technology	40	1	5	4.28	0.085747
Inferior Management Talent	40	1	5	4.13	0.042372
Weak Brand equity	40	0	5	4.20	0.244475
Unreliable Suppliers	40	0	5	4.03	0.208676
Poor Customer Serve	40	0	5	4.33	0.022503
Poor Customer Retention	40	0	5	4.40	0.104768
Valid N (list wise)	40			54.03	16.5509
Overall				4.31	0.034431

Table 1 above shows data gathered in relation to the extent to which bank managers in the Monze district of Zambia perceive the internal environmental factors as strategic planning issue and apply the internal environmental analysis when planning. An overall mean of 4.31 and standard deviation of 0.034431 were obtained measuring and indicating a significant extent to which bank managers in Monze district of Zambia employ strengths and weaknesses (SW) analysis when strategically planning. The assessment reveals that bank managers are not indifferent when it comes to the perceived importance of internal environmental factors as a strategic planning issue. A low overall standard deviation of 0.034431 indicates a significantly less variability from the overall mean which can be interpreted to mean that there were no different perceptions amongst the respondents.

Table 2 shows the descriptive statistics of the extent to which managers of banks in Monze perceive the external environmental factors as strategic planning issue and apply the external environmental analysis when strategically planning.

TABLE 2

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Political Stability	40	2	5	4.45	0.084861
Economic Boom	40	2	5	4.35	0.975337
Population Increase	40	0	5	4.075	0.141018
Techno Advances	40	1	5	4.30	0.066987
Changing Customer Taste	40	0	5	4.475	0.03744
Political Instability	40	2	5	4.45	0.036513
Economic Depression	40	2	5	4.40	0.928191
Population Decline	40	1	5	4.45	0.060962
Techno. Advances	40	2	5	4.425	0.009887
Changing Customer Taste	40	1	5	4.575	0.083383
Rapid Market Decline	40	1	5	4.475	0.960435
Valid N (Listwise)	40			37.425	11.38501
Overall				4.402273	0.035001

Table 2 above shows data gathered in relation to the extent to which bank managers in the Monze district of Zambia perceive the external environmental factors as strategic planning issue and apply the external environmental analysis when planning. An overall mean of 4.402273 and standard deviation of 0.035001 were obtained measuring and indicating a significant extent to which bank managers in Monze district of Zambia employ opportunities and threats (OT) analysis when strategically planning. The assessment reveals that bank managers are not indifferent when it comes to the perceived importance of external environmental factors as a strategic planning issue. A low overall standard deviation of 0.035001 indicates a significantly less variability from the overall mean which can be interpreted to mean that there were no different perceptions amongst the respondents.

FINDINGS AND SUGGESTIONS

The above findings suggest that internal and external environmental analysis is very important because it affords bank management a strategic opportunity to match the bank's capabilities against the key opportunities and threats within its environment. Internal and external environmental analysis is also critical for bank survival, through sustainable market share, customer loyalty, profitability, high retention rate, and competitive advantage.

Suggestion 1: All respondents rated the instrument items similarly, as indicated by low standard deviations.

Suggestion 2: For realization of revenue opportunities and losses minimization- management ability to recognize future trends and potential operational risks is very important. That is without adequate environmental scanning strategies, bank survival, through sustainable market share, customer loyalty, profitability, high retention rate, and competitive advantage cannot be achieved.

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A STUDY ON EXTENSION AND IMPLEMENTATION OF INTERMEDIATION BY MUTUAL FUNDS WITH SPECIAL REFERENCE TO INDIAN MUTUAL FUND INDUSTRY

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ABSTRACT

Intermediation itself has undergone a change over the past few decades. While individual agents provided the foundation for growth in the early years, institutional agents, distribution companies and national brokers soon started to play an active role in promoting mutual funds. Registered investment advisers may use a broker-dealer, supermarket, platform, or bank to access mutual funds. In more limited instances, they may interact directly with the mutual fund transfer agent to support their client base. Many factors influence this business model. This section reflects upon some of the underlying problems of combining qualitative and quantitative approaches. It discusses the issues of this research at the different levels of hierarchy of customers and employees, whereas the following sections will discuss more the methodological issues associated with the research. Despite the popularity and importance of mutual fund intermediation, the notion of modern intermediation, which explains the relationship between AMC and Corporate Executives and also the famous efficient market hypothesis (EMH), which suggests that stock prices fully reflect information are also a challenge to the studies in mutual funds and shift the fund performance measurement. The main purpose of doing this study was to know about mutual fund and its performance. This helps to know in details about the growth of mutual fund industry in general and its future prospects in particular. This segment in research methodology summarizes the importance of channeling funds from savers to borrowers. The availability of direct, non-intermediary fund investment options may have sounded the death knell of the fund distribution business. The mutual fund distribution business is headed for extinction. The present research encompasses "An Analysis of Financial Intermediation by Mutual Funds" with special reference to Indian Mutual Fund Industry. Mutual funds are considered as one of the best available investments as compare to others they are very cost efficient and also easy to invest in, thus by pooling money together in a mutual fund, investors can purchase stocks or bonds with much lower trading costs than if they tried to do it on their own. Objectives have been set for the study after discussing of length with the guide, academicians, and executives from the industry. The objectives have been constructed by various aspects into consideration. To summarize, according to the modern theory of financial intermediation, financial intermediaries are active because market imperfections prevent savers and investors from trading directly with each other in an optimal way. The most important market imperfections are the informational asymmetries between savers and investors. Financial intermediaries, banks specifically, fill – as agents and as delegated monitors – information gaps between ultimate savers and investors. This is because they have a comparative informational advantage over ultimate savers and investors. They screen and monitor investors on behalf of savers. This is their basic function, which justifies the transaction costs they charge to parties. They also bridge the maturity mismatch between savers and investors and facilitate payments.

KEYWORDS

Intermediation, investment advisers, Mutual funds, financial intermediaries, AMC and Corporate Executives.

1. INTRODUCTION

AN OVER VIEW OF GLOBAL ECONOMY

The global economy is the single biggest factor in driving international trade. More than at any time in history, the U.S. economic outlook and growth is linked directly to China's economic performance. Among the key economic indicators critical in determining the course of international trade are retail sales, housing reports, employment reports, consumer sentiment and manufacturing.

The state of world economy has been the most decisive factor affecting the fortunes of every developing country. Growth in global output (gross world product, GWP) rose to 3% in 1999 from 2% in 1998 despite continued recession in Japan, severe financial difficulties in other East Asian countries and widespread dislocations in several transition economies, notably Russia. The U.S. economy continued its remarkable sustained prosperity, growing at 4.1% in 1999, and accounted for 21% of GWP. Western Europe's economies grew at roughly 2%, not enough to cut deeply into the region's high unemployment; the EU economy produced 22% of GWP. India's economic growth continued at around 6%. China continued its strong growth and accounted for 12% of GWP. Japan grew at only 0.3% in 1999; its share in GWP is 7%. As usual, the 15 successor nations of the USSR and the other old Warsaw Pact nations experienced widely different rates of growth. The developing nations varied widely in their growth results, with many countries facing population increases that eat up gains in output.

A. INDIAN ECONOMY: HIGHLIGHTS –JANUARY 2010 INDUSTRIAL PRODUCTION

The industrial growth numbers for December 2009 shows further improvement in the industrial output, the rise in industrial production was to the tune of 17.6 percent vis-à-vis the weak growth seen in the previous months of 2009. The growth in the corresponding month of previous year was negative. Output in the three main industries namely mining, manufacturing and electricity was seen to rise by 10.7 percent, 19.3 percent and 5.4 percent respectively in December 2009 compared to the 2.2 percent, -0.6 percent and 1.6 percent growth seen in the previous year. Going by use based classification we saw betterment in the growth recorded by the basic, intermediate and capital goods. The basic goods grew by 7.7 percent, intermediate by 22.7 percent and coal by 13.2 percent.

Following are some of the functions of financial service institutions.

- (i) Financial leasing services including equipment leasing and hire-purchase by a body corporate;
- (ii) Credit card services
- (iii) Merchant banking services;
- (iv) Securities and foreign exchange (forex) broking;
- (v) Asset management including portfolio management, all forms of fund management, pension fund management, custodial depository and trust services, but does not include cash management;
- (vi) Advisory and other auxiliary financial services including investment and portfolio research and advice, advice on mergers and acquisition and advice on corporate restructuring and strategy; and
- (vii) Provision and transfer of information and data processing

EFFECT OF INFLATION ON CAPITAL MARKET

Prices of stocks are determined by the net earnings of a company. It depends on how much profit, the company is likely to make in the long run or the near future. If it is reckoned that a company is likely to do well in the years to come, the stock prices of the company will escalate. On the other hand, if it is observed from trends that the company may not do well in the long run, the stock prices will not be high. In other words, the prices of stocks are directly proportional to the performance of the company. In the event when inflation increases, the company earnings (worth) will also subside. This will adversely affect the stock prices and eventually the returns. Effect of inflation on stock market is also evident from the fact that it increases the rates of interest. If the inflation rate is high, the interest rate is also high. In the wake of both (inflation and interest rates) being high, the creditor will have a tendency to compensate for the rise in interest rates. Therefore, the debtor has to avail of a loan at a higher rate. This plays a significant role in prohibiting funds from being invested in stock markets. When the government has enough funds to circulate in the market, the cost of goods, services usually go up. This leads to the decrease in the purchasing power of individuals. The value of money also decreases. In a nut shell, for the economy to flourish, inflation and stock market ought to be more conforming and predictable.

2. THE BASICS OF MUTUAL FUNDS

Mutual Funds are a part of almost everyone's investment portfolio. They are offered through banks, stock accounts, employee retirement accounts and can even be bought directly from the mutual fund company. But do you really know what a mutual fund is and why it makes a good investment? Here the researcher has given some of the basics of mutual funds.

DEFINITION OF MUTUAL FUND

A mutual fund is a fund that buys and holds shares of multiple securities. The holdings can consist of any type of security, but are usually stocks or bonds. The fund buys a large number of shares in different securities and then sells shares of its fund to individual shareholders. Mutual funds are not listed on an exchange; both their share prices are calculated and reported at the end of each trading day. Mutual funds can be bought and sold through most broker accounts, some banks, through retirement plans, and directly from the mutual fund company. The funds are regulated by the Securities and Exchange Commission (SEC) and there are strict rules as to how their prices, returns and tax implications are measured and reported.

BENEFITS OF MUTUAL FUNDS

The benefits of mutual funds are easy to define. They offer small and individual investors a way to buy a large number of diversified stocks and bonds with a small amount of money. For example, if you have Rs. 1,000 to invest you could buy 10 shares of 5 different Rs.20 stocks. Your trading fee would be for 5 transactions (maybe around Rs.50, or 5%). Furthermore, you would not own a well diversified portfolio and would be subject to extra risk. However, you could buy Rs.1, 000 worth of a well diversified mutual fund for a small or no transaction fee and then indirectly own 100s or even 1000s of different company stocks, thereby offering you the protection of diversification. Another benefit is that you do not have to be a stock picker or rely on market timing to buy mutual funds. You can know nothing about individual stocks and still easily select a mutual fund. Also, because mutual funds pool people's money, they have a lot of assets and are therefore able to buy IPOs and other offerings directly those individual investors are excluded from.

IMPORTANT ASPECTS OF MUTUAL FUNDS

A few basic mutual fund attributes that you should be aware of are the goals, asset types, fee structures, load, turnover, top holdings, and tax implications of mutual funds. All of these attributes are reported by the fund company and can be found on the detail page of the mutual fund on yahoo finance, Google finance, or your brokerage account. You can also get copies of the fund's prospectus, which give more detailed information. You can get this information online or on paper.

- Goals.
- Asset Types.
- Fee Structure.
- No Load or Load Mutual Funds.
- Turnover.
- Top Holdings.

ASSET MANAGEMENT COMPANY (AMC)

Asset Management Company is the body engaged to run the show of a mutual fund. The sponsor or trustees appoint AMC to manage the affairs of the mutual fund to ensure efficient management. SEBI desires that AMC must have a sound track record in terms of net worth, dividend paying capacity, profitability, general reputation and fairness in transactions.

AMC is involved in basically three activities as portfolio management, investment analysis and financial administration. Therefore, the directors of AMC should be expert in these fields. SEBI's regulation for AMC requires that it should have a net worth of at least Rs. 10 crore at all times and that a company can act as an AMC of one mutual fund only. Also, at least 50 percent of the members of the board of an AMC have to be independent and these can be the director of another AMC also. Its chairman should be an independent person.

AMCs can not engage in any business other than that of financial advisory and Investment management. Its memorandum and articles of association have to be approved by the SEBI. Statutory disclosures regarding AMCs operations should be periodically submitted to SEBI. Prior approval of the trustees is required, before a person is appointed as a director on the board of AMC. An AMC cannot invest in its own schemes until it is disclosed in the offer document. Moreover in such investments, AMC will not be eligible for fees also. The appointment of an AMC can be terminated by the majority of trustees or by 75 percent of unit holders. Example: HDFC Asset Management Company Ltd. was approved by SEBI vide its letter dated June 30, 2000 to act as an Asset Management Company of the HDFC mutual fund. In terms of investment management agreement, the trustee appointed this AMC. HDFCholds 60 percent of the capital and Standard Life Investments holds remaining 40 percent of the capital of the AMC. Its board has 12 members of whom 6 are independent.

REGISTRAR & TRANSFER AGENT

Registrar and transfer (R&T) agents are responsible for creating and maintaining investor records kept in numbered account called folios and servicing them. They accept and process investor transactions and also operate investor service centre (ISCs) which acts as an official points for accepting investor transactions

with a fund. As for example, Computer Age Management Services (CAMS) is the R&T agent for HDFC mutual fund. R&T functions include issuing and redeeming the units and updating the unit capital account. R&T perform creating, maintaining and updating the investors' records and enabling their transactions such as redemption, purchase and switches. Banking the payment instruments such as drafts and cheques given by investors and notifying the AMC is also done by them. R&T send statutory and periodic information to investors and process payouts to investors in the form of dividends and redemptions

SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

Securities and Exchange Board of India (SEBI) is entrusted with the role of regulating and supervising mutual funds in India. It has been set up by an Act of Parliament namely the SEBI Act, 1992 and is supervised by the Ministry of Finance. As the regulator of Indian capital market, SEBI came out with its first mutual fund regulations in 1993 that were revised and enlarged subsequently in 1996. Apart from sharply focused normative standards, the regulatory mechanism laid huge emphasis on market discipline through enhanced transparency and disclosure requirements. These regulations have been amended from time to time. With SEBI regulations, all mutual funds have been brought under a common regulatory framework to ensure greater degree of transparency in their operations and adherence to a common structure. This act spells out several requirements and restrictions designed to protect the interests of investors and ensure that each mutual fund scheme is managed and operated in the best interest of its unit holders. To begin with, SEBI (Mutual Fund) Regulations, define a mutual fund as a fund established in the form of a trust by a sponsor, to raise capital by the trustees, through the sale of units to the public under one or more schemes for investing in securities in accordance with these regulations. This entails three limitations on a mutual fund. First, it allows mutual fund to raise capital through sale of units to the public.

ROLE OF INTERMEDIARIES IN THE INDIAN MUTUAL FUND INDUSTRY

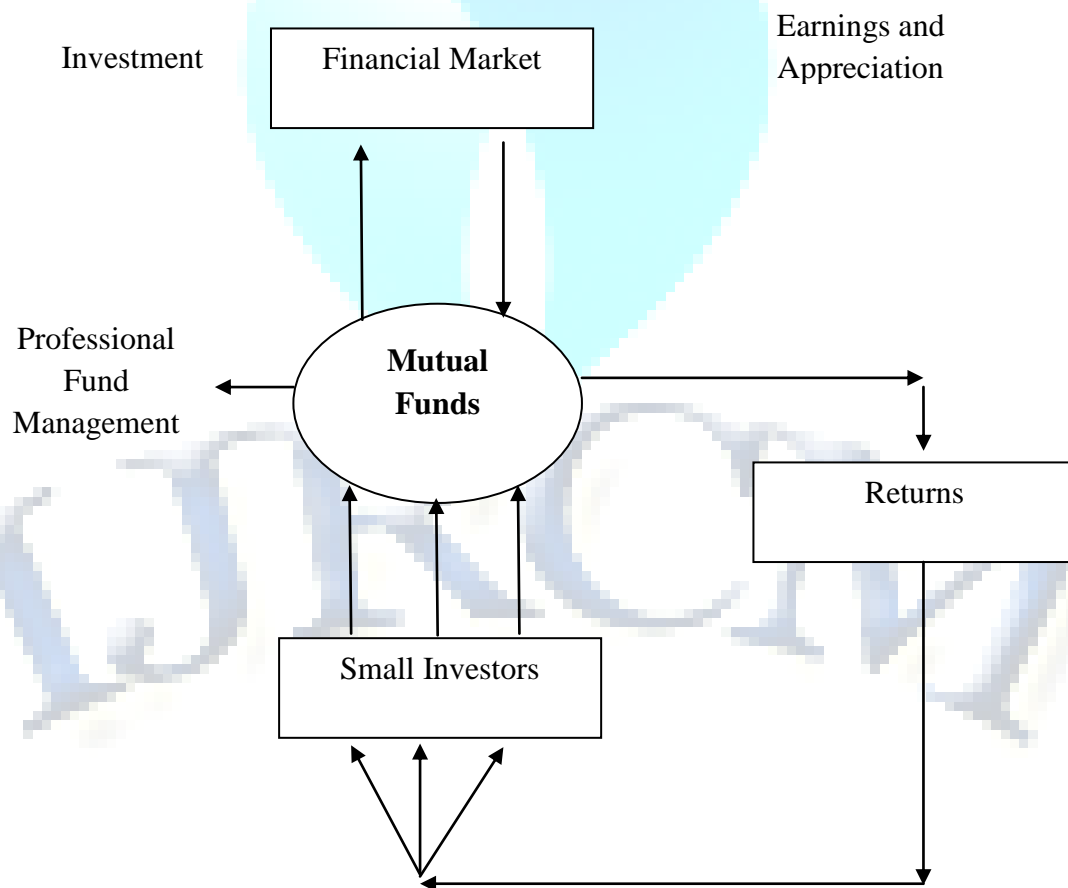
As defined by the Association of Mutual Funds in India (AMFI), an apex body of all registered asset management companies, "Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. Anybody with an investible surplus of as little as a few thousand rupees can invest in mutual fund units according to their stated investment objective and strategy."

According to Securities and Exchange Board of India (SEBI) Regulations 1996, "Mutual Fund means a fund established in the form of a trust to raise monies through the sale of its units to the public or a section of the public under one or more schemes for investing in securities, including money market instruments."

As defined by the mutual Fund Book of Investment Company Institute of the U.S., "A mutual fund is a financial service organization that receives money from shareholders, invests it, earns returns on it, attempts to make it grow and agrees to pay the shareholder for the current value of his investment."

- The mutual fund industry in India started in 1964 with the establishment of the Unit Trust of India (UTI). In 1987, other public sector institutions entered this business, and it was in 1993 that the first of the private sector participants commenced its operations.
- From the beginning, UTI and other Mutual funds have relied extensively on intermediaries to market their schemes to investors. It would be accurate to say that without intermediaries, the mutual fund industry would not have achieved the depth and breadth of coverage amongst investors that it enjoys today. Intermediaries have played a pivotal and valuable role in popularizing the concept of Mutual Funds across India. They make the forms available to clients, explain the schemes and provide administrative and paper work support to investors, making it easy and convenient for the clients to invest.
- Intermediation itself has undergone a change over the past few decades. While individual agents provided the foundation for growth in the early years, institutional agents, distribution companies and national brokers soon started to play an active role in promoting mutual funds. Recently, banks, finance companies, secondary market brokers and even post offices have begun to market mutual funds to their existing and potential client bases.
- It is probably thus clear that all types of intermediaries are required for the growth of the industry, and their well-being, quality orientation and ways of doing business will have a significant impact on how the mutual fund industry in India evolves in the future.

FIG. 1



Intermediaries have played a significant part in the exponential growth of the fund industry since 1980. From 1980 through 2008, the total net assets invested in mutual funds grew from \$134 billion to over \$9 trillion,

1. While the number of U.S. households owning mutual funds grew from 4.6 million to 52.5 million.

2. During that period, the number of investor accounts grew from slightly over 12 million to over 260 million.
3. Among households owning mutual fund shares, 86 percent hold the fund shares through an intermediary such as a broker-dealer, bank fund supermarket or platform.
4. Insurance company, investment adviser, or retirement plan record keeper. Investors choose which intermediary best suits their needs.

REGISTERED INVESTMENT ADVISERS (RIA)

Registered investment advisers may use a broker-dealer, supermarket, platform, or bank to access mutual funds. In more limited instances, they may interact directly with the mutual fund transfer agent to support their client base. Many factors influence this business model. For example, most advisers are not part of banking or brokerage system, so they need a service provider to clear and settle mutual fund trades. In addition, advisers seek to leverage the scale of a larger organization to gain access to a wider array of funds than they reasonably could arrange on their own.

RETIREMENT PLAN RECORD KEEPERS

Retirement plan record keepers typically use a conduit (broker-dealer, supermarket, platform, or bank) to access mutual funds, or, sometimes, they may interact directly with the mutual fund transfer agent to support their client base. Like RIAs, many factors influence this arrangement. Unless the record keeper is part of a diverse financial services organization, it is unlikely they will be structured to clear and settle mutual fund trades, and consequently will use a conduit for clearance and settlement activities.

CODE OF CONDUCT FOR INTERMEDIARIES

- i. Take necessary steps to ensure that the clients' interest is protected.
- ii. Adhere to SEBI Mutual Fund Regulations and guidelines issued from time to time related to selling, distribution and advertising practices. Be fully conversant with the key provisions of the Scheme Information Document (SID), Statement of Additional Information (SAI) and Key Information Memorandum (KIM) as well as the operational requirements of various schemes.
- iii. Provide full and latest information of schemes to investors in the form of SID, performance reports, fact sheets, portfolio disclosures and brochures and recommend schemes appropriate for the client's situation and needs.
- iv. Highlight risk factors of each scheme, avoid misrepresentation and exaggeration and urge investors to go through SID/KIM before deciding to make investments.
- v. Disclose to the investors all material information including all the commissions (in the form of trail or any other mode) received for the different competing schemes of various Mutual Funds from amongst which the scheme is being recommended to the investors.
- vi. Abstain from indicating or assuring returns in any type of scheme, unless the SID is explicit in this regard.
- vii. Maintain necessary infrastructure to support the AMCs in maintaining high service standards to investors and ensure that critical operations such as forwarding forms and cheques to AMCs/registrars and dispatch of statement of account and redemption cheques to investors are done within the time frame prescribed in the SID/SAI and SEBI Mutual Fund Regulations.
- viii. Avoid colluding with clients in faulty business practices such as bouncing cheques, wrong claiming of dividend/ redemption cheques, etc.
- ix. Avoid commission driven malpractices such as :
 - (a) Recommending inappropriate products solely because the intermediary is getting higher commissions there from.
 - (b) Encouraging over transacting and churning of Mutual fund investments to earn higher commissions, even if they mean higher transaction costs and tax for investors.
- x. Avoid making negative statements about any AMC or scheme and ensure that comparisons if any, are made with similar and comparable products.
- xi. Ensure that all investor related statutory communications (such as changes in fundamental attributes, load, exit options and other material aspects) are sent to investors reliably and on time.

3. REVIEW OF LITERATURE

Fernando, Chitru S (1999) observed that splitting did not exhibit any superior performance nor any change in the risk characteristics of funds but enhance the marketability of fund's shares due to positive response from small investors.

Statman, Meir (2000) emphasizes that, socially responsible investing has to be taken as a tool by the corporations. He further identified that, socially responsible stocks out performed while socially responsible mutual funds under performed the S & P 500 Index during 1990-98.

Gupta Amitabh (2000) identified that the IMFI had come a long way since its inception in 1964. The transformation in the previous decade was the outcome of policy initiatives taken by the Government of India to break the monolithic structure of the industry in 1987 by permitting public sector banks and insurance sectors to enter the market.

Agrawal, Ashok Motilal (2000) opined that mutual funds had funds of the mutual funds industry recorded a skyrocketing growth since 1987 and reached Rs.8,059 crores by December 31, 1995 from Rs.4,564 crores during 1986-87.

James L. Kuhle* and Ralph A. Pope (2000) are emphasis on the debate between no-load and load funds has continued and has become more complicated because of the innovative packaging by mutual fund managers. This research analyzes that whether load funds earn a consistently higher rate of return on a long-term basis when compared to no-load funds. This research evaluates the returns of equity load and no-load funds by analyzing the descriptive statistics of a large sample (8,100) of load and no-load funds.

J. K. Nayak (Revised June 22, 2006) "Analysis of the Indian Capital Market: Pre and Post Liberalization" Vilakshan, XIMB Journal of Management, pp 1-30.

John C. Coates & R. Glenn Hubbard (2007) claiming that competition has not protected investors from excessive fees. Starting in 2003, the number of class action suits against fund advisors increased sharply, and, consistent with critics' views, some courts have excluded or treated skeptically evidence of competition and comparable fees of other funds. Skepticism about fund competition dates to the 1960s, when the SEC accepted the view that market forces fail to constrain advisory fees, in part because fund boards rarely fire advisors. In this article, it shows that economic theory, empirical evidence, and careful analysis of the laws and institutions that shape mutual funds refute this view. Fund critics overlook the most salient characteristic of a mutual fund: redeemable shares.

Suchismita Bose (2012) gives a brief overview of the developments in the Indian mutual fund industry since the financial crisis of 2007. The broad developments show that while recovery in the industry post-crisis has been quite robust, a tendency towards risk aversion, akin to a global trend, has become visible, with the mutual fund industry's asset base, resource mobilization and investment in capital markets increasingly leaning towards the most liquid asset classes.

Gupta Amitabh (2001) evaluated the performance of 73 selected schemes with different investment objectives, both from the public and private sector using Market Index and Fundex. NAV of both close-end and open-end schemes from April 1994 to March 1999 were tested. The sample schemes were not adequately diversified, risk and return of schemes were not in conformity with their objectives, and there was no evidence of market timing abilities of mutual fund industry in India.

Narasimhan M S and Vijayalakshmi S (2001) analyzed the top holding of 76 mutual fund schemes from January 1998 to March 1999. The study showed that, 62 stocks were held in portfolio of several schemes, of which only 26 companies provided positive gains. The top holdings represented more than 90 percent of the total corpus in the case of 11 funds. The top holdings showed higher risk levels compared to the return. The correlation between portfolio stocks and diversification benefits was significant at one percent level for 30 pairs and at five percent level for 53 pairs.

SharathJutur (2004) studied 58 schemes during the bear period (September 1998 to April 2002). He identified that the risk was low for 37 schemes, below average risk for 11 and of average risk for 10 schemes. Risk-return analysis revealed that, average mutual funds were found to be with low unsystematic and high total risk. The return was positive in the case of 46 schemes, with 30 schemes yielding above 5 percent. 32 schemes had positive Treynor ratio, 30 schemes had positive Sharpe ratio, 35 schemes had positive Jensen measure due to the bearish market with low CAPM returns.

Ingrid MihaelaDragota, Delia Tatu, NarcisTulbure&Delia Catarama (2013) analyze the socio-cultural factors explaining the development of mutual funds in a sample of 38 countries around the world for the period 1996-2009. We found that cultural values and beliefs expressed in form of happiness and financial satisfaction are positively correlated with the size of mutual fund industry.

Surinder Kr. Miglani (2011) analyzes in his research article that Indian mutual fund managers' market timing ability for the period of 1999-2004 using Jensen & Mazuy Module and Henriksson & Merton Module. To achieve the goal a sample of ninety eight mutual fund schemes having different investment objectives, both from public as well as private sector, have been selected.

4. RESEARCH DESIGN

This section reflects upon some of the underlying problems of combining qualitative and quantitative approaches. It discusses the issues of this research at the different levels of hierarchy of customers and employees, whereas the following sections will discuss more the methodological issues associated with the research.

The purpose of discussing the theoretical and analytical assumptions is, as Mutual funds and intermediation put it, "to qualify the use of specific techniques in both the underlying assumptions guiding the research and in the theoretical framework". (Garcia and Quek 1997, pg. 5)

BACKGROUND OF THE STUDY

Despite the popularity and importance of mutual fund intermediation, the notion of modern intermediation, which explains the relationship between AMC and Corporate Executives and also the famous efficient market hypothesis (EMH), which suggests that stock prices fully reflect information are also a challenge to the studies in mutual funds and shift the fund performance measurement from the calculation of crude returns to detailed explorations of the risk and returns methods.

More recently, studies in mutual funds have become central to the performance of mutual funds. Some studies try to find a model in evaluating mutual fund performance. Others explore whether fund managers can create value added for investors and ways to succeed in this. Other studies still investigate whether mutual fund performance can be explained or forecast by any particular factors. More recently, there has been extensive research into mutual fund performance employing various research methods and different datasets from a number of different study periods.

NEED FOR THE STUDY

The main purpose of doing this study was to know about mutual fund and its performance. This helps to know in details about the growth of mutual fund industry in general and its future prospects in particular. It also helps in understanding different schemes of mutual funds, for this study depends upon star rated schemes like equity, balanced, cash etc of different mutual funds in India as well as the returns associated with those schemes. The study was also done to ascertain the variations in the risk associated with each type and to prove the comparative risk-return relationship. This study also helps understand the benefits of mutual funds to investors. This study helped very much in understanding the future course of action for the future growth of the Mutual Fund Industry in India.

IMPORTANCE OF THE STUDY

This segment in research methodology summarizes the importance of channeling funds from savers to borrowers. Such transfers of funds allow households, firms, and governments to purchase new homes, undertake investments and other expenditures that improve the quality of our lives. In a world without financial markets, such transfers would be extremely unlikely to occur, and the level and growth of our standard of living would be much slower.

The availability of direct, non-intermediary fund investment options may have sounded the death knell of the fund distribution business. The mutual fund distribution business is headed for extinction.

As a cumulative result of regulatory changes that the Securities and Exchange Board of India (SEBI) made over the last five years, the distribution business is in severe decline and no one should be surprised if within a year or two, there is only negligible fund distribution activity remaining in India. This is the inevitable conclusion from a study that has just been conducted by Value Research.

SOURCES OF DATA

The study is a blend of both primary and secondary data. Secondary data were collected from the records of AMFI, UTI Institute of Capital Markets, and web sites of respective mutual funds. The primary data required for the study was collected using a detailed interview schedule / questionnaire from fund managers, brokers and investors respectively. Before the preparation of schedule / questionnaire discussions were held with the Director, branch managers, treasury officers of corporates, companies participating in capital market, Society for Capital Market Research and Development, Dean of UTI, Institute of Capital Markets, Officials of SEBI, CRISIL Fund Services Ltd, Credence Analytics (India) Pvt Ltd and Value Research India Private Limited for first hand information. A structured questionnaire was prepared and tested through a pilot study among investors. The questionnaire was revised and administered to elicit the opinion of AMC Executives and Corporate executive's preference for mutual funds. Investors, brokers and fund managers were contacted in person for the sake of collection of primary data required for the study.

SAMPLING FRAME

The Indian Mutual Fund Industry came under liberalized environment in the year 1993 with the introduction of SEBI (Mutual Funds) Regulations. The industry was brought under the uniform regulatory control with the implementation of SEBI (Mutual Funds) Regulations 1996. Hence, this study attempts to review the performance and financial intermediation between AMC Executives and Corporate executives to mutual fund.

To study the AMC Executives and Corporate executive's relationship; the sampling frame structured which includes 600 respondents with 5 percent significant level.

The basis of types of respondents, AMC Executives and Corporate executives were drawn from the sample of 44 AMC (Asset Under Management) and Large respondents base of more than 2000 corporate available in India.

STATEMENT OF THE PROBLEM

The present research encompasses "An Analysis of Financial Intermediation by Mutual Funds" with special reference to Indian Mutual Fund Industry.

Mutual funds are considered as one of the best available investments as compare to others they are very cost efficient and also easy to invest in, thus by pooling money together in a mutual fund, investors can purchase stocks or bonds with much lower trading costs than if they tried to do it on their own. But the biggest advantage to mutual funds is diversification, by minimizing risk & maximizing returns. The mobilization of small saving is one of the important aspects of introduction to capital formation in a country. Mutual fund, a financial innovation provides a novel way of mobilizing savings from small investors thus permitting them to enjoy the participation in the equity & other securities of leading companies with less amount of risk involvement, which otherwise would have been impossible for them.

OBJECTIVES OF THE STUDY

The objectives of a research study should flow logically from the earlier sections identifying the problem situation, defining the parameters of the problem, and justifying its importance. In this section, the researcher has attempted to explain how to narrow and focus the research. Specific objectives have been drawn up that describe the expected results arising from the study and the outcome variables that will be measured.

The foregoing discussion on the financial services businesses and the marketing initiatives being taken by them make a strong case for evaluation of the effectiveness of branding initiatives they undertake. It is also important for the financial services businesses to understand the extent of trust the customers have in the leading financial services businesses in India. Therefore, the key objectives of the study are:

Objectives have been set for the study after discussing of length with the guide, academicians, and executives from the industry. The objectives have been constructed by taking following aspects into consideration:

1. To understand the conceptual dimension, origin, growth, development, pioneering works and contributions, theories and models, merits and demerits, applicability, recent developments of analysis of intermediation of mutual funds.
2. To review the extension and implementation of intermediation by mutual funds in mobilizing capital in Indian context.

HYPOTHESES FOR THE STUDY

"A hypothesis is a logical supposition, a reasonable guess, an educated conjecture. It provides a tentative explanation for a phenomenon under investigation." (Leedy and Ormrod, 2001).

Once the objectives of the study have been set, researchers can formulate specific, testable hypotheses that specify the relationship between programme interventions and outcomes.

However, hypotheses are not unique to research. Hypotheses are constantly generated in the human mind as one works to understand day-to-day phenomena.

I. BUSINESS & REGULATORY ENVIRONMENT

1. MOST INFLUENCING FACTORS FOR INVESTING FUNDS

H₀: There is no significant (statistically) difference in rank orders/ preferences of AMC respondents with respect to **Vibrant Capital Market is one of the most influencing factors for investing funds.**

2. MOST CHALLENGING PARAMETERS IN THE INDIAN FUND MANAGEMENT INDUSTRY

H₀: There is no significant (statistically) difference in rank orders/ preferences of AMC Executives with respect to most challenging Parameters in the Indian fund management industry.

3. MAJOR DRIVERS OF CHANGE IN INDIAN FUND MANAGEMENT INDUSTRY

H₀: There is no significant (statistically) difference in rank orders/ preferences of AMC Executives with respect to Major drivers of change in Indian fund management industry.

4. DRIVERS THOSE ARE LIKELY TO CHANGE THE BUSINESS MODEL

H₀: There is no significant (statistically) difference in rank orders/ preferences of AMC Executives with respect to Drivers those are likely to change the business model.

5. IMPORTANCE OF COMPETITIVE ATTRIBUTES FOR AMC

H₀: There is no significant (statistically) difference in rank orders/ preferences of AMC Executives with respect to Importance of competitive attributes for AMC.

SCOPE OF THE STUDY

The research study undertaken does not probe too much about whether the respondents have a very fine insight into mutual funds. The research involves only a general study related to the investment attitude of AMC & Corporate Executives.

The research would reveal results regarding the investment attitude of various AMC & Corporate Executives about mutual funds and thus in turn helps the organization to identify the attitude of various investors and to improve the marketing of mutual funds.

The study has helped the researcher to gain real time experience by interacting with the investors and has helped to analyse intermediation process towards Mutual Funds in India".

The study will help the concern to work on the areas of importance for further planning.

PILOT STUDY

After tentatively finalizing the title of the research study, the researcher had a detailed discussion with different persons who are involved in financial services sector to find out the feasibility of conducting the research study. The officials of the banks, mutual fund companies and insurance company at Bangalore were consulted. A pilot study was conducted in order to arrive at the right focus.

METHODS OF DATA COLLECTION

Data collection means gathering information to address those critical evaluation questions that researcher has identified earlier in the evaluation process. There are many methods available to gather information, and a wide variety of information sources. The most important issue related to data collection is selecting the most appropriate information or evidence to answer one's questions.

To plan data collection, researcher must think about the questions to be answered and the information sources available. Also, started to think ahead about how the information could be organized, analyzed, interpreted and then reported in a systematic methodology.

Questionnaire Framing

It is the most important and systematic method of collecting primary data, especially when the inquiry is quite extensive. It involves preparation of a list of questions relevant to the inquiry and presenting them in the form of a booklet, often called a questionnaire.

Personal Interviews and a written questionnaire were used in the collection of data for this study. These two data collection methods are now discussed further.

Personal Interview

The researcher to lead informal conversations, Personal interviews were also more convenient for the respondents as the interviews could be conducted when and where the respondents wanted.

SAMPLING

The samples were drawn from each area and sector using Non-probability sampling technique and Convenience sampling method was used to draw the sampling units.

Multi-stage sampling was adopted for selection of respondents for the study. In the first stage, Indian Mutual Fund Industry was divided into Five regions namely Southern, Central, Eastern, western and Northern regions.

ANALYTICAL TOOLS USED

To measure the dependent variables, the researcher had constructed itemized statements, with the help of experts in the field of financial services. Extensive discussion with the research supervisor, review of relevant literature in financial services sector and consultations with a few regular investors helped the researcher identify the number of variables, the rating scale and tools to be used for the analysis of data.

After the data collection was over, the collected data were analysed using suitable statistical techniques such as Mean, Chi-square test, Mann Whitney U Test and Krusal Wallis Test and ANOVA, Statistical Packages for Social Sciences (SPSS 19.0) has been used for the analysis.

LIMITATIONS OF THE STUDY

Based on the above discussion, the following limitations are found during the course of study.

1. The main objective of this survey was to analyze whether there is any significance difference in opinion of respondents related to financial intermediation by mutual fund in Indian financial services industry in India.
2. Large numbers of Mutual Fund Companies and their responses towards intermediation in India may vary, as the performance of the schemes changed year to year, the ratings too changed during the period under study, i.e. from year 2010 to 2013.

5. ANALYSIS & INTERPRETATION

KRUSKAL-WALLIS AND MANN-WHITNEY U TEST ADMINISTERED TO AMC EXECUTIVE AS THE SAMPLE SIZE SELECTED IS MORE THAN 30

I. BUSINESS & REGULATORY ENVIRONMENT

1. MOST INFLUENCING FACTORS FOR INVESTING FUNDS

H₀: There is no significant (statistically) difference in rank orders/ preferences of AMC respondents with respect to **Vibrant Capital Market is one of the most influencing factors for investing funds.**

H₁: There is a significant (statistically) difference in rank orders/ preferences of AMC respondents with respect to **Vibrant Capital Market is one of the most influencing factors for investing funds.**

H₀ = $\mu_{AMC\ Executives}$

H₁ = at least one of them not equal to another.

TABLE 5.1: MEAN, STANDARD DEVIATION AND TEST STATISTICS OF MOST INFLUENCING FACTORS FOR INVESTING FUNDS

No.	Descriptive Statistics			Test Statistics ^{a,b}	
	Factor	Mean	SD	Asymp. Sig.	Decision
IF_1	Vibrant capital market will have impact on investing funds	4.59	0.49	0.064**	Not Sig
Df=5	a. Kruskal Wallis Test			b. Grouping Variable: AMC Executives	

INTERPRETATION

From the above (Table-5.1), the mean of variable IF_1 is 4.59, which indicates that the respondents are in agreeableness with “influencing factors for investing funds”, as the values are almost nearer to the response ‘Strongly Agree’.

Moreover, the standard deviation for the statements IF_1 are 0.49, indicate that the there is not much deviation from the responses as expressed by the respondents with respect to the agreeableness of the factor “vibrant capital market for investing funds”.

The above matrix 5.1, indicated (**) shows, there is no statistical evidence to say there is a significant difference in rank orders by the respondents of Executives of AMC’s with regard to IF_1. Hence, there is no need to check, whether they have significant difference among themselves in rank orders/preferences with regard to IF_1.

2. MOST CHALLENGING PARAMETERS IN THE INDIAN FUND MANAGEMENT INDUSTRY

H₀: There is no significant (statistically) difference in rank orders/ preferences of AMC Executives with respect to most challenging Parameters in the Indian fund management industry.

H₁: There is a significant (statistically) difference in rank orders/ preferences of AMC Executives with respect most challenging Parameters in the Indian fund management industry.

H₀ = μ_{AMC Executives}

H₁ = at least one of them not equal to another.

TABLE 5.2: MEAN, STANDARD DEVIATION AND TEST STATISTICS OF MOST CHALLENGING PARAMETERS IN THE INDIAN FUND MANAGEMENT INDUSTRY

No.	Descriptive Statistics			Test Statistics ^{a,b}	
	Factor	Mean	SD	Asymp. Sig.	Decision
CF_1	Finding & retaining competent personnel	4.79	0.54	0.074**	Not Sig
CF_2	Competition from domestic AMCs	4.73	0.45	0.009	Sig Diff
CF_3	Innovative product/service offerings	4.55	0.66	0.065**	Not Sig
CF_4	Regulatory environment – inspection & rules	4.45	0.47	0.007	Sig Diff
CF_5	Brand name recognition	4.47	0.54	0.062**	Not Sig
CF_6	Competition from foreign AMCs	4.76	0.49	0.004	Sig Diff
CF_7	Building a customer base	4.74	0.41	0.005	Sig Diff
CF_8	Economy and market volatility	4.69	0.54	0.096**	Not Sig
CF_9	Product/revenue diversification	4.77	0.47	0.001	Sig Diff
CF_10	Corporate governance	4.34	0.67	0.088**	Not Sig
CF_11	Risk management	4.44	0.55	0.063**	Not Sig
CF_12	Accounting framework and tax	4.41	0.54	0.066**	Not Sig
Df=5	a. Kruskal Wallis Test			b. Grouping Variable: AMC Executives	

INTERPRETATION

From the above Table-5.2, the mean of P Values of CF_1 is 0.074**, Not Sig, CF_2 Competition from domestic AMCs, 0.009, Sig Diff, CF_3 Innovative product/service offerings, 0.065**, Not Sig, CF_4, Regulatory environment – inspection & rules, 0.007, Sig Diff, CF_5, Brand name recognition, 0.062**, Not Sig, CF_6 Competition from foreign AMCs, 0.004, Sig Diff, CF_7 Building a customer base, 0.005, Sig Diff, CF_8, Economy and market volatility, 0.096**, Not Sig, CF_9 Product/revenue diversification, 0.001, Sig Diff, CF_10, Corporate governance, 0.088**, Not Sig, CF_11, Risk management, 0.063** Not Sig, CF_12, Accounting framework and tax, 0.066** Not Sig, which indicate that the respondents are in agreeableness with the factor “most challenging Parameters in the Indian fund management industry”, as the values are almost nearer to the response ‘Strongly Agree’. Moreover, the standard deviation for all the statements CF_1, CF_3, CF_5, CF_8, CF_10, CF_11, and CF_12, are more than 0.05, indicate that the there is not much deviation from the responses as expressed by the respondents with respect to the agreeableness of the factor “most challenging Parameters in the Indian fund management industry”.

The above matrix 5.2, indicated (**) shows, there is no statistical evidence to say there is a significant difference in rank orders by the respondents of Executives of AMC’s with regard to factor CF_1, CF_3, CF_5, CF_8, CF_10, CF_11, and CF_12. Hence, there is no need to go check whether they have significant difference among themselves in rank orders/preference with regard to factor CF_1, CF_3, CF_5, CF_8, CF_10, CF_11, and CF_12.

All other statements under this factor “most challenging Parameters in the Indian fund management industry” have been subjected to similar testing, and analysis by the researcher and interpretations on exactly similar lines have been drawn, and considered in the Findings section.

Now, it would be interesting to know, among these AMC Executives, which of them have significant difference in rank orders/preference with regard to factor “most challenging Parameters in the Indian fund management industry”.

TABLE 5.2: TEST STATISTICS OF MOST CHALLENGING PARAMETERS IN THE INDIAN FUND MANAGEMENT INDUSTRY (Test: Mann-Whitney U-test)

	Asymp. Sig.				
	CF_2	CF_4	CF_6	CF_7	CF_9
CF_2	---				
CF_4	0.032	---			
CF_6	0.008	0.074	---		
CF_7	0.023	0.005	0.052	---	
CF_9	0.001	0.052	0.033	0.092	---
Df=5	Test : Mann-Whitney U-test				

From the Table number 5.2.1, with respect to most challenging Parameters in the Indian fund management industry, p values which are less than 0.05 are statistically significant in their response among respondents and others are not statistically significant differences in their opinion to each other.

Mann-Whitney U-test has administered, to know if there is any significant difference between the responses of the respondent’s i.e. < 0.05; the same interpretation can also be drawn with regard to other statements to assess to statistically significant differences in the opinion of respondents.

For example, the ‘p’-value obtained for statement CF_2 and CF_4 is 0.052, which is less than 0.05, it can be concluded that there is a significant difference in ranking orders/preference of respondents with regard to the factor “most challenging Parameters in the Indian fund management industry”

3. MAJOR DRIVERS OF CHANGE IN INDIAN FUND MANAGEMENT INDUSTRY

H₀: There is no significant (statistically) difference in rank orders/ preferences of AMC Executives with respect to Major drivers of change in Indian fund management industry.

H₁: There is a significant (statistically) difference in rank orders/ preferences of AMC Executives with respect Major drivers of change in Indian fund management industry.

$H_0 = \mu_{AMC\ Executives}$

$H_1 =$ at least one of them not equal to another.

TABLE 5.3: MEAN, STANDARD DEVIATION AND TEST STATISTICS OF MOST CHALLENGING PARAMETERS IN THE INDIAN FUND MANAGEMENT INDUSTRY

No.	Descriptive Statistics			Test Statistics ^{a,b}	
	Factor	Mean	SD	Asymp. Sig.	Decision
MD_1	Regulatory changes	4.92	0.54	0.075**	Not Sig
MD_2	Distribution changes	4.73	0.45	0.059**	Not Sig
MD_3	Underperforming equity market	4.45	0.68	0.061**	Not Sig
MD_4	Economies of scale	4.79	0.50	0.078**	Not Sig
MD_5	Creation of the debt market	4.92	0.54	0.064**	Not Sig
MD_6	Capital market	4.73	0.45	0.098**	Not Sig
MD_7	Expansion of Asset Management companies into overseas markets	4.45	0.68	0.061**	Not Sig
MD_8	Mergers/Consolidation	4.79	0.50	0.003	Sig Diff
MD_9	Globalization	4.92	0.54	0.077**	Not Sig
MD_10	Commoditization	4.73	0.45	0.069**	Not Sig
MD_11	Opening new market segments	4.45	0.68	0.066**	Not Sig
MD_12	Technology	4.92	0.54	0.077**	Not Sig
MD_13	New Entrants	4.73	0.45	0.063**	Not Sig
MD_14	IPOs	4.45	0.68	0.064**	Not Sig
MD_15	Financial crisis and global recession threat	4.79	0.50	0.004	Sig Diff
MD_16	Disintermediation	4.92	0.54	0.071**	Not Sig
MD_17	Joint ventures	4.73	0.45	0.054**	Not Sig
Df=5	a. Kruskal Wallis Test			b. Grouping Variable: AMC Executives	

Interpretation

MD_1,Regulatory changes, MD_2 Distribution changes, MD_3 Underperforming equity market, MD_4 Economies of scale,MD_5 Creation of the debt market,MD_6 Capital market,MD_7 Expansion of Asset Management companies into overseas markets,MD_8 Mergers/Consolidation, MD_9 Globalization,MD_10 Commoditization,MD_11 Opening new market segments,MD_12 Technology,MD_13 New Entrants,MD_14 IPOs,MD_15 Financial crisis and global recession threat,MD_16 Disintermediation,MD_17 Joint ventures with P Values0.075**,0.059**,0.061**,0.078**,0.064**,0.098**,0.061**, 0.003,0.077**,0.069**,0.066**,0.077**,0.063**,0.064**,0.004,0.071** and 0.054** respectively, which indicates that the respondents are in agreeableness with “Factors considered most important before choosing an investment”, as the values are almost nearer to the response ‘Strongly Agree’.

Moreover, the standard deviation for the statements MD_1,MD_2,MD_3,MD_4,MD_5,,MD_6,MD_7,MD_8,MD_9,MD_10,MD_11,MD_12 MD_13,MD_14, MD_15,MD_16,MD_17 are 0.54,0.45,0.68,0.50,0.54,0.45,0.68,0.50,0.54,0.45,0.68,0.54,0.45,0.68,0.50,0.54 & 0.45 indicate that the there is not much deviation from the responses as expressed by the respondents with respect to the agreeableness of the factor “Factors considered most important before choosing an investment”.

The above matrix 5.2.1 for the variables MD_1,MD_2,MD_3,MD_4,MD_5,,MD_6,MD_7,MD_8,MD_9,MD_10,MD_11,MD_12 MD_13,MD_14,MD_15,MD_16, MD_17 with p values 0.075**,0.059**,0.061**,0.078**,0.064**,0.098**,0.061**,0.003,0.077**,0.069**,0.066**,0.077**, 0.063**,0.064**,0.004,0.071** & 0.054** respectively shows, there is no statistical evidence to say there is a significant difference in rank orders by the respondents of Corporate Executives with regard to MD_1,MD_2,MD_3,MD_4,MD_5,,MD_6,MD_7,MD_8,MD_9,MD_10,MD_11,MD_12,MD_13, MD_14,MD_15,MD_16,MD_17. Hence, there is no need to check with post hoc (Mann–Whitney U test) test, whether they have significant difference among themselves in rank orders/preferences with regard to MD_1,MD_2,MD_3,MD_4,MD_5,MD_6,MD_7,MD_8,MD_9,MD_10, MD_11,MD_12,MD_13,MD_14, MD_15,MD_16,MD_17.

TABLE.5.3 TEST STATISTICS OF FACTORS CONSIDERED MOST IMPORTANT BEFORE CHOOSING AN INVESTMENT (TEST: MANN-WHITNEY U-TEST)

	Asymp. Sig.	
	MD_8	MD_15
MD_8	---	
MD_15	0.056	---
Df=5	Test : Mann-Whitney U-test	

From the Table number 5.3.1, with respect to **Factors considered most important before choosing an investment**, p values which are less than 0.05 are statistically significant in their response among respondents and others are not statistically significant differences in their opinion to each other.

Mann-Whitney U-test has administered, to know if there is any significant difference between the responses of the respondent’s i.e. < 0.05; the same interpretation can also be drawn with regard to other statements to assess to statistically significant differences in the opinion of respondents.

For example, the ‘p’-value obtained for statement MD_8 and MD_15 is 0.052, which is less than 0.05, it can be concluded that there is no significant difference in ranking orders/preference of respondents with regard to the factor “Factors considered most important before choosing an investment”

4. DRIVERS THOSE ARE LIKELY TO CHANGE THE BUSINESS MODEL

H_0 : There is no significant (statistically) difference in rank orders/ preferences of AMC Executives with respect to Drivers those are likely to change the business model.

H_1 : There is a significant (statistically) difference in rank orders/ preferences of AMC Executives with respect Drivers those are likely to change the business model.

$H_0 = \mu_{AMC\ Executives}$

$H_1 =$ at least one of them not equal to another.

TABLE 5.4: MEAN, STANDARD DEVIATION AND TEST STATISTICS OF DRIVERS THOSE ARE LIKELY TO CHANGE THE BUSINESS MODEL

No.	Descriptive Statistics			Test Statistics ^{a,b}	
	Factor	Mean	SD	Asymp. Sig.	Decision
BM_1	Parent's strategy changes	4.93	0.51	0.004	Sig Diff
BM_2	IT costs	4.74	0.49	0.012	Sig Diff
BM_3	State of the economy	4.35	0.65	0.019	Sig Diff
BM_4	Increasing customer demands	4.69	0.54	0.044	Sig Diff
BM_5	Development of the outsourcing market	4.92	0.59	0.021	Sig Diff
BM_6	Product changes	4.43	0.44	0.018	Sig Diff
BM_7	Increasing competition	4.92	0.59	0.032	Sig Diff
BM_8	Regulatory change	4.63	0.41	0.041	Sig Diff
Df=5	a. Kruskal Wallis Test	b. Grouping Variable: AMC Executives			

All other statements under this factor “most challenging Parameters in the Indian fund management industry” have been subjected to similar testing, and analysis by the researcher and interpretations on exactly similar lines have been drawn, and considered in the Findings section. Now, it would be interesting to know, among these AMC Executives, which of them have significant difference in rank orders/preference with regard to factor “most challenging Parameters in the Indian fund management industry”.

TABLE 5.4: TEST STATISTICS OF DRIVERS THOSE ARE LIKELY TO CHANGE THE BUSINESS MODEL (Test: Mann-Whitney U-test)

	BM_1	BM_2	BM_3	BM_4	BM_5	BM_6	BM_7	BM_8
BM_1	%							
BM_2	0.056	%						
BM_3	0.046	0.096	%					
BM_4	0.066	0.086	0.076	%				
BM_5	0.051	0.057	0.055	0.056	%			
BM_6	0.053	0.053	0.057	0.087	0.099	%		
BM_7	0.096	0.051	0.066	0.057	0.068	0.098	%	
BM_8	0.086	0.076	0.076	0.056	0.077	0.087	0.073	%

From the Table number 5.4.2, with respect to Drivers those are likely to change the business model, p values which are less than 0.05 are statistically significant in their response among respondents and others are not statistically significant differences in their opinion to each other. Mann-Whitney U-test has administered, to know if there is any significant difference between the responses of the respondent's i.e. < 0.05; the same interpretation can also be drawn with regard to other statements to assess to statistically significant differences in the opinion of respondents. For example, the 'p'-value obtained for statement BM_2 and BM_1 is 0.056, which is less than 0.05, it can be concluded that there is a significant difference in ranking orders/preference of respondents with regard to the factor “Drivers those are likely to change the business model”

5. IMPORTANCE OF COMPETITIVE ATTRIBUTES FOR AMC

H₀: There is no significant (statistically) difference in rank orders/ preferences of AMC Executives with respect to Importance of competitive attributes for AMC. H₁: There is a significant (statistically) difference in rank orders/ preferences of AMC Executives with respect Importance of competitive attributes for AMC.

H₀ = μ_{AMC Executives}

H₁ = at least one of them not equal to another.

TABLE 5.5: MEAN, STANDARD DEVIATION AND TEST STATISTICS OF IMPORTANCE OF COMPETITIVE ATTRIBUTES FOR AMC

No.	Descriptive Statistics			Test Statistics ^{a,b}	
	Factor	Mean	SD	Asymp. Sig.	Decision
CA_1	Beyond Tier-1 cities	4.80	0.52	0.079**	Not Sig
CA_2	Focus on Tier-1 cities	4.91	0.51	0.064**	Not Sig
CA_3	Banking sector	4.74	0.49	0.001	Sig Diff
CA_4	Insurance sector	4.44	0.64	0.066**	Not Sig
CA_5	Institutional clients	4.77	0.56	0.004	Sig Diff
CA_6	Mass market	4.91	0.55	0.078**	Not Sig
CA_7	High net worth individuals	4.78	0.57	0.071**	Not Sig
Df=5	a. Kruskal Wallis Test	b. Grouping Variable: AMC Executives			

Interpretation

From the above table-5.6.1, the mean of CA_1,CA_2,CA_3,CA_4,CA_5,CA_6 & CA_7 are 4.80,4.91,4.74,4.44,4.77,4.91 & 4.78 respectively, which indicate that the respondents are in agreeableness with the factor Concerns regarding the Indian Fund Management Market, as the values are almost nearer to the response 'Strongly Agree'. Moreover, the standard deviation for all the statements CA_1,CA_2,CA_3,CA_4,CA_5,CA_6 & CA_7 are 0.52,0.51,0.49,0.64,0.56,0.55 & 0.57 respectively indicate that the there is not much deviation from the responses as expressed by the respondents with respect to the agreeableness of the factor 'Importance of competitive attributes for AMC'.

The above matrix 5. 6. 1, indicated (**) shows, there is no statistical evidence to say there is a significant difference in rank orders by the respondents of AMC Executives with regard to factor “Importance of competitive attributes for AMC” for the parameter CA_1,CA_2,CA_3,CA_4,CA_5,CA_6 & CA_7 are 0.079**,0.064**,0.001,0.066**,0.004,0.078** & 0.071**. Hence, there is no need to go check whether they have significant difference among themselves in rank orders/preference with regard to factor “Importance of competitive attributes for AMC”.

Now, it would be interesting to know, between these AMC Executives, which of them have significant difference among themselves in rank orders/preference with regard to “Importance of competitive attributes for AMC” that will have impact on Mutual Fund.

From the table number 5.6.2 “Importance of competitive attributes for AMC”, p values which is less than 0.05 are statistically significant in their response among respondents and others are not statistically significant differences in their opinion to each other.

For example, the 'p'-value obtained between CR_3 and CR_5 is 0.065, which is more than 0.05, it can be concluded that there is a no significant difference in ranking orders/preference of respondents of AMC Executives with respect to the statement in the factor “Importance of competitive attributes for AMC”.

All other statements under this factor “Importance of competitive attributes for AMC” have been subjected to similar testing, and analysis by the researcher and interpretations on exactly similar lines have been drawn, and considered in the Findings section.

Using Mann-Whitney U-test, we have the following results:The p-values are summarized in the matrix below;

TABLE 5.6.2: CONSOLIDATED "P" VALUES OF "IMPORTANCE OF COMPETITIVE ATTRIBUTES FOR AMC

Asymp. Sig.	
CR_3	CR_5
CR_3	0.058
CR_5	0.065
Df=5	Test : Mann-Whitney U-test

6. SUMMARY OF FINDINGS

To summarize, according to the modern theory of financial intermediation, financial intermediaries are active because market imperfections prevent savers and investors from trading directly with each other in an optimal way. The most important market imperfections are the informational asymmetries between savers and investors. Financial intermediaries, banks specifically, fill – as agents and as delegated monitors – information gaps between ultimate savers and investors. This is because they have a comparative informational advantage over ultimate savers and investors. They screen and monitor investors on behalf of savers. This is their basic function, which justifies the transaction costs they charge to parties. They also bridge the maturity mismatch between savers and investors and facilitate payments between economic parties by providing a payment, settlement and clearing system. Consequently, they engage in qualitative asset transformation activities. To ensure the sustainability of financial intermediation, safety and soundness regulation has to be put in place. Regulation also provides the basis for the intermediaries to enact in the production of their monetary services.

All studies on the reasons behind financial intermediation focus on the functioning of intermediaries in the intermediation process; they do not examine the existence of the real-world intermediaries as such. It appears that the latter issue is regarded to be dealt with when satisfactory answers on the former are being provided.

1. Business and Regulatory environment-With respect to this parameter, 20 questions were administered to the respondents, analyzed and findings are drawn/as follows.

Mean, SD and Test statistics reveal that all the respondents were strongly agree that **Vibrant capital market is one of the most influencing factors** that shapes Indian Financial Market

Further Mann Whitney U test states that there is no significant differences among respondents with regard to **vibrant capital market that will shape strong financial system of any developing economy.**

ANOVA also significantly establishes a strong opinion towards **vibrant economy pushes the economy in the growth path.**

2. With respect to the parameter **most challenging aspects of Indian Fund Management Industry** is concerned, analysis shows that Fund Management Industry in India is facing challenges in terms of economy and volatilities, competition from foreign AMCs and Risk Management. However there is no significant (statistically) differences were found with regard to other parameters.

Further Mann whiteny U test reveals that there is no significant (statistically) differences in the choices marked by the respondents with respect to **challenges for Fund Management Industry in India.**

ANOVA states that there are no significant differences in the opinion of respondents with regard to **challenges to Fund Management Industry.** There exist challenges in the market ahead of times.

3. With respect to the parameter **major drivers of change in Indian Fund Management Industry,** analysis states that there is no significant (statistically)differences in the opinion of the respondents with regard to the factor Regulatory changes, Distribution changes, Underperforming equity markets, Economies of scale, Creation of the debt market, Capital market, Expansion of Asset Management companies into overseas markets, Mergers/Consolidation, Globalization, Commoditization, Opening new market segments, Technology, New Entrants, IPOs, Financial crisis and global recession threat, Disintermediation and Joint ventures.

Mean SD and Test statistics reveal that no significant differences in the opinion of respondents whereas few parameters found to be significant differences for **major drivers of change in Indian Fund Management Industry** and Mann Whitney U test administered and found significant (statistically) difference found.

Researcher Administered ANOVA to find, is there any significant (statistically) difference and no statistically significant differences were found.

4. With regard to the parameter **drivers likely to change the business model over the years found that** there is significantly (statistically) differences were found, except increasing customer demands.

SD, Mean and Test statistics reveals that there is strong correlation between the responses of respondents is strongly agree.

From the Mann Whitney U test administered found that, statistically no significant differences with respect to customer demands.

ANOVA found to be, no significant (statistically) differences as the opinion of respondents with the parameters **drives are likely to change the business model next three years**

5. With regard to the factor **competitive attributes of AMC,** Mean: SD and Test statistics reveals that strongly agreeing in favor most of the factor under this dimension.

Further Mann Whitney U test claims that two factors viz., **Business and Insurance sector factor** found significant (statistical) differences among the respondents. ANOVA states that, there is no significant (statistically) difference in the opinion of respondents with regard to **competitive attributes for AMC** in the times ahead.

7. CONCLUSION

There are some attributes of mutual fund schemes as their age, asset ratio and past performance that affect their efficiency performance. Older schemes and schemes with high

Assestratios are performing inefficiently. However, mutual funds which had good performance in past are more likely to perform well in future.

The number of investors and the amount invested in mutual funds is quite low. Corporate Executives consider mutual funds as low return and high risk Investment Avenue. Its liquidity is perceived as high but tax benefits and procedural understanding are low for these. Also, AMC Executives judge mutual fund schemes for investment on the basis of their structure, size, performance, status and professional expertise. Further, investors expect good regulations, expert advice and strong grievance mechanism from mutual fund companies. Most of the investors have been investing in Growth, Income and Balanced mutual fund schemes.

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REINFORCING CONVENIENCE AND COMFORT FACTORS FOR MOTIVATING TRAINERS

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ABSTRACT

The trainers are one among the important sources for the successful implementation of the training. In rural development scheme, trainers are likely to face difficulties due to shortage of available facilities. The motivational theories propose the ideas to eliminate the difficulties which cause discomfort, inconvenience in work environment and resulted in job dissatisfaction. Further the well trained trainers are likely to leave the Organizations. This paper considered effect of hygienic factors - employment facilities, under "Herzberg's theory motivators and hygienic factors", on trainers job satisfaction. Relationship between Employment facilities, Age, Place of work, Job satisfaction were considered for analysis. Correlation analysis was done to know any correlation between employment facilities and Job satisfaction. It is found that there is significant difference between satisfaction levels on employment facilities and satisfaction with trainer job

KEYWORDS

Motivation, Job satisfaction, Employment facilities.

I. INTRODUCTION

The involvement and cooperation from the trainers of training are considered as important for the successful implementation of the training. The motivational theories emphasized the basic needs and provision for opportunity to excel shall be made available to ensure satisfaction. Frederick Herzberg's theory of motivators and hygiene factors deals about job factors that motivate employees. It constructed a two-dimensional paradigm of factors affecting people's attitudes about work. He concluded that such factors as company policy, supervision, interpersonal relations, working conditions, and salary are hygiene factors rather than motivators. According to the theory, the absence of hygiene factors can create job dissatisfaction, but their presence does not motivate or create satisfaction. The Two-factor theory indicates that one set of factors at work cause job satisfaction, while another set of factors cause dissatisfaction. This paper considered Herzberg's hygienic factor which causes dissatisfaction when it is absent in the work environment.

II. REVIEW OF LITERATURE

It is essential to encourage the trainers to get involved in conducting the training by providing necessary facilities to perform their work efficiently. In rural development scheme, the trainers are expected to adjust with training timings, accessing remote location, basic knowledge and behaviours of trainees along with the employment facilities and environment. If they unable to cope up with difficulties in the work environment, they are likely to leave the jobs. Employee satisfaction has traditionally been defined as an important motivator for employee performance (Mak & Sockel, 2001). Channuwong and Kantatian, 2012, found that in today's ever-changing global and technologically demanding world, finding and retaining human talent has become a competitive battleground. Attracting, developing, and retaining individual with talent, skills, knowledge, and experiences sufficient to drive global business and solve social problems become the key strategies for creating sustainable growth of business. Gawel, 1997, explain why good teachers are being lost to other higher paying positions. Fullan, 2010 provides a list of "incentives that work for teachers" - good salaries; decent surroundings; positive climate; strong induction; extensive professional learning; opportunity to work with and learn from others; supportive etc. Further evidence from various studies shows that teachers choose to leave schools with poor work environments (Borman & Dowling, 2008). Thus, teacher turnover is driven not by teachers' responses to their students, but by the conditions in which they must teach. Hirsch, 2005 found the empirical links between teachers' working conditions and student achievement. Susan Moore Johnson, Matthew A. Kraft & John P. papay-2012 found the conditions in which teachers work matter a great deal to them and, ultimately, to their students. Teachers are more satisfied and plan to stay longer in schools that have a positive work context, independent of the school's student demographic characteristics.

III. STATEMENT OF THE PROBLEM

Motivation theories focused on employees in business but teachers/trainers are not considered. Many empirical studies were conducted on the need for motivation of employees of profit oriented organisation. While showing grave concern over increasing employee turnover in business organisation on one side and leaving trainers on the side requires attention in the light of rural development. It becomes necessary to view the seriousness of employment facilities for the trainers.

IV. OBJECTIVES

The objective of this study as follows:

1. The need for providing employment facilities and for motivating the trainers to get involved in their work with respect to age and place of work of the trainers.
2. To know the relationship between the employment facilities and job satisfaction of trainers.

V. HYPOTHESES

Hypotheses were assumed to study the satisfactory level of trainers on employment facilities as follows:

Hypotheses on Satisfactory level on Employment Facilities:

1. "There is no significant difference among the various age groups with respect to their average level of satisfaction on employment facilities".
2. "There is no significant difference between main and extension centre groups with respect to their level of satisfaction on employment facilities".
3. "There is no significant difference between satisfaction levels on employment facilities and satisfaction with this job".

VI. METHODOLOGY OF STUDY

The primary data were collected by using survey method by using interview schedule for trainers. The sample of 58 trainers has been drawn randomly from the same 23 institutions from where sample of beneficiaries were selected. The journals, books and websites were referred to collect secondary data.

The questions in the interview schedule for trainer cover the Socio-economic status of trainers, opinion on employment facilities. The details of aspects covered under employment facilities are as follows.

EMPLOYMENT FACILITIES

Trainer's opinion on their satisfaction level on employment facilities was collected with respect to employment rules and conditions which are as follows:

- A. Salary

- B. Promotion
- C. Leave rules
- D. Advance payments
- E. Work load
- F. Career development
- G. Grievances handling
- H. Timings of work
- I. Training to the trainers
- J. Cooperation from co-workers
- K. Supervision

STATISTICAL TECHNIQUES USED

The following statistical techniques such as Simple Average, Standard deviation, Likert’s scaling techniques, Analysis of variance (ANOVA), ‘F’ test, ‘t’ test and Chi-square test and correlation and regression analysis were calculated.

VII. RESULTS & DISCUSSION

A. AGE AND EMPLOYMENT FACILITIES

Respondent’s opinion on satisfactory level on employment facilities and their age is analysed and this distribution is shown in the Table 1. Hypothesis No. 1 states that “There is no significant difference among the various age groups in their average level of satisfaction on employment facilities”. Table 1A showed that 26-30 age groups expressed higher level of satisfaction than any other groups. Above 35 groups scored lower level of satisfaction on employment facilities.

TABLE 1A: AGE AND SATISFACTION LEVEL ON EMPLOYMENT FACILITIES

AGE	Mean	N	Std. Deviation
UPTO 25 YEARS	42.17	18	9.9661
26-30 YEARS	44.94	16	6.8163
31-35 YEARS	40.50	6	4.9295
ABOVE 35 YEARS	38.00	18	2.2229
Total	41.47	58	7.2722

TABLE 1B: ‘F’ TEST FOR AGE AND SATISFACTION LEVEL ON EMPLOYMENT FACILITIES

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	423.494	3	141.165	2.942	*
Within Groups	2590.938	54	47.980		
Total	3014.431	57			

* Significant 5%

It could be inferred from the table 1B shows that calculated F value is greater than table value and result is significant at 1% level. Hence the Hypothesis No. 1, “There is no significant difference among the various age groups in their average level of satisfaction on employment facilities “is rejected. It can be inferred that significant difference is obtained various age groups in their average levels of satisfaction on employment facilit

B. PLACE OF WORK AND EMPLOYMENT FACILITIES

Relationship between place of work and opinion on satisfaction level on employment facilities is shown in Table 2A. The table highlighted that in case of respondents from Extension centre, maximum of 66.7% of them exposed low level of satisfaction and 33.3% of respondents preferred in medium level. In case of main centre, maximum 41.9% of respondents expressed medium level of satisfaction and 29% of respondents equally reported for low and high level of satisfaction on employment facilities.

TABLE 2A: PLACE OF WORK AND EMPLOYMENT FACILITIES

		PLACE				TOTAL	
		HEAD OFFICE		EXTN. CENTRE		No.	%
		No.	%	No.	%		
Satisfactory Level on Employment Facilities	LOW	9	29.0	18	66.7	27	46.6
	MEDIUM	13	41.9	9	33.3	22	37.9
	HIGH	9	29.0	0	0	9	15.5
TOTAL		31	100.0	27	100.0	58	100.0

Hypothesis No.2 states that “There is no significant difference between Main and Extension centre groups with respect to their level of satisfaction on employment facilities”.

TABLE 2B: ‘T’ TEST FOR PLACE OF WORK AND SATISFACTION LEVEL ON EMPLOYMENT FACILITIES

	PLACE	N	Mean	Std. Deviation	T	df	Sig.
Satisfactory Level On Employment Facilities	HEAD OFFICE	31	44.00	8.6487	3.043	56	**
	EXTN. CENTRE	27	38.56	3.6304			

**Significant 1%

Table 2A shows that respondents of extension centre revealed lower level of satisfaction than main centre respondents on employment facilities. It could be observed from the table that the calculated t value is greater than table value at 1% level. Hence the Hypothesis No. 2, “There is no significant difference between Main and Extension centre groups with respect to their level of satisfaction on employment facilities” is rejected. It can be inferred that significant difference is obtained between respondents of Main and Extension centre in their average levels of satisfaction on employment facilities.

C. SATISFACTION ON EMPLOYMENT FACILITIES AND SATISFIED WITH TRAINER JOB

Correlation and regression analysis is calculated between satisfaction levels on employment facilities and satisfied with trainer job in Table 3.

TABLE 3A: SATISFACTION ON EMPLOYMENT FACILITIES AND SATISFIED WITH TRAINER JOB

	Mean	Std. Deviation	N
Satisfied with trainer job	4.05	.6047	58
Satisfaction level on employment facilities	41.47	7.2722	58

Table 3A shows that average score obtained by the satisfied with trainer job is 4.05 and the satisfaction levels on employment facilities group obtained score of 41.47. However the consistency is obtained in the opinion on satisfaction with job as standard deviation is 0.60. The Hypothesis No.3 states that “There is no significant difference between satisfaction levels on employment facilities and satisfaction with this job”.

TABLE 3B: 't' TEST FOR SATISFIED WITH TRAINER JOB AND SATISFACTION ON EMPLOYMENT FACILITIES

	Regression Coefficient (B)	Std. Error	Correlation	T	Sig.
(Constant)	2.173	.392			
Total score on employment facilities	.045	.009	.545	4.864	**

** Significant 1%

Table 3B explains that the correlation value 0.545 exhibits that there is good positive correlation between satisfaction levels on employment facilities and satisfaction with trainer job, meaning increase in score on employment facilities increases the overall satisfaction of trainers. The regression shows that employment facilities have a positive influence on satisfaction with this job. The regression coefficient value 0.045 (significant at 1% level) indicates that as the score increases by one unit the satisfaction level increases by 0.045 units in the scale 1 to 5.

The table 3B shows that the calculated t value is greater than table value at 1% level. Hence the Hypothesis 3 that "There is no significant difference between satisfaction levels on employment facilities and satisfaction with trainer job" is rejected. It can be inferred that significant difference is obtained between satisfaction levels on employment facilities and satisfaction with this job.

VIII. CONCLUSION

It is inferred from the study, that higher age groups scored lower level of satisfaction on employment facilities. Significant difference is obtained among the various age groups with respect to their average level of satisfaction on employment facilities. The higher age groups are having family commitments which impacts on the satisfactory level on employment facilities. Significant difference is obtained between Main and Extension centre groups with respect to their level of satisfaction on employment facilities. Respondents of extension centre revealed lower level of satisfaction than main centre respondents on employment facilities. It implies that management of the training shall focus on the facilities in extension centre. There is good positive correlation between satisfaction levels on employment facilities and satisfaction with this job. The regression shows that employment facilities have a positive influence on satisfaction with this job. It is essential to improve the employment facilities to instill comfort and convenience to get the job satisfaction.

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IMPACT OF KNOWLEDGE ECONOMY ON FIRM PERFORMANCE: THE EFFICIENCY OF COMPANIES IN KNOWLEDGE ECONOMY

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ABSTRACT

Knowledge economy can be defined as production and services which depends upon knowledge-intensive activities and depends upon a quality, quantity and accessibility of information except the means of production for goods and services. Main objective of this research are firstly to examine the various views about the knowledge economy and how a company win in knowledge economy; secondly to describe quantitatively creation and use of the knowledge across different industries; thirdly to develop an approach for understanding role of knowledge economy in a company's success. In a previous year public policy for science, technology, Research and development take the attention of Knowledge industry. So we are now entering in a new economy which is known as called knowledge economy. Knowledge economy depends upon technology, innovation, research and development, High skills level and on resources. Resources may be material or immaterial. Technology and productivity have strong positive relationship between them. Technology plays important role in every business because it helps to increase productivity level in every business whether it is services or manufacturing business but technology also create idleness. Knowledge transfer helps the organization to maintain their competitiveness in a market by sharing the information between the subsidiaries and parent company.

KEYWORDS

Knowledge Economy, Productivity, Innovation, creativity, firm performance.

INTRODUCTION

Many analysts and scholars have claimed about the economy leading edge in a past. It has become possible in developed countries on the basis of knowledge about technology and on the basis of information for production in a firm and its distribution. Knowledge economy concept comes from Fritz Machlup. Firstly Machlup measured that knowledge economy is a broad term. Other measurement also related to knowledge economy which includes Research and development but not its distribution (F.Machlup, 1962).

SEVEN CHARACTERISTICS OF KNOWLEDGE ECONOMY

- Knowledge takes place in production process and untouchable things in organization like labor, capital, brand name, value and goodwill of the company.
- They know how related to the knowledge of products increasing rapidly in organization production process and management.
- In economy services play a vital role in company.
- In economy laws are totally different and intangible things are calculated in different ways.
- Knowledge is basic head of economy and mostly companies have not hired their own resources for long term.
- The features of labor have been changed in economy and knowledge increased professionally.
- The methods and ways of manage the intangible resources is different from tangible (Anderissen 2004).

REVIEW OF LITERATURE

There is a wide range of activities under the broad label of Knowledge Economy. Knowledge Economy covers at least three approaches. Approach of early 1960s focuses on the role of modern industries in economic and social change. According to some professional services, some analysts and other rich information industries observing the immense growth in employment level from the previous three decades in economy (Machlup 1962, Noyelle 1990, Porat 1977, Stanback 1979). It is a basic idea which brings together innovation as a source in theoretical knowledge (Bell 1973). New growth theory in economics may be included role of knowledge in the economy growth (Romer 1986, 1990). In the knowledge field there has been lot of industries who are knowledge intensive. Much of emphasis on evaluating how these sectors contributes in productivity for growth (Brynjolfsson & Hitt 2000, Gordon 2000). The increase in the financial market of those industries who are knowledge intensive and productivity in the condition of financial-market developments in the 1990s. Learning and continuous innovation is a third part of work inside the firm which is very narrow and also managerial (Drucker 1993, Nonaka & Takeuchi 1995, Prusak 1997). Few organizations works for specific goods at knowledge production and transfer, and researchers wants to understand about the different practices types which can be duplicated why and whether. Work involvement has been applied more in such type of inquiries. The larger sociological and economic suggestions related with the knowledge increase transmission beside it also summarize such types of social arrangements and generation for attracting attention of others (Cowan et al. 2000).

DIVISIONS OF KNOWLEDGE, DIVISIONS OF PRACTICE

Learning is naturally conveyed for the attainment of knowledge. Jerome Bruner (1996) suggests usually people do not simply learn or understand as the psychologist he found that learning process doesn't only evolve about the facts of the world but it also involves abilities for hiring a person to perform the job in the world in the proper ways. When people become managers or engineers but they did not only converting themselves into managers or engineers they do not considered themselves as a manager or engineers which managers or engineer works and recognized in the society (Ibarra 1999).

The critical question is that what is level for analyze the environmental condition. The brief answer of same question is provided by Kogut, Zander, Weber, Marx and Durkheim. Marx assign dominance to a specific class (Marx 1967), Durkheim backed his abilities into a community of organic (Durkheim 1984), and Weber examine the structure of bureaucratic in a specific organization (Weber 1978). Kogut and Zander, add a lot of new things in the research of organization and the research of a particular business. Identification in modern society is another most important critical source of business (Zunz 1990), but accounts can be overstated very easily and regulate their contribution. Arrow (1974) explained the important role of the firm at which a firm coordinates with the people and knowledge is more effectively summarize. Barnard introduced the firm as a most sensitive intermediary between individuals related to any culture and society. In the last couple of years, we have seen a lot of research related to the culture of firms.

PRODUCTIVITY AND TECHNOLOGY

Lot of the research on the knowledge economy has showed the relationship labor productivity and technology. Previous studies of the relationship between the labor productivity and information technology were resulted in enormous growth in American economy in the field of computer investments and the productivity simultaneous slowdown in late 1970s and throughout the 1980s (Roach 1987). As early in 18th century, Economist starts detecting about the effect new technology effects for the employment well-being and for employment (Woirol 1996, pp. 17 ff.). After 2000 years of slow growth level, in the early 1970s productivity of labor had going to decrease and also showed little sign of recovery with a successive flow in computer investments. Computer also have a significant role in technology field through decreasing demand of those workers who have fewer skills, Many employees who have less skills is going in employment declining (Katz and Murphy 1992; Krueger 1993; and Gottschalk 1995; and Autor, Katz Berman, Bound, and Griliches 1994; Danziger, and Krueger

1998). Service sector increase his share to a large extent in computer investment, which have to face the most critical delay in productivity level. Roach (1987) explained that, the computer spending increased in service sector during the 1970–1985 and there is a increase in overall share of a capital market from 6.4% to 15.5%. Yet, the level of productivity by the white-collar information workers was not greater than that of production workers. In future, economy will not require workers which create huge problems like unemployment in a country and idleness of workers (Aronowitz and DiFazio 1994; and Rifkin 1995). Although most of the economists do not want to talk about this critical issue in this way, the evidences are differentiated into two ways; computers may or may not increase the demand for skill (Howell and Wolff 1991).

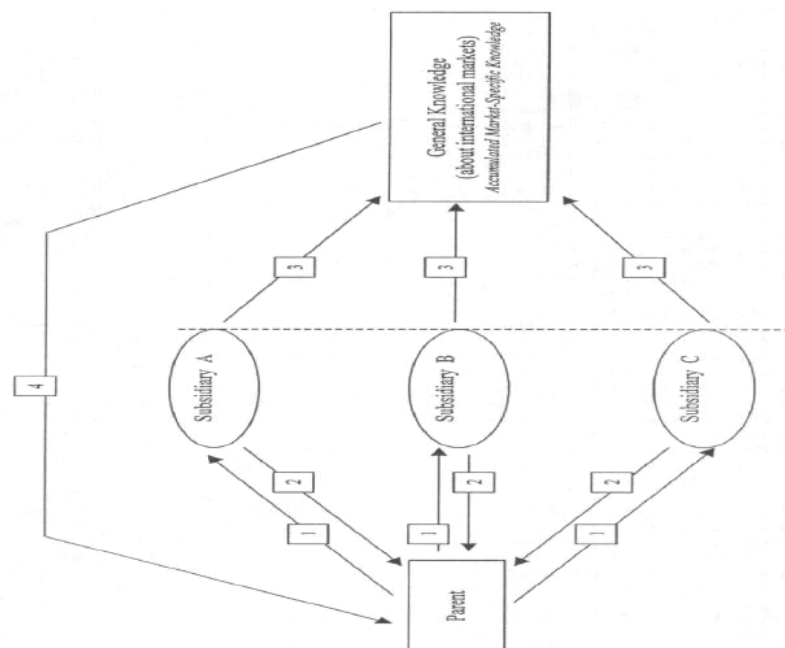
TECHNOLOGY AND KNOWLEDGE ECONOMY

In this modern age innovations become the basic of any type of business success because the competitor has been increased globally in knowledge economy and even in food and textile industry. Everyone tries to describe the more things in the market and try to create the advancement in technology (Mytelka 1999). Technology brings the change in new generation related to better education and also increase the efficiency of workers. It also helps the employees more learning in technology, R&D and capabilities of the workers. It also developed the relations and growth rate between countries (Helpman 2004). Those countries which are more developed they invest their money in knowledge and earn the more profit from it. First the organizations do the R&D hire the researchers and do the best effort for the growth of the economy (Szirmai 2008). Due to the lack of the government policies the investment in knowledge and innovations are low but in these days due to the new policies on national level the economic growth and the level of innovations increased rapidly (Lundvall 1992, Nelson 1993). In developed countries innovations and knowledge is a key point of the success. The good system of innovation is able to target the underdeveloped countries globally. Advancement in knowledge and innovations helps in growth of the economy (Goedhuys and Srholec 2010). On the introductory stages of the business entrepreneurship is the main source of the growth in production. It is that factor which is creates the money with the sources and current production sources in new ways. If anybody properly guide then it will be help in the economic development (Audretsch and Keilbach 2004).

KNOWLEDGE TRANSFER AND EXPATRIATES

Success of competitive always depends upon intellectual capital strategy but not very much depends upon financial resources and physical resources. Firm core competencies in today's business is a result of firms learning (Downes and Thomas, 2000). (Grant, 1996) in the globalized world, the abilities of developing organizational is done through by sharing different features of knowledge about the multinational's which have a vital resource for getting advantage in competitiveness since such sharing and combination of intra organizational firms which specific extremely hard knowledge for others to duplicate. "Knowledge transfer is a process which receives a much intention in a globalized business by which a unit of organization is influence by the experience of others

Figure: 1 Knowledge Transfer Diagram.



Source: (Downes and Thomas, 2000)

In knowledge-related functions are performed due to extremely strategic role of today which include training and development of the staff and transfer of expertise from head quarter, development of talented people which can become the future of company, show trust towards subsidiary, training of local employees for improving their skills, developing sharing and best practices transferred, implementing knowledge related practice and development of leaders for future in the company through implementing the knowledge practices in a right way (Minbaeva and Michailova, 2004).

KNOWLEDGE MANAGEMENT IN E-BUSINESS AND CUSTOMER RELATIONSHIP MANAGEMENT

Knowledge management is related to the knowledge problems in the measurement of efficiency and its measurement with the improvement. The value of information is based the flow of information and exchange of information between the partners of network design. Partner's wealth and partners benefits whose different levels are addresses at tool of collaborative side and management of knowledge share methods at the opposite side (Du plessy 2004). The mechanism of the browsing of new knowledge has a tendency to manage the immense increase in volume of information link for making decision. Shift from model of economy to the model of knowledge gives the results in two moments for which companies are trying to work at new policies. It shows the limitation conditions of the recent model of economy also with the need of knowledge management system and management system of business process for the combination of new architecture (jung et al 2007).

INNOVATION STRATEGY FOR THE KNOWLEDGE ECONOMY

The capitalization of different types of knowledge has focused already and evolved through different management generation. The first main and important focus of the companies is a product. Secondly the process and management process for the innovation which becomes the main and important factor for the performance. Thirdly the entire company is considered as a place of innovation, and for not only in the area of production. The fourth important evolution, innovation help to overcome the boundaries towards the access to client, to have its opinion into account and acquire anticipates according to its choices (Amidon 1997). It has achieved independence in the year of 1998 and it has continued with the high economic growth in a proper fiscal policies through the regular elections which have nourished the success label that are shifting toward an insufficient questioning of what happened beneath the façade in Botswana. The discrimination in inequality has the dominance in a one political party, the dis likeness of government toward the criticism which has a range of human

rights that are abusing at the time of different problems by afflicting Botswana. The progress of a country is significantly slow towards improving a lot of social rights as well as cultural rights (Botswana 1998). Organizations are working in the society of knowledge and there is great increase in the level demand towards a strong relationship with the environment for the purpose of essential and important knowledge share about the business development in the specific environment. We are shifting towards the economy which is knowledge based and where asset intangibility and the level of investments are very important elements for the creation of values in a different companies and accordingly to wealth of economy (Canibano Sanchez and Garcia Ayuso 2000). In other words it represent the knowledge possible capital is that it refer to the quality and sustainability of the external stakeholder and also the potentiality of generating new agent in the future. These aspects are vital to success of a company. Relational capital of the link a company has to their competitors and other institutions in the market. Relational capital can contribute to the economic development and to the interaction with society. In addition to all the points mentioned relational capitals also cover image loyalty satisfaction commercial power environmental activities and so on. The long relation with relational capital can reduce cost, as the actors learn to know how to best interact with each other. The cost is reduced for both the customer and supplier argue that if cooperative relationship with relational capital is managed professionally, it will lead to an increased transactional efficiency in addition to an increased commitment toward the relationship by both actors. (Fensterstrom 2005). In this section is to discuss which sector has high awareness of relational capital and where it is more relevant. As a general rule for every sector knowledge of their relational capital is importance and everyone should assess their relational capital. Having some points that general assumptions it is clear that for some sectors executing this evaluation is more important and some types of companies might be more actively pursuing such an approach than others sector where developing an a report of knowledge on the intangibles is being more strongly followed. (Fensterstrom 2005).

THE INTERNATIONALIZATION PROCESS OF THE FIRM

To establish a firm in a foreign country may take time and as a general rule the firm wants to try to avoid as much risk and uncertainty as possible. The process of going international having strong and high relational capital could avoid much of the uncertainty by providing important and essential information. It is important to dedicate sufficient resource to be able to have wide distribution network abroad. (Cavusgil 1984 and Johanson and Vahlne 1977). The addition to knowledge on the legal system the size of the market sociological and culture background of the population is significant knowledge of the firm most of the countries it is more difficult than other to enter because of a protectionist legal system where the foreign firm is subject to more constraints in comparison to domestic firm. (Tidd et al 2001) a nature issue when discuss and internationalization is the value of the collaboration and the marketing aspect collaboration for a number of different reasons. Among these reasons are strategic issue to size the creation of synergies to enable the capacity globally, a probably decrease the risk of cost of technology development, and achieve scale economics in production or the possibility of a market entry (Tidd et al 2001, *ibid*, Vahlne 2003). The capacity to build an effective working relationship with clients is one of the most important assets held by the company. Acquiring knowledge about the external environment system for operating is mostly related in the context of internationalization. Small firm indicate and treat knowledge of the market as a central enabling and driving resource. The complexity and uncertainty and time consuming process in a foreign market is high and therefore considerable commitment of resource is required from the part of the entering firm (Yli-Renko et al 2000, *ibid* Hohenthal 2001). The knowledge based economy is define by the systematic and permanent mobilization of knowledge in order to analyses the result of action and design of the new action to be undertaken innovation and learning means the design and solution of new technology is implemented in a product and services (Ascher 2001 Foray 2004). Territorial approach has played an important role in the innovation and knowledge economy. We are defending the idea that is essential to broaden the traditional paradigm based on innovation trajectories to include knowledge dynamics. In traditional paradigm the activities related to economy involve in a collective manner at the time of innovations. At the same time only proximity interaction permit rich multifunction learning. The regions thus become specialized with in a global market.

EMPLOYABILITY OF CONTRASTING THEORIES IN A KNOWLEDGE-DRIVEN ECONOMY

CONSENSUS THEORY

In the consensus theory, the social change is based on technological innovation (Kerr, et al., 1973). The societies are known as technological development (Bell, 1973). The knowledge economy is very difficult for private ownership of capital. The knowledge economy increased the world competition in the global financial market, information and communication technology and corporate reestablishment through applied knowledge and improvements of production (Reich, 1991). More capital and natural resources or labor are not means of production but knowledge have existence Drucker (1993). The creation of wealth will neither use of capital nor hard labor. In the 19th and 20th century the economy theory is "the innovation and production are both important for knowledge to work" (1993:7). The knowledge worker means you have more talented worker in the extent level. (Michaels, et al., 2001: 3). Knowledge economy is the key issue for industrial societies Daniel Bell (1973). Where efficiency and justice is very small part of knowledge capitalism. In consensus theory, the problem and solution are both for employability. Income inequality and unemployment problem is a global knowledge-based economy (Reich, 1991). Employability is the problem but also have solution. For all international standards of excellence is enhanced educational quality, the nation's high-skilled, high-employment (2001, Brown and Lauder, 1996).

CONFLICT THEORY

Conflict theory is based on current policy which attached to employability. The employability tries to equal opportunities at a time growing income inequality in education and labor market. Such inequality since the 1980s claims of uniqueness and market on a global scale to change the capitalist system are reflected (Elliott and Atkinson, 1998). Well, a 'plug and play based, rather than having to invest in expensive and highly trained (Lauder prefers to hire workers 2001) In conflict theory, the government monitored the corporate agenda in the reduced public spending and social company is very important for governments like corporate tax (Korten, 1995; Monbiot, 2000). Shifting of Power towards knowledge workers which also have been overstated. Most of the knowledge workers employed within only are able to benefit from their knowledge. From this perspective, the bureaucratic careers are rejected in the employability. As Georg Simmel (1990) Employee's freedom is always a freedom of money in the economy is matched by employers. So the consensus view does not means to high education reflect the high job skills but case of inflation but background disadvantage from the best job have produced in capital culture (Bourdieu and Passer Bourdieu on, 1964; Collins, 1979).

LEARNING DIMENSION OF KNOWLEDGE CREATION PROCESS

Knowledge is occurs from behavioral experience (Barnard, 1938, 291). Polanyi (1966) refers that knowledge is very difficult to transfer from one person to another person through the means of writing it down or expressing it in a proper way. Cyert and March (1963) describes that the organization learnt from the experiences. Kim (1993) defined that the organizations learn when individual learning share and transformed into organization money and structure. In this case the organization learning have both function to access the knowledge and capable to build the knowledge (Powell et al. 1996). Amin and Cohendet (2004) draw on earlier works (Dewey, 1916/1997; Polanyi, 1966; Bateson, 1972; Lakoff and Johnson, 1999; Varela, 1999) the knowledge is the concept of social relation which highlight the social practices. For this knowledge the practices at individual and group level is created through social relations who only influences trust and communications. Building on the contributions of Lave and Wenger (1991), and Brown and Duguid (1991) Amin and Cohendet (2004) strain that our social relations and practices occur from knowledge and learning which build a joint interest and ambition. The positive relationship between organization learning and innovation is to create a new idea and value growth for organization (Llorens Montes et al., 2005).

METHODOLOGY

SURVEY

A Questionnaire consisting of 28 Items Rated on 3 point likert type scale is used adapted to measure how companies win in knowledge economy. It consists of two Categories of Questions one type is related to Intrinsic factors and the other one is extrinsic Factors.

ANALYSIS TECHNIQUE

Spss software was used to analyze the questionnaires a total sample of 100 professionals and professors is selected and from this an equal number of questionnaires have been filled up. Some of them are unit heads and some were managers. After receiving questionnaires only 95 of them are thought to be finally selected for analysis. Linear regression for each of above mentioned stage is run separately to measure the significance of each model, descriptive have

also been found to tell about mean and standard deviation about each response. All models and results are in perfect twine with previous studies except few, all of these things should be discussed in detail in results section and discussion section of this paper.

RESULTS

TABLE 1

MODEL SUMMARY				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.644 ^a	.415	.389	.2054850

a. Predictors: (Constant), technology, innovation, high skills, research

As in the below table f value is greater than 3 so the overall model is significant and all of the independent variables have a significant and positive impact on dependent variable.

Model explains only about 38% variation by independent variables

TABLE 2

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.666	4	.667	15.787	.000 ^a
	Residual	3.758	89	.042		
	Total	6.424	93			

a. Predictors: (Constant), technology, innovation, high skills, research

b. Dependent Variable: knowledge economy

TABLE 3

COEFFICIENTS ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error				Beta	Lower Bound
1	(Constant)	1.013	.217		4.659	.000	.581	1.445
	research	.175	.080	.233	2.193	.031	.016	.334
	High skills	.159	.083	.182	1.925	.057	-.005	.323
	innovation	.196	.057	.332	3.424	.001	.082	.310
	technology	.060	.072	.078	.833	.407	-.083	.202

a. Dependent Variable: knowledge economy

CONCLUSION

Economy which is based on knowledge is a regular and permanent deployment of knowledge for the analyses then finding the result of the previous action by designing new actions. Knowledge is recognized social action of the particular society; knowledge is defined in a several ways within economics and in the theories of social behavior. The knowledge economy helps to perform the three important tasks. It also defined knowledge importance, its measurement and also helps to identify the important issues related to policy making. The important point in this paper is that knowledge is very important for economy but means of productions are not included. The production and distribution of knowledge in the economy is very crucial because it is closely related to the concept of knowledge into policies of science and technology also related with studies of science of better and effective results. A firm can achieve its goals more effective and efficiently by using the knowledge economy. For this purpose, there is a need strong research and development in organization. According to survey the basic purpose of the education is teaching and guidance in a right way not a research. Actually knowledge developed the youngster and polishes the mind of the youth. Due to the development of the innovations in technology the economy is also grow and developed. Knowledge is the primary resource of the organization all the organizations and economy development based on the knowledge. Every organization have their own structure and frame work. Through this we can easily understand the organization model. But in most of the countries the policies of the government are not helpful in innovations and knowledge. Advancement in knowledge and innovations helps in the development of the economy. There is a need of more research on knowledge economy because he future of a firm is totally depends upon a knowledge economy.

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AN EMPIRICAL STUDY ON EMPLOYEE WELFARE MEASURES IN SELECTED PUBLIC SECTOR ENTERPRISES

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ABSTRACT

Employee is a worker who is hired to perform a job. Employee welfare is an important facet of industrial relation. After employees have been hired, trained and remunerated, they need to be retained and maintained to serve the organisation better. The term welfare suggests the state of well being and implies wholesomeness of the human being. It is a desirable state of existence involving the mental, physical, moral and emotional factor of a person. Adequate level of earnings, safe and human conditions of work and access to some minimum social security benefits are the major qualitative dimensions of employment which enhance quality of life of workers and their productivity. Employee welfare is the key to smooth employer - employee relations. In order to increase employee welfare, employers offer extra incentive in the form of employee welfare schemes and to make it possible to pursue workers to accept mechanisation. From a broad perspective, employee welfare includes all the activities carried out by employers, central and state governments, trade unions and any other agencies with the aim of enhancing the personal and work life of the employees. From a narrow perspective, the activities undertaken on its own by an organization to improve the working environment of the employees may be described as a welfare measure. This paper analyzes the welfare measures provided in selected sample public sector undertakings.

KEYWORDS

employee welfare, public sector enterprises.

INTRODUCTION

Employee Welfare measures are one of the key inputs to bring about the desired level of employee satisfaction, motivation and productivity in the organization. The basic objective of welfare measures is to ensure the physical and mental well-being of the employee. An organization must view employee welfare measures as an investment rather than an expense. This is because the profitability of an organization is directly linked to the productivity of its workforce. In turn, the employees' productivity is decided to a considerable extent by the motivational environment created by the employee welfare measures undertaken by the organization. The primary purpose of undertaking employee welfare measures is to earn and retain the goodwill and loyalty.

Employees play an important role in the industrial production of the country. Hence, organisations have to secure the cooperation of employees in order to increase the production and to earn higher profits. The cooperation of employees is possible only when they are fully satisfied with their employer and the working conditions on the job. In the past, industrialists and the employers believed that their only duty towards their employees was to pay them satisfactory wages and salaries. In course of time, they realised that workers require something more important. In addition to providing monetary benefits, human treatment given to employees plays a very important role in seeking their cooperation. Further, human resource managers realised that the provision of welfare facilities contribute a lot towards the health and efficiency of the workers. All the same, organisations need to provide various social benefits such as medical care, mortality benefits, pension etc., as specified in law. It is a fact that the provision of social security benefits is a kind of wise investment that offers good social dividends in the long run. Employee welfare measures leads to high morals and high productivity and help to raise the standards of the industry in the country.

OBJECTIVES OF THE STUDY

The present paper makes an attempt to study the importance of welfare facilities being extended by the selected sample public sector undertakings (PSU) viz., Hindustan Machine Tools (HMT), Karnataka Soaps and Detergents Limited (KS&DL), Bharath Heavy Electricals Limited (BHEL) and Karnataka State Road Transport Corporation (KSRTC) in Karnataka.

METHODOLOGY

The present paper is based on Primary data. The primary data were collected through questionnaires consisting of both open and close ended questions. The sample of 100 employees each from four PSUs viz., Hindustan Machine Tools (HMT), Karnataka Soaps and Detergents Limited (KS&DL), Bharath Heavy Electricals Limited (BHEL), and Karnataka State Road Transport Organisation (KSRTC) have been selected on randomly for the study.

INTEGRATED APPROACH TOWARDS DATA ANALYSIS AMONG THE FOUR SAMPLE PSU'S

A total of 35 welfare measure items were provided to the respondents for their free, fair and frank opinion. Welfare measure items are as follows viz., Safety Equipment, Mediclaim Insurance, Periodical Medical Check-up, Injury/Accident benefits, Maturity benefits, ESI benefits, Canteen facility–Cleanliness, Canteen facility–Hygienic, Canteen facility–Serving, Canteen facility–Price, Credit facility, Transport allowance, Attendance allowance, Punctuality Allowance, Education Allowance, Infrastructural facility–Rest room, Infrastructural facility–Drinking water, Infrastructural facility–Ventilation, Infrastructural facility–Lighting, Infrastructural facility–Toilet, Infrastructural facility–Working Environment, Infrastructural facility–Transportation, Infrastructural facility–First Aid, Relationship between co-workers, Relationship between supervisor and workers, Communication between supervisor and employees, Motivation given to employee, Information about management policies, Management solving grievances, Freedom to express employees ideas, Work satisfaction, Satisfaction with welfare and safety measures, Performance appraisal schemes, Job satisfaction and Retirement benefits.

RESULTS

The present study is mainly concentrated on welfare items such as safety equipment, periodical medical check-up and ESI benefits. The total number of employees were selected only 100 (one hundred) each from the selected PSU's.

TABLE 1: AGE GROUP OF THE RESPONDENTS

Age	No. of Respondents				Total	Percentage
	HMT	KS&DL	BHEL	KSRTC		
18-25 years	04	06	08	07	25	06.25
26-35 years	06	07	03	33	49	12.25
36-45 years	13	5	11	20	49	12.25
Above 45 years	77	82	78	40	277	69.25
Total	100	100	100	100	400	100.00

Source: Field survey

The table-1, illustrates that majority of the respondents i.e., 277 (69.25%) are of the age group of Above 45 years, 49 each (12.25% each) of the respondents are between the age 26-35 years and 36-45 years. Only 25 (6.25%) of the respondents are in the age group of 18-25 years. It indicates that most of the respondent employees are of the age 45 years and above.

TABLE 2: EDUCATIONAL BACKGROUND OF THE RESPONDENTS

Educational status	No. of Respondents				Total	Percentage
	HMT	KS&DL	BHEL	KSRTC		
Below SSLC	14	9	10	0	33	8.25
Below PUC	16	10	19	13	58	14.50
Degree	60	62	41	65	228	57.00
Post Graduate	10	19	30	22	81	20.25
Total	100	100	100	100	400	100.00

Source: Field survey

The table-2 clearly depicts that majority of respondents i.e., 228 (57%) are graduates, 81 (20.25%) of the respondents are post graduates, 58 (14.50%) of the respondents are between SSLC and PUC while 33 (8.25%) of the respondents are below SSLC.

TABLE 3: JOB EXPERIENCE OF THE RESPONDENTS

Experience of the respondents	No. of Respondents				Total	Percentage
	HMT	KS&DL	BHEL	KSRTC		
0-1 years	0	0	0	4	4	1.00
1-5 years	2	8	7	16	33	8.25
5-10 years	10	6	3	18	37	9.25
Above 10 years	88	86	90	62	326	81.50
Total	100	100	100	100	400	100.00

Source: Field survey

From the above table, it is clear that the majority i.e., 326 (81.50%) of the respondents are having more than 10 years experience, 37 (9.25%) of the respondents have 5-10 years work experience, 33(8.25%) of the respondents have 1-5 years of work experience and the rest of 1% have below 1 year of experience. This table clarifies that majority of the respondents were having more than 10 years of job experience in the PSU.

SAFETY EQUIPMENT

The General duties of every employer is to ensure safety, health and welfare at work of his or her employees. Every employer must provide personnel protective equipment (PPE) to the employees free of charge. Safety also covers maintenance and storage of such equipment.

TABLE 4: COMBINED PSU's - SAFETY EQUIPMENT - AGE GROUP WISE

Opinion - PSU / Age	Highly Satisfied				Satisfied				Neutral				Dissatisfied				Highly Dissatisfied				Total
	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	
18-25 years	0	0	2	0	0	6	3	6	4	0	3	1	0	0	0	0	0	0	0	0	25
26-35 years	0	0	0	0	0	2	2	27	4	5	1	5	2	0	0	0	0	0	0	1	49
36-45 years	0	0	3	0	7	5	8	17	0	0	0	2	6	0	0	1	0	0	0	0	49
Above 45 years	2	8	43	2	24	74	29	33	46	0	1	5	5	0	2	0	0	0	3	0	277
Total	2	8	48	2	31	87	42	83	54	5	5	13	13	0	2	1	0	0	3	1	400
Sum total	60				243				77				16				4				400
Percentage	15.00%				60.75%				19.25%				4.00%				1.00%				100%

Source: Field survey

From the above table, it is clear that the majority i.e., 243 (60.75%) of the respondents are overall satisfied across all age groups with the safety equipments provided by the PSU's. 77 (19.25%) of respondents have remained neutral, 60 (15%) are highly satisfied while 16 (4.0%) are dissatisfied. There seems to be more ambiguity in selecting this parameter in HMT particularly in the age group of 45 years and above as 46 respondents have shared neutrality. 87 respondents among KSDL are satisfied with this measure. 43 and 29 respondents from BHEL with an age group of 45 years and above are highly satisfied and satisfied respectively against this measure. 83 respondents from KSRTC have expressed satisfaction to this measure.

GRAPH 1: COMBINED PSU's - SAFETY EQUIPMENT - AGE GROUP WISE

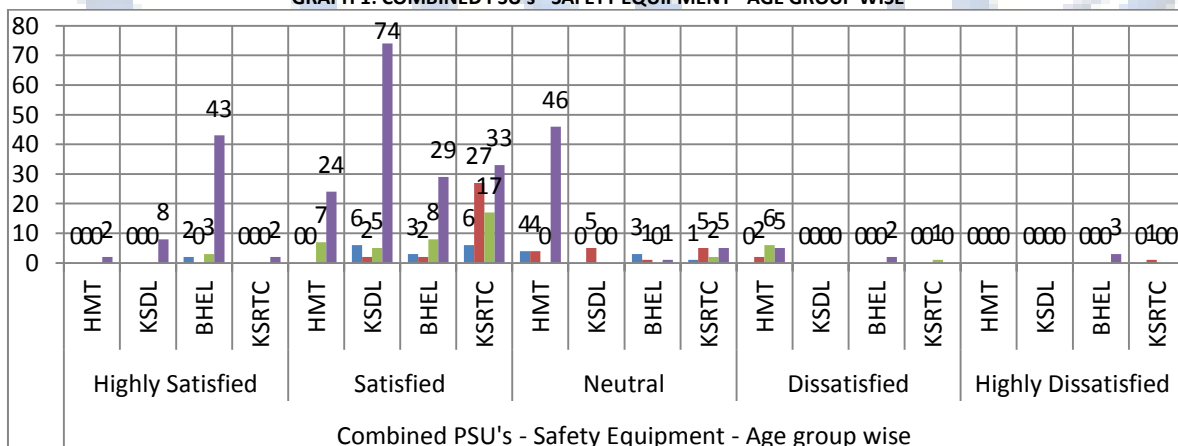


TABLE 5: COMBINED PSU's - SAFETY EQUIPMENT - EDUCATION WISE

Opinion - PSU / Education	Highly Satisfied				Satisfied				Neutral				Dissatisfied				Highly Dissatisfied				Total
	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	
Below SSLC	0	3	7	0	4	6	3	0	10	0	0	0	0	0	0	0	0	0	0	0	33
Below PUC	0	0	9	1	4	10	10	10	10	0	0	1	2	0	0	1	0	0	0	0	58
Degree	2	5	21	1	19	52	15	53	34	5	2	10	5	0	0	0	0	0	3	1	228
Post Graduate	0	0	11	0	4	19	14	20	0	0	3	2	6	0	2	0	0	0	0	0	81
Total	2	8	48	2	31	87	42	83	54	5	5	13	13	0	2	1	0	0	3	1	400
Sum total	60				243				77				16				4				400
Percentage	15.00%				60.75%				19.25%				4.00%				1.00%				100%

Source: Field survey

From the above table, it is clear that the majority of the respondents are graduates. Further, 54 respondents from all age group and 34 out of this who are graduates in HMT have remained neutral. 52 out of overall 87 respondents who have said satisfied against this measure in KSDL are graduates. 48 and 42 respondents from BHEL have expressed highly satisfied and satisfied respectively. 53 respondents among the satisfied 83 respondents across education level are graduates in KSRTC.

GRAPH 2: COMBINED PSU's - SAFETY EQUIPMENT - EDUCATION WISE

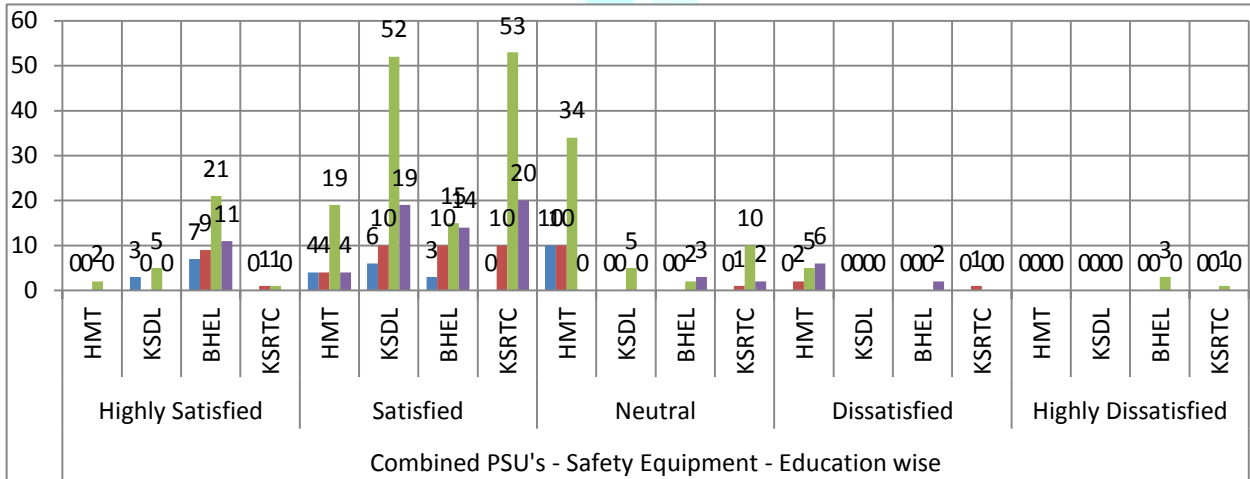


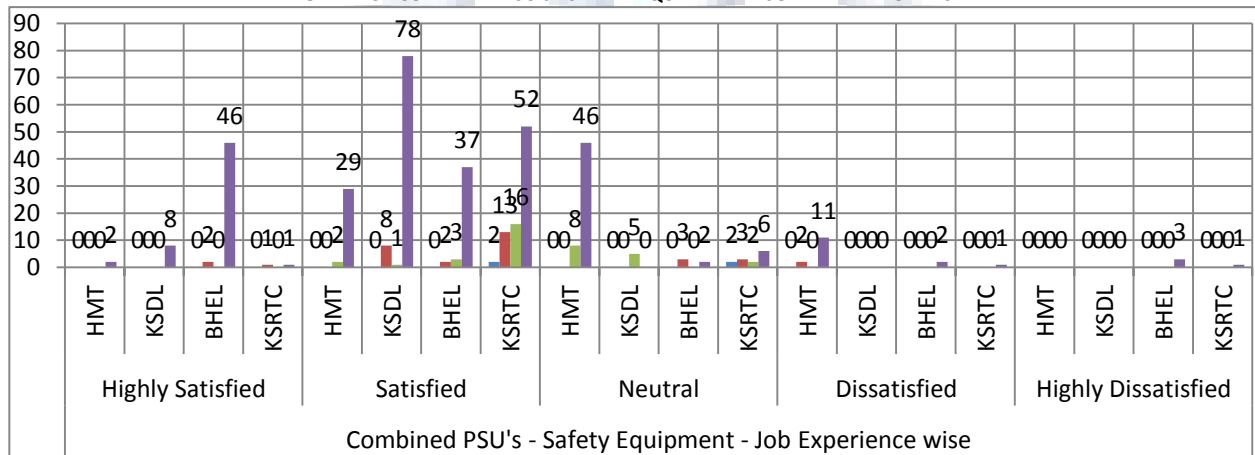
TABLE 6: COMBINED PSU's - SAFETY EQUIPMENT – JOB EXPERIENCE WISE

Opinion - PSU / Job Experience	Highly Satisfied				Satisfied				Neutral				Dissatisfied				Highly Dissatisfied				Total
	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	
0-1 years	0	0	0	0	0	0	0	2	0	0	0	2	0	0	0	0	0	0	0	0	4
1-5 years	0	0	2	1	0	8	2	13	0	0	3	3	2	0	0	0	0	0	0	0	33
5-10 years	0	0	0	0	2	1	3	16	8	5	0	2	0	0	0	0	0	0	0	0	37
Above 10 years	2	8	46	1	29	78	37	52	46	0	2	6	11	0	2	1	0	0	3	1	326
Total	2	8	48	2	31	87	42	83	54	5	5	13	13	0	2	1	0	0	3	1	400
Sum total	60				243				77				16				4				400
Percentage	15.00%				60.75%				19.25%				4.00%				1.00%				100%

Source: Field survey

From the above table, it is clear that the 46 respondents who are having job experience of 10 years and above in HMT have remained neutral, 78 respondents in KSDL having job experience of 10 years and above are satisfied, nearly 90% of the BHEL employees are together satisfied and 52 out of 83 respondents who are satisfied in KSRTC are having job experience of 10 years and above.

GRAPH 3 - COMBINED PSU's - SAFETY EQUIPMENT – JOB EXPERIENCE WISE



PERIODICAL MEDICAL CHECK-UP

The aim of periodical medical check-up program is to help employees soon find out their illness, to have in time treatment to it which contributes much to reducing the illness's seriousness and complication. Through this program, the company can get an overall understanding about health status of each employee and to assign the best proper working tasks for him.

TABLE 7: COMBINED PSU'S - PERIODICAL MEDICAL CHECKUP - AGE GROUP WISE

Opinion - PSU / Age	Yes				No				Not answered				Total
	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	
18-25 years	2	6	8	3	2	0	0	2	0	0	0	2	25
26-35 years	0	0	1	13	6	4	2	20	0	3	0	0	49
36-45 years	0	5	11	7	12	0	0	13	1	0	0	0	49
Above 45 years	11	58	73	21	66	24	5	19	0	0	0	0	277
Total	13	69	93	44	86	28	7	54	1	3	0	2	400
Sum total	219				175				6				400
Percentage	54.75%				43.75%				1.50%				100%

Source: Field survey

From the above table, it is clear that the majority i.e., 219 (54.75%) of the respondents are overall satisfied across all age group with the periodical medical checkup being carried out, 175 (43.75%) have said No while 6 (1.5%) have remained neutral. Across all age group, it is found that 86 employees in HMT, 28 in KSDL and 54 employees in KSRTC have said No to this measure. It is pertinent to note that 69 employees in KSDL, 93 in BHEL and 44 in KSRTC have said that regular medical checkup is being carried out. Out of 86 employees from HMT who have said No for this welfare program, 66 employees belong to age group of 45 years and above. The age group of 45 years and above is found to be vulnerable in all the PSU's to varying degree.

GRAPH 4 - COMBINED PSU'S - PERIODICAL MEDICAL CHECKUP - AGE GROUP WISE

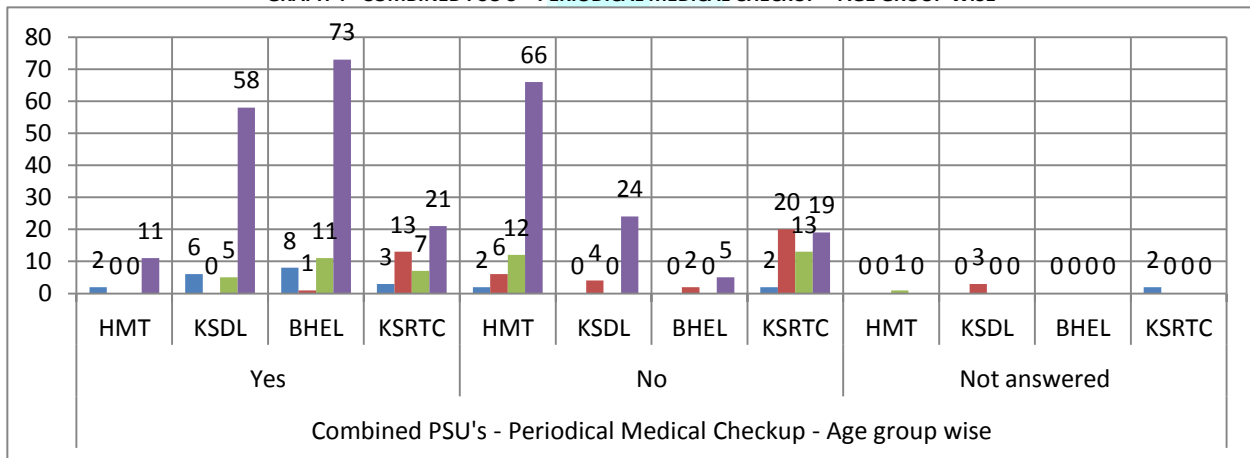


TABLE 8: COMBINED PSU'S - PERIODICAL MEDICAL CHECKUP - EDUCATION WISE

Opinion - PSU / Education	Yes				No				Not answered				Total
	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	
Below SSLC	0	6	10	0	14	3	0	0	0	0	0	0	33
Below PUC	2	10	18	7	14	0	1	5	0	0	0	1	58
Degree	11	35	37	30	49	24	4	34	0	3	0	1	228
Post Graduate	0	18	28	7	9	1	2	15	1	0	0	0	81
Total	13	69	93	44	86	28	7	54	1	3	0	2	400
Sum total	219				175				6				400
Percentage	54.75%				43.75%				1.50%				100%

Source: Field survey

From the above table, it is clear that 49 respondents of HMT and 34 respondents of KSRTC who are having graduation degree are not agreeing with periodical medical check-up. 14 respondents each in HMT who are having education level at SSLC below and PUC below also agree that no periodical medical check-up being taking place. 15 respondents who are having post graduation in KSRTC also do not agree with regular periodical medical check-up taking place. The periodical checkup in BHEL is found to be done across all education level.

GRAPH 5 - COMBINED PSU'S - PERIODICAL MEDICAL CHECKUP - EDUCATION WISE

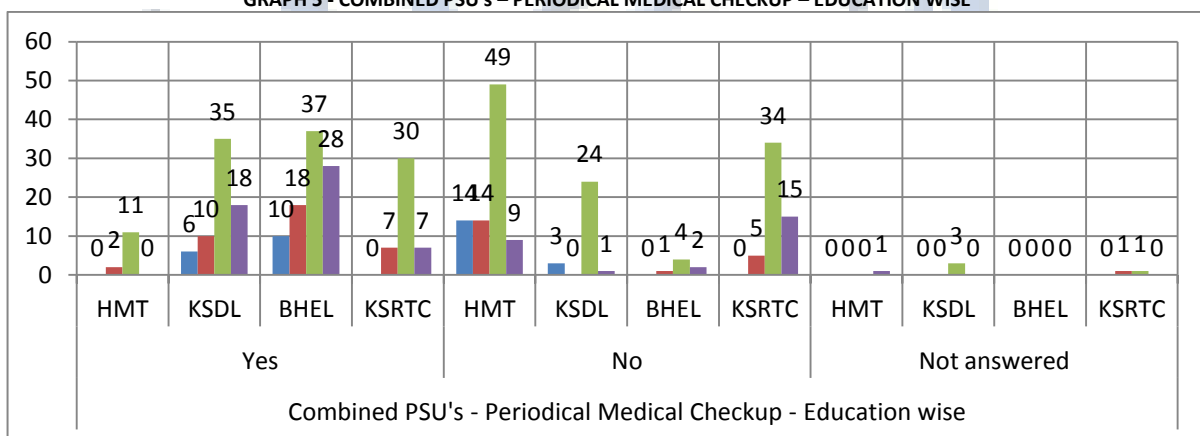


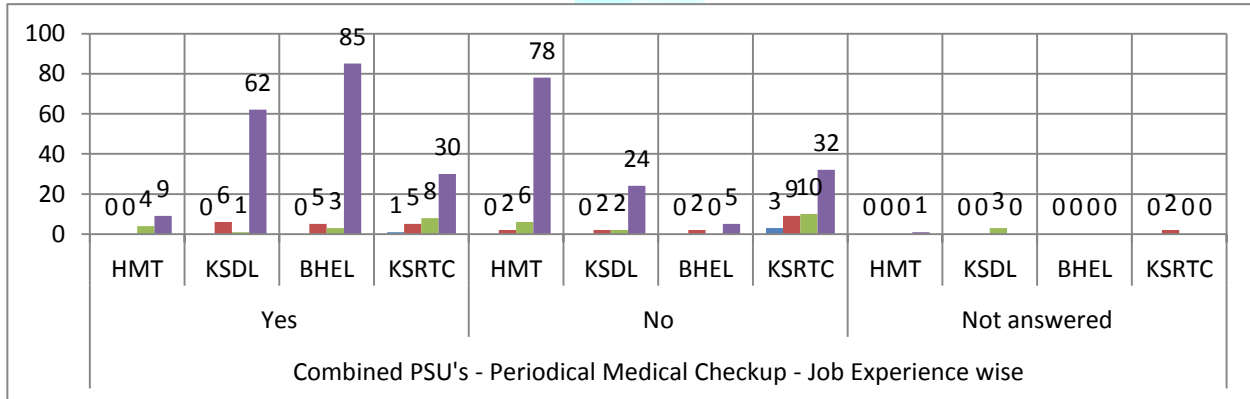
TABLE 9: COMBINED PSU's - PERIODICAL MEDICAL CHECKUP – JOB EXPERIENCE WISE

Opinion - PSU / Experience	Yes				No				Not answered				Total
	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	
0-1 years	0	0	0	1	0	0	0	3	0	0	0	0	4
1-5 years	0	6	5	5	2	2	2	9	0	0	0	2	33
5-10 years	4	1	3	8	6	2	0	10	0	3	0	0	37
Above 10 years	9	62	85	30	78	24	5	32	1	0	0	0	326
Total	13	69	93	44	86	28	7	54	1	3	0	2	400
Sum total	219				175				6				400
Percentage	54.75%				43.75%				1.50%				100%

Source: Field survey

From the above table, it is clear that the 85 employees of BHEL agree with an experience of over 10 years agree with regular check-up, while it is 62 and 30 in KSDL and KSRTC respectively. As most of the employees have experience over 10 years and above, the impact of less experienced respondents are minimal. 78 respondents from HMT, 32 respondents from KSRTC and 24 respondents from K&S&DL who are having job experience of 10 years and above do not agree with regular periodical medical check-up being attended too.

GRAPH 6: COMBINED PSU'S – PERIODICAL MEDICAL CHECKUP – JOB EXPERIENCE WISE



ESI BENEFITS

Employees State Insurance Scheme of India, is a multidimensional social security system tailored to provide socio-economic protection to worker population and their dependants covered under the scheme. Besides full medical care for self and dependants, that is admissible from day one of insurable employment, the insured persons are also entitled to a variety of cash benefits in times of physical distress due to sickness, temporary or permanent disablement etc. resulting in loss of earning capacity, the confinement in respect of insured women, dependants of insured persons who die in industrial accidents or because of employment injury or occupational hazard are entitled to a monthly pension called the dependants benefit.

TABLE 10: COMBINED PSU's – ESI BENEFITS – AGE GROUP WISE

Opinion - PSU / Age	Yes				No				Not answered				Total
	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	
18-25 years	4	6	3	5	0	0	2	2	0	0	3	0	25
26-35 years	6	6	0	8	0	1	1	20	0	0	2	5	49
36-45 years	13	5	5	6	0	0	6	13	0	0	0	1	49
Above 45 years	68	28	24	4	5	50	25	32	4	4	29	4	277
Total	91	45	32	23	5	51	34	67	4	4	34	10	400
Sum total	191				157				52				400
Percentage	47.75%				39.25%				13.00%				100%

Source: Field survey

From the above table, it is clear that the 191 (47.75%) of the respondents have agreed with available ESI benefits, 157 (39.25%) do not agree and 52 (13.0%) have remained neutral. Out of this, 68 respondents from HMT who are aged 45 and above said yes to available ESI benefits. This is not so in KSRTC as only 23 respondents across all age group said Yes to this facility. The employees of BHEL are not sure of the available facility as 34 respondents have Not answered this measure. Majority of respondents at 51 persons in K&S&DL have said No to this measure being offered.

GRAPH 7 - COMBINED PSU'S – ESI BENEFITS – AGE GROUP WISE

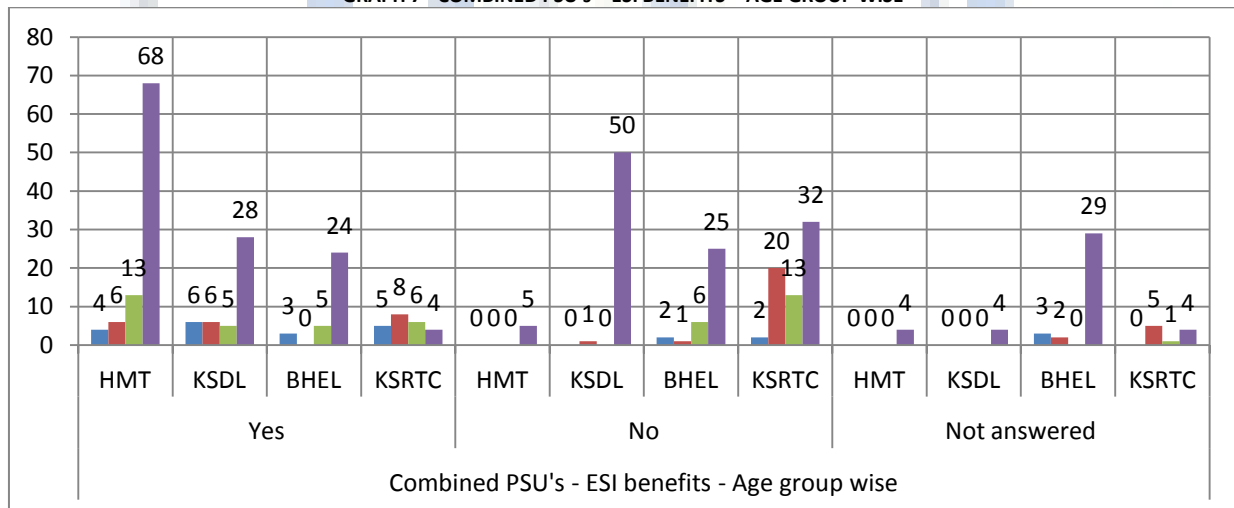


TABLE 11: COMBINED PSU's – ESI BENEFITS – EDUCATION WISE

Opinion - PSU / Education	Yes				No				Not answered				Total
	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	
Below SSLC	14	0	0	0	0	9	6	0	0	0	4	0	33
Below PUC	16	1	6	3	0	9	9	9	0	0	4	1	58
Degree	52	33	16	17	4	25	14	42	4	4	11	6	228
Post Graduate	9	11	10	3	1	8	5	16	0	0	15	3	81
Total	91	45	32	23	5	51	34	67	4	4	34	10	400
Sum total	191				157				52				400
Percentage	47.75%				39.25%				13.00%				100%

Source: Field survey

It is seen from the above table that 52 respondents from HMT having graduation to their background agree with ESI benefits extended to them, while it is 33 in KS&DL, 16 in BHEL and 17 in KSRTC. 42 respondents from KSRTC who are degree holders do not agree with ESI benefits extended to them. The same measure is found in KS&DL as 25 respondents too do not agree. The response against this measure in BHEL is scattered as across all education level 32 and 34 respondents have said Yes and No respectively while 34 have remained neutral.

GRAPH 8: COMBINED PSU'S – ESI BENEFITS – EDUCATION WISE

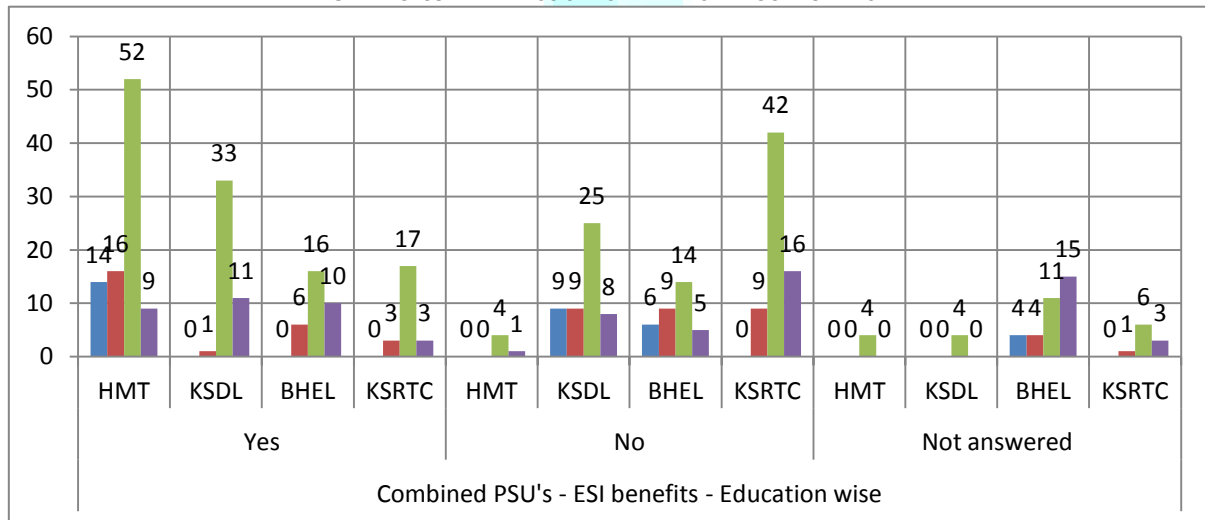


TABLE 12: COMBINED PSU's – ESI BENEFITS – JOB EXPERIENCE WISE

Opinion - PSU / Experience	Yes				No				Not answered				Total
	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	HMT	KSDL	BHEL	KSRTC	
0-1 years	0	0	0	2	0	0	0	2	0	0	0	0	4
1-5 years	2	8	0	6	0	0	2	8	0	0	5	2	33
5-10 years	10	5	3	4	0	1	0	11	0	0	0	3	37
Above 10 years	79	32	29	11	5	50	32	46	4	4	29	5	326
Total	91	45	32	23	5	51	34	67	4	4	34	10	400
Sum total	191				157				52				400
Percentage	47.75%				39.25%				13.00%				100%

Source: Field survey

It is seen from the above table that majority at 326 of respondents from all PSU's are having job experience at 10 years and above. Out of this, good response is found in HMT with 79 respondents of job experience of 10 years and above agree to ESI benefits extended. The respondents having above 10 years of job experience in KS&DL with 50, 32 in BHEL and 46 in KSRTC do not agree with this facility available in their respective PSU's. Ambiguity exists in BHEL as 29 respondents above 10 years of job experience have not answered this measure.

SUGGESTIONS

Following suggestions are made among the public sector undertakings.

- ✓ Safety equipments should be adequately ensured in HMT as majority of the employees who are found in the age group of 45 years and above, predominantly graduates and few post graduates and also are having job experience of 10 years and above have remained neutral to this parameter.
- ✓ Periodical medical check-up should be regularly carried out and concentrated on employees who are aged 45 years and above in HMT and KSDL.
- ✓ ESI benefits should be extended and mass awareness needs to be created in KSDL, BHEL and KSRTC.

CONCLUSION

The study on effect of welfare measures on employee morale helps the management to know the satisfaction level of the employees about the welfare measures provided by the company. From this study, we can infer that the majority of the employees are above 45 years and above and are mostly satisfied with the welfare measure. However, lacuna should be bridged up upon the selected welfare measures in the respective PSU's to boost the employee morale.

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WOMEN ENTREPRENEURSHIP FACED VARIOUS HURDLES IN SMEs AT TAMIL NADU

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ABSTRACT

This study was conducted on women entrepreneur facing various hurdles in small and medium enterprises. The researcher collected data from female respondents to know their difficulties in this present day. 100 respondents participated to answer the questionnaire, of them 80 were selected and taken into the study rest of them were rejected. All hypotheses were tested under chi-square and correlation. Well structured questionnaire shows about the variables that are highly reliable and valid. Demographic variables are respondents' age, educational qualification, income status, business category, years of experience, and size of business. Research variables are family support, friends support, educational environment, government and non government institutions support and financial support. Judgment sampling method was adopted to collect samples from women entrepreneurs. Findings and conclusion were arrived from data analysis & results were elucidated about women entrepreneurship.

KEYWORDS

women, enterprises, difficulties, various, SMEs.

INTRODUCTION

The concept of entrepreneurship was first established in the 1700s, and the meaning has evolved ever since. Many simply equate it with starting one's own business. Most economists believe it is more than that. To some economists, the entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit. Others emphasize the entrepreneur's role as an innovator who markets his innovation. Still other economists say that entrepreneurs develop new goods or processes that the market demands and are not currently being supplied. In the 20th century, economist Joseph Schumpeter (1883-1950) focused on how the entrepreneur's drive for innovation and improvement creates upheaval and change. Schumpeter viewed entrepreneurship as a force of "creative destruction." The entrepreneur carries out "new combinations," thereby helping render old industries obsolete. Established ways of doing business are destroyed by the creation of new and better ways to do them. Business expert Peter Drucker (1909-2005) took this idea further, describing the entrepreneur as someone who actually searches for change, responds to it, and exploits change as an opportunity. A quick look at changes in communications from typewriters to personal computers to the Internet illustrates these ideas. Most economists today agree that entrepreneurship is a necessary ingredient for stimulating economic growth and employment opportunities in all societies. In the developing world, successful small businesses are the primary engines of job creation, income growth, and poverty reduction. Therefore, government support for entrepreneurship is a crucial strategy for economic development. Successful entrepreneurs come in various ages, income levels, gender, and race. They differ in education and experience. But research indicates that most successful entrepreneurs share certain personal attributes, including: creativity, dedication, determination, flexibility, leadership, passion, self-confidence, and "smarts."

MAJOR HURDLES FACED BY THE WOMEN ENTREPRENEURSHIP

- Lack of self Confidence
- Family background and practical experience.
- Lack of educational knowledge
- Lack of out sourcing knowledge
- Lack of an easy access to financing.
- Lack of industrial and social infrastructure.
- Lack of adequate overhead facilities.
- Lack of risk bearing
- Non-availability of Lab and skills.
- Lack of technical knowledge.
- Political stability and Government's policy.
- Availability of supporting facilities.

REVIEW OF LITERATURE

There are numerous researchers over the past few decades that have examined the motivations and reasons of women to initiate ventures (Birley & Westhead 1994; Cooper & Dunkelberg 1981; Denison & Alexander 1986; Dubini 1988; Hisrich & Brush, 1985; Scheinberg & MacMillan 1988; Shane, et al., 1991; Shapero 1975). However, there are few studies involving women entrepreneurs such as factors that make women leave the corporate world to become entrepreneurs (Nguyen, 2005), limitations and boundaries faced by women entrepreneurs when they decided to start up their own businesses (Brown, 1997; Chandralekha et al, 1995; Gundry et al., 2002; Helmi's, 1997; Hamilton, 1993; Stoner et al, 1990; Winn, 2005), and pattern of ICT usage among women entrepreneurs (Ndubisi and Kahraman, 2006). According to Nguyen (2005) most women starts their own business to provide additional flexibility and life balance in managing their traditional responsibilities as wife and primary caretaker of children. Through continuous struggles and battles, there have been many stories of the success of most women entrepreneurs who make it big in the business world. Thus, it is about time to identify what factors influence women entrepreneurs' success in small business in Malaysia.

According to Paige and Littrell (2002) success is defined by intrinsic criteria include freedom and independence, controlling a person's own future, and being one's own boss; whilst extrinsic outcomes are, among others, increased financial returns, personal income, and wealth. On the other hand, research by Masuo et al. (2001) found that business success is commonly defined in terms of economic or financial measures which include return on assets, sales, profits, employees and survival rates; and non-pecuniary measures, such as customer satisfaction, personal development and personal achievement.

Buttner and Moore (1997) stated that business performance is usually measured from the economic perspectives of growth in sales or employees; and/or by the increase in profits. As most people generally equate money and profits as the best way to measure individual and business success, many might not view a majority of women-owned businesses as successful due to it being smaller in size and slower in growth. As a result, some women define business success from an economic viewpoint. A handful of women entrepreneurs measure success as and when they can see that they are an economically valuable resource (Dhaliwal, 2000). This is to say that once they feel they are generating an income and contributing to the family, that and only then do they feel that they have attained some measure of success. A study by Davies-Netzley (1998) found that gross receipts and sales of women-owned businesses remain significantly lower than those of men-owned firms.

AIM OF THE STUDY

The aim of this article was concentrate women entrepreneurs’ difficulties and challenges faced in their life cycle. It was more difficult to find out women’s hurdles because they are playing many roles in daily life.

SCOPE OF THE STUDY

The scope of the study to track out women entrepreneurs’ hurdle of their own/take over business

OBJECTIVES OF THE STUDY

1. To study conceptually about hurdles faced by women entrepreneurs.
2. To examine the problems faced by the women entrepreneur at initial stage.
3. To analyse the factors affecting the women entrepreneur.

RESEARCH METHODOLOGY

Data Collection Method: Primary data has been collected from the selected women entrepreneur with the help of a Questionnaire. The secondary data relating to this study is resourced and mobilized from the District Industrial Centre and Industrial Financial Institutions. Secondary data is also collected from different SMEs periodicals, magazines, various newspapers, SSIs reports, study of existing literature of different authors in the related field etc.

Data Analyses: Data collected was statistically analyzed using SPSS. Data analysis followed a correlation design. The purpose of correlation design is to investigate the extent which variations in one factor correspond with variations in one or more factors based on correlation coefficients (Isaac & Michael cited in Chowdhury, 2007). The coefficient of correlation measure was used to examine the relationship between the intention to venture and independent variables.

Statistical Tools Used: For measuring various phenomena and analyzing the collected data effectively and efficiently to draw sound conclusions, the Statistical Package for Social Sciences (SPSS) was used and the following tools were administered in this study: (a) factor analysis, (b) correlation and (c) reliability statistics.

MEASURING SCALE: A five point-Likert scale anchored from “strongly agree” to “strongly disagree” was applied to measure success.

RELIABILITY COEFFICIENTS:

No. of Cases = 80;
Alpha = 0.829

Hence, the calculated value of the Cronbach Alpha co-efficient was obtained from SPSS mentioned above. A commonly accepted rule of thumb for describing internal consistency using Cronbach’s alpha is 0.7. Thus Cronbach’s Alpha co-efficient indicates overall results highly reliable and valid.

Research variable tested separately showing reliability co-efficient: Family support - Cronbach’s alpha of the items was .81; Friends support - Cronbach’s alpha of the items was .78; Educational support - Cronbach’s alpha of the items was 0.80; Government and non government institutions support - Cronbach’s alpha of the items was 0.72; Financial supports - Cronbach’s alpha of the items was 0.83.

Factor Analysis: The individual questionnaire was examined and taken into data analysis. The women entrepreneur’s affirmation about women entrepreneurship hurdles towards SMEs was examined using factor analysis, based on variables (including demographic variables).

TABLE NO. 1: KAISER-MEYER-OLKIN MEASURE OF SAMPLING ADEQUACY AND BARTLETT’S TEST OF SPHERICITY

KMO AND BARTLETT’S TEST		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.751	
Bartlett’s Test of Sphericity	Approx. Chi-Square	334
	df	70
	Sig.	.000

INFERENCE

The significance (0.000) is less than assumed value (0.05). This means that the factor analysis is valid. Inferring the Kaiser-Meyer-Olkin (KMO) coefficient (0.751) the value is more than 0.5. So, this implies that the factor analysis for data reduction is effective. Bartlett’s test of sphericity is used to examine the hypothesis that the variables are correlated. This result, < 0.001 is good, and is an indication can continue with the factor analysis .It is based on chi-square transformation of the determinant of correlation matrix. Bartlett’s test of sphericity chi-square statistics is 334.

TABLE NO. 2: KARL PEARSON’S CORRELATION

CORRELATIONS						
Control Variables		R1	R2	R3	R4	R5
DEMOGRAPHIC	R1 Correlation	1.000	.210	.245*	.267*	.134
	R2 Correlation	.210	1.000	.491**	.576**	.485**
	R3 Correlation	.245*	.491**	1.000	.556**	.491**
	R4 Correlation	.267*	.576**	.556**	1.000	.462**
	R5 Correlation	.134	.485**	.491**	.462**	1.000
*. Correlation is significant at 0.05 level						
**. Correlation is significant at 0.01 level						

INFERENCE

The above table shows that correlation between the demographic variable and research variables. R2 (friends support) correlated with R4 (government / non-government institutions) highly prefect positive correlation the result is 0.576. The variables R4 (government / non- government institutions) and R3 (educational support & background) is also highly positive and perfectly correlated. It can also be found from the table that all the research variables are positively correlating with each other. The values highlighted in the table denote perfectly positive correlation.

TABLE NO. 3: TOTAL VARIANCE EXPLAINED

TOTAL VARIANCE EXPLAINED						
Component	Initial Eigen Values			Extraction Sums of Squared Loading		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.905	32.540	32.540	3.905	32.540	32.540
2	1.661	13.840	46.380	1.661	13.840	46.380
3	1.269	10.575	56.955	1.269	10.575	56.955
4	1.029	8.578	65.533	1.029	8.578	65.533
5	.846	7.052	72.584			
6	.769	6.406	78.990			
7	.602	5.018	84.008			
8	.531	4.424	88.432			
9	.435	3.624	92.056			
10	.402	3.352	95.408			
11	.295	2.461	97.869			
12	.256	2.131	100.000			

Extraction Method: Principal Component Analysis.

INFERENCE

The total variance explained in above table identified 12 variables (Dependant and Independent Variables) influencing the women entrepreneur hurdles. There are mainly 4 variables that highly affect women entrepreneurship. The factors are respondents' age, educational qualification, annual income and business category. The respondents' age factors influencing the women entrepreneur are 3.905. 13% of respondents under the age group of 36-45 years took initiatives to startup their own business.

TABLE NO.4: WEIGHTAGE & RANKING OF FACTORS

Factors	Weightage	Rank
Family Support	4.126	III
Friends Support	4.392	II
Educational Background and Support	4.693	I
Government & Non-Government Support	3.646	IV
Financial Support	3.253	V

INFERENCE

The table shows about the ranking of the factors that influence women entrepreneurs. From the table, we can understand that Educational Background and Support has played a vital role in supporting the women entrepreneurs for starting their own entrepreneurship program. It is also understood that friends also gave them a moral support and motivation towards becoming women entrepreneurs. Spouse of women entrepreneurs are found also to be one of the encouraging factor behind them. It can be underlined that the support given by government and non-government institution does not reach the women entrepreneur as they did not have sufficient time to dedicate themselves in getting the support as they have to wait for a longer duration at public offices. Women entrepreneurs are not getting any kind of financial support from any of the funding agencies as they are demanding for legal documents and making them to follow stringent formalities or restrictions which they cannot follow with lack of time.

FINDINGS

1. The demographic characteristics of 80 women entrepreneur selected to take as samples of this study. The majority (46%) of the female entrepreneurs are among 36-40 age groups running their own business.
2. Married women were start-up own business and they had family support.
3. Female entrepreneurs do not have adequate money to invest as additional capital, which they are facing in the current scenario. As they do not want to take additional risk.
4. Testing the reliability and validity of data shows highly reliable and accepted.
5. Test of sampling adequacy shows that the Kaiser-Meyer-Olkin (KMO) coefficient (0.767) the value is more than 0.5 and Bartlett's test of sphericity which is used to examine the hypothesis signifies that the variables are correlated.
6. The ranking table shows that Educational background & support, friends support, family support, government and non-government support and financial support are ranked using weighted average method.

CONCLUSION

In India, women entrepreneurs are being encouraged over two decades in order to make women more independent and to stand in their own leg, which in turn develops the growth of the country's economy. In this research, women entrepreneurs showed their willingness in providing valuable data for this research study. The objectives of the study was thoroughly analysed and conclusion is drawn here. These days women entrepreneurs face lot of hurdles when compared to men entrepreneurs. Women entrepreneurs face threat in various ways, to name a few support from family members (spouse, in-laws & siblings), support from friends (school friends, college friends, neighbours & well wishers), educational background and support (schooling, college, professional & technical), support from government and non-government (district industrial center, SSI's, MSME, NGO's, SHG's) & support for financing (family members, relatives, government financial institutions, non government institutions, private money lenders).

At the initial stage, any entrepreneur would find it difficult as the saying goes "a mother giving birth to her baby". Same way women entrepreneurs venture also requires main nutrition (i.e.,) finance which many of the lending institutions do not support for providing venture capital. A women becoming an entrepreneur is not widely supported by any of the family systems in India. Women were always considered as home makers across the country. The major factor that affects the women entrepreneurs found were, that they did not get any kind of financial support from either of the funding agencies like government or non-government institution and not even from their family.

LIMITATION

The primary limitation of this research is on its focuses in relation to data collection, which was collected from Chennai city only. Moreover, the data was collected from a sample of 80 respondents only, whereas it could have been collected from a larger sample size. Moreover, the difficulty was with reaching all female entrepreneurs to hand –on the self- completion questionnaire. In addition, there was a difficulty to gain the full cooperation of the government institutions in as far as the collection of documents as the secondary data was concerned.

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EMPLOYMENT, UNEMPLOYMENT AND REASONS FOR ABSENTEEISM OF RURAL LABOUR HOUSEHOLDS: A STUDY IN CHITTOOR DISTRICT OF ANDHRA PRADESH

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ABSTRACT

This article made an attempt to review the status of employment and unemployment of rural labourers and factors influencing reasons for absenteeism rural employment. Our policymakers are usually focused on short-run economic management issues. But the short run has to be a bridge to the long run. The central long-run question facing India is where will good jobs come from? Productive jobs are vital for growth. And a good job is the best form of inclusion. More than half of our population depends on agriculture, but the experience of other countries suggests that the number of people dependent on agriculture will have to shrink if per capita incomes in agriculture are to go up substantially. While industry is creating jobs, too many such jobs are low productivity non-contractual jobs in the unorganized sector, offering low incomes, little protection, and no benefits. Service jobs are relatively high productivity, but employment growth in services has been slow in recent years. India's challenge is to create the conditions for faster growth of productive jobs outside of agriculture, especially in organized manufacturing and in services, even while improving productivity in agriculture. The benefit of rising to the challenge is decades of strong inclusive growth.

KEYWORDS

Main workers, Marginal workers, Non-workers, Unemployment and Absenteeism.

INTRODUCTION

Agriculture is the largest sector of economic activity in India accommodating majority of its population and hence the economic growth of the country depends on the performance of its agriculture. There is interdependence between agricultural and industrial sectors. The industrial growth in turn increases the demand for wage goods and raw materials, which helps expansion of agricultural employment and income. Increased agricultural incomes create market demand for industrial consumption goods thereby providing a stimulus to industrialisation and market development. As Commerce develops, the tertiary sector also expands. As development proceeds along these lines, opportunities for diversified employment are opened up to reduce excessive pressure of population in the rural sector.

NEED FOR THE STUDY

The design of the study, the concepts and definitions and the schedules have all hinged to this basic objective. The living conditions of the rural labourers vary from region to region depending upon the stage of agricultural development, irrigation and agro-climatic conditions. Chittoor district is one of the districts of chronic drought prone Rayalaseema region. The agriculture in the district mainly depends on well irrigation and rainfed crops. Against this backdrop, the present region specific micro level study on "Employment, Unemployment and Reasons for Absenteeism of Rural Labour Households: A Study in Chittoor District of Andhra Pradesh." has been taken up.

OBJECTIVE OF THE STUDY

To study the pattern of employment and unemployment of rural labourers and factors influencing reasons for absenteeism rural employment.

RESEARCH METHODOLOGY

SAMPLING DESIGN

The sample households for the study have been selected using three stage random sampling method. The study is confined to Chittoor district. All the mandals in the district have been considered for the selection of first stage units of sampling. Based on the levels of irrigation, i.e., percentage of net irrigated area to net area sown, all the revenue mandals have been classified into three groups: group A, group B and group C. The mandals in group A have more than 60 per cent of net irrigated area to net sown area. The mandals in group B are moderately irrigated with the percentage of net irrigated area to net sown area ranging between 30 and 60 per cent. The mandals classified under group C category are less irrigated with less than 30 per cent of net sown area under irrigation. From each group, 2 mandals were selected. The study, on the whole, covered 6 revenue mandals representing 3 groups. From each mandal, three villages were selected using random sampling procedure as second stage units of sampling. Rural labour household is the last stage unit of sampling. From each sample village, 17 rural labour households have been selected randomly. Above all, the study covers three hundred and six sample rural labour households which spread over eighteen revenue villages from six revenue mandals in the district.

Rural labour household has been defined for the study on the basis of income criteria. The rural labour household is one which derives more than fifty per cent of the annual family income in the form of wages earned through hiring out labour of the members of the family in the preceding year of enquiry. Rural labourer is defined as one who does manual work in rural areas in agricultural and / or non-agricultural occupations in return for wages in cash or kind or both.

COLLECTION AND ANALYSIS OF DATA

The study has 2011-12 agricultural year (July-June) as the reference year. The required data on various aspects of the study were collected with the help of a pre-tested schedule specifically designed keeping in view the objectives of the study. Interview method was used as a tool to explore the required information through personal discussions held with the head of the sample household. Sufficient cross checks have been made to ensure reliability and accuracy of data. All the filled in schedules were passed for tabulation after proper scrutiny of data.

PROFILE OF THE SAMPLE HOUSEHOLDS

In this a brief socio-economic profile of the sample rural labour households has been presented which facilitates proper understanding of the economic conditions of rural labourers.

SIZE OF THE FAMILY

The sample rural labour households can also be categorised into four categories according to size of the family. Table 1 shows the distribution of sample rural labour households according to size of the family.

TABLE-1: DISTRIBUTION OF SAMPLE RURAL LABOUR HOUSEHOLDS BY SIZE OF THE FAMILY

Sl. No.	Size of the Family (in persons)	Number of Households	Percentage to Total
1	1 and 2	13	4.2
2	3 and 4	132	43.2
3	5 and 6	142	46.4
4	Above 7	19	6.2
Total		306	100.0

The table reveals that 46.4 per cent of the households possess an average family size of 5 and 6 members, whereas 43.2 percent of the households have an average family size of 3 and 4 persons per household, 6.2 per cent of the households possess an average family size of above 7 persons and lastly 4.2 per cent of households possess an average family size of 1 and 2 members.

CASTE COMPOSITION

Table -2 shows the distribution of sample households according to caste.

TABLE- 2: CASTE-WISE DISTRIBUTION OF SAMPLE RURAL LABOUR HOUSEHOLDS

Sl. No.	Castes	Number of Households	Percentage to Total
1	Scheduled Castes	192	62.7
2	Scheduled Tribes	19	6.2
3	Backward Castes	73	23.9
4	Other Castes	22	7.2
Total		306	100.0

The table shows that 62.7 per cent of the sample households belong to schedule castes whereas 23.9 per cent to backward castes, 7.2 per cent to other castes and 6.2 per cent to scheduled tribes. The table reveals that majority of the sample rural labour households belong to scheduled castes.

AGE AND SEX COMPOSITION

Table 3 presents the age and sex composition of the population in the sample households.

TABLE-3: AGE AND SEX COMPOSITION OF THE POPULATION IN THE SAMPLE HOUSEHOLDS

Sl. No	Age Group (Years)	Male		Female		Total	
		Number of Persons	%	Number of Persons	%	Number of Persons	%
1	0-14	251	34.7	213	31.0	464	32.9
2	14-30	220	30.5	245	35.7	465	33.0
3	30-45	173	24.0	148	21.1	321	22.7
4	45-60	68	9.4	61	8.9	129	9.1
5	Above 60	10	1.4	22	3.3	32	2.3
Total		722	100.0	689	100.0	1411	100.0

The total population of the sample households is 1411 persons, of which, males account 51.17 per cent (722 persons) and females for 48.83 per cent (689 persons). The age composition pattern of the sample population reveals that 33.0 per cent are in the age group of 14-30 years, 32.9 per cent in the age group of 0-14 years and 22.7 per cent in the age group of 30-45 years. The persons in the age group of 45-60 years and above 60 years account for 9.1 per cent and 2.3 per cent respectively. The table reveals that about 65 per cent of the sample population is in the age of active economic participation, i.e., 14-60 years.

WORKING STATUS

According to 1981 census, main workers are those who have worked or engaged in any economically productive activity for a major part of the year or more than six months during the reference year. Marginal workers are those who have worked less than six months during the reference year. Non-workers are those who have not worked in any productive activity at any time during the reference year. According to the above definitions, the population in the sample households has been classified into main workers, marginal workers and non-workers. Table 3.8 shows the working status of the population in the sample households.

TABLE-4: WORKING STATUS OF THE POPULATION IN THE SAMPLE HOUSEHOLDS

Sl. No	Category	Male		Female		Total	
		Number of Persons	%	Number of Persons	%	Number of Persons	%
1	Main Worker	357	49.4	224	32.5	581	41.2
2	Marginal workers	46	6.4	126	18.3	172	12.2
3	Non worker	319	44.2	339	49.2	658	46.6
Total		722	100.0	689	100.0	1411	100.0

It is observed from the table that out of 1411 persons in the sample households, main workers constitute 41.2 per cent and marginal workers 12.2 per cent. Non-workers account for 46.6 per cent of the population. Among the 722 males in the sample households, 49.4 per cent are main workers, 6.4 per cent are marginal workers and 44.2 per cent are nonworkers. Out of the 689 females, 32.5 per cent are main workers, 18.3 per cent are marginal workers and 49.2 per cent are non-workers. The percentage of main workers among males is more than females and in respect of marginal workers, females account for higher percentage than males. The non-working population among females is more than that of males in the sample households.

EMPLOYMENT

The details of person days employed by the labourers in the sample households are provided in Table 5.

TABLE-5: EMPLOYMENT OF RURAL LABOURERS OF THE SAMPLE RURAL LABOUR HOUSEHOLDS

Sl. No.	Category	Employment (in Person Days)			
		Total	Average Per Household	Average Per capita	Percentage
1	Agricultural labour	61945	202.44	82.26	48.84
2	Non-agri. labour	33559	109.67	44.56	26.46
3	Self-employment	31322	102.36	41.64	24.70
Total		126826	414.47	168.46	100.00

From the above table, it can be observed that the labourers in the sample households have reported to have worked for 1, 26,826 person days during the reference year, of which agricultural employment accounts for 48.84 per cent and non-agricultural employment for 26.46 per cent. The number of days engaged in self-employment is worked out to 31,322 person days accounting for 24.70 per cent of the total days employed. The average employment per household is worked out to 414.47 person days, of which agricultural labour accounts for 202.44 person days, non-agricultural labour for 109.67 person days and self-employment for 102.36 person days. The average days engaged per person during the reference year work out to 168.46 person days, of which, for 82.26 person days, labourers are employed in agricultural activities, for 44.56 person days they are employed in non-agricultural activities and for 41.64 person days, they are engaged in own activities.

From the table, it is observed that the average number of days employed per person is very low at 168.46 person days and for nearly 197.54 person days the rural labourer remains unemployed on an average. This large number of days unemployed may be due to lack of irrigation and seasonal nature of agricultural operations.

REASONS FOR ABSENTEEISM

Table 6 presents the particulars of days unemployed and the reasons for absenteeism.

TABLE-6: UNEMPLOYMENT AND REASONS FOR ABSENTEEISM OF SAMPLE RURAL LABOURERS

Sl. No.	Reasons for Absenteeism	Total No. of Person Days unemployed	Percentage to Total	Average Per Household	Average Per Capita
1	For want of work	68311	46.15	223.24	90.72
2	Festivals	26517	17.92	86.66	35.22
3	Sickness	17703	11.96	57.85	23.51
4	Bad weather	16318	11.03	53.33	21.67
5	Social ceremonies	19142	12.94	62.56	25.42
Total		148019	100.0	483.64	196.54

It can be seen from the table that all the labourers in the sample households remain unemployed for 1, 48,019 person days, of which for 46.15 per cent of days, they are unemployed for want of work. Festivals account for 17.92 per cent, sickness for 11.96 per cent, bad weather for 11.03 per cent and social ceremonies like marriages, deaths etc. for 12.94 per cent of the days unemployed. The average number of days unemployed per household works out to 483.64 of which, for as many as 223.24 person days they are unemployed for want of work. The average number of days unemployed per capita is worked out to 196.54 person days, of which for 90.72 person days, lack of work is the main reason for unemployment. A review of the reasons of unemployment leads to the perception that for want of work and bad weather for which labourers have no control, account for 112.39 person days per capita constituting 59.09 per cent of the days unemployed.

CONCLUSIONS

The following conclusions emerge from the results of the study.

- The rural labourers remain unemployed for a significant part of the year for want of work. The employment of these labourers depends on the availability of irrigation facilities which in turn determines the cropping pattern and cropping intensity.
- Implementation of suitable employment generation schemes in the lean periods, the schemes which can provide non-farm and off farm employment opportunities and the programmes which can supplement the wage income shall push these unfortunate rural labourers to come out of the employment problem.
- It is important to note that the income of these labourers depends on the rainfall and agricultural production conditions of the regions in which they are living. Successive failure of monsoons often creates disaster in the levels of living of the rural labour households. It underlines the need of expansion of economic activities and educational facilities along with their equitable distribution.

Thus, it can be concluded that to raise the level of Employment development concrete efforts at grass root level, not only towards raising economic resources and developmental opportunities but also to ensure their equal distribution, should be made.

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RURAL CREDIT THROUGH CO-OPERATIVES IN SHIVAMOGGA DISTRICT

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ABSTRACT

In India, Economy of the State depends mainly on agriculture as more than 70% of the total population is engaged in this sector. Rural Credit is an essential input for the progress of agriculture which in turn results in economic development. In a developing economy like India Agriculture Credit has greater significance on account of the fact that it is a critical factor to support and sustain crop production. Our rural credit markets are characterized by both formal and informal sources of finance which is basically fragmented. Farmers' dependence on the rural credit is increasing day-by-day and well recognized in the state of Karnataka and in shivamogga district particularly. The need for the government arises to bring some major changes in the policies to meet the local needs according to their specific requirements. This paper aims to throw light on role of co-operatives in providing rural credit and thereby help in poverty alleviation in Shivamogga district.

KEYWORDS

Agriculture, Co-operatives, Credit, Rural Shivamogga.

I. INTRODUCTION

Rural credit in Karnataka: Rural Credit system should focus on credit delivery favoring the main beneficiaries in rural areas, i.e. farmers. In Karnataka KSC Apex Bank Ltd. is mainly responsible for supplying timely and adequate credit to rural sector formally through DCC banks and PACS. The vision of Apex bank includes Equitable and sustainable micro financial inclusion for overall rural prosperity through meaningful utilization of Human Resources and Capital and their mission aims to promote, develop and sustain micro finance inclusion by providing effective support for credit as well as other microfinance products and services, sound institutional network and enhanced capacity building through short term credit cooperatives(STCCS).Karnataka has been in the forefront of Co-operative enterprises and has produced several outstanding cooperatives.

The Cooperatives in Karnataka were established to concentrate on the following fundamental objectives:

1. To bring the people of common interest in the state to organize themselves for the betterment of their life
2. Their interest to enjoy democracy in mobilizing savings and lending credit for their necessities
3. Working with transparency and they should always be accountable to its members
4. A clean and neat audit to safeguard the interest of its members
5. Voluntary membership where cooperatives in the state enjoy maximum autonomy
6. To improve its quality by professional management and usage of advancement of technology
7. To increase the facilities to its members and ensure that the cooperatives function for poverty alleviation and for the uplift of weaker sections of the society in order to pave way for establishing an equalitarian society
8. The co-operatives should make use of the local human resources and establish itself as self supporting, economic service- oriented business concerns
9. It should always work with an aim to serve public interest as well as to the private interest of its members
10. To work towards national objectives by providing equal opportunities to all the members and thereby emerge as peoples bank

Following are the two tables showing Agricultural loans disbursed and number of loan accounts from 2006-07 to 2011-12:

TABLE 1: AGRICULTURAL LOANS DISBURSED DURING THE YEAR (in crore)

Agency	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Coops.	42,480 (18)	48,258 (19)	46,192 (15)	63,497 (17)	78,121 (17)	87,963 (17)
RRBs	20,435 (9)	25,312 (10)	26,765 (9)	35,217 (9)	44,293 (9)	54,450 (11)
CBs	1,66,485 (73)	1,81,088 (71)	2,28,951 (76)	2,85,800 (74)	3,45,877 (74)	3,68,616 (72)
Total	2,29,400	2,54,658	3,01,908	3,84,514	4,68,291	5,11,029

Source: (Reserve Bank of India, 2013)

Figures in brackets indicate percentage share of different agencies to total agricultural credit

It is very clear from the above table that Co-operatives have gained much importance in granting credit with an increase in the loan amount disbursed has almost doubled in five years from 42,480 crores in 2006-07 to 87,963 crores in 2011-12.

TABLE 2: NUMBER OF LOAN ACCOUNTS FINANCED DURING THE YEAR (in lakh)

Agency	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Coops.	189	202	178	204	242	309
RRBs	62	62	76	73	73	82
CBs	172	175	202	205	234	255
Total	423	439	456	482	549	646

Source: (Reserve Bank of India, 2013)

The numbers of loan accounts also show a tremendous uptrend from 189 to 309 lakh accounts. Although it is low when compared to commercial banks, its improvements are well appreciated. Although the numbers are favourable to the co-operatives and show an improved performance practical situation of the farmers do not support the same. This paves way for further research in the area to check the practical obstacles for mismatch between the disbursement and procurement of credit.

CO-OPERATIVE BANKS ROLE IN POVERTY ALLEVIATION THROUGH RURAL CREDIT: ISSUES AND CONCERNS IN SHIVAMOGGA DISTRICT

All 28 branches of DCC Bank in Shivamogga district has adopted CBS and CTS (Core banking Technology) facilitating farmers in the present context. Rupay Card, SMS banking facility is in the process to be provided to farmers through training to employees by the CEO. Every hobli branch will be established to take the banking facility to farmers' doorstep. State Government project to provide loan with 0% interest has reached in the year 2013-14 to 81,210 farmers who have received 346 crores and in the year 2014-15 1,00,000 farmers have received 417 crores worth of credit. This has covered 80% of the farmers in Shivamogga District. Also 17,536 women farmers' have procured credit. Out of 1.2 lakh farmers in the District co-operative banks have reached 1 lakh farmers' and 20,000 to be reached very soon. In the present 158 Co-operative societies in district in April-May 2014-37,000 farmers have procured 150 crores of credit and by this 40% target has been reached. Bagarhukum farmers will also receive credit by organizing Joint Guarantee Group. Women self help groups loan amount has been increased from 3 lakhs to 5 lakhs. With a pending amount of 1271 lakhs from Government towards loan nullify and interest nullify scheme the DCC bank has achieved a magnificent profit of 1.4 crores in this financial year. (Dr. Manjunath Gowda R.M., 2014)

SELF HELP GROUPS IN SHIVAMOGGA DISTRICT

During the early seventies, Government took its initiative in the Fourth Five Year Plan to focus on small and marginal farmers. This was done to promote sustainable income generation under Integrated Rural Development Programme. Inadequacies inherent in running programs focused on individual households called for shift to a group based approach. The first step towards setting up self help groups (SHGs) was taken by Mysore Resettlement and Development Agency (MYRADA) was built upon rural chit funds and informal lending networks to evolve a credit management group.

In 1996, Reserve Bank of India included financing of SHGs as a main stream activity of banks under the priority sector lending programmes. The SHG Bank linkage programme covered over 24.3 million families by March 2005. Under the Bank-SHG Linkage Programme 2.24 million SHGs were linked, up to 31st March 2006, of which 90 percent were women groups. Today Shivamogga district has 20041 SHGs as on 31.03.2013. DCC bank with the help of Co-operatives was managing these Self help groups. But nowadays private organizations have also started Swa sahaya Sanghas which have become more popular in rural areas. The simple procedure and door to door approach is the main reason for the farmers to divert to these sanghas for procuring credit. Some of the Grameena Banks and Shri Dharmasthala Manjunatheshwara swa sahaya sanghas are really doing well in shivamogga district especially in villages through Joint Guarantee Group (a batch of 10 farmers brought together who guarantee each other). If one of the members is unable to repay the loan, his group members are liable to pay on his behalf. This helps in recovery of the loan and the groups are well disciplined. A team of employees, especially women are working hard towards the achievement of these sanghas. Incentives and motivation to their women employees who belong to the same village is identified and well appreciated here. These Sanghas not only concentrate on lending activities but also motivate the beneficiaries by providing training programmes to make their lives better. Tailoring, basic computer knowledge, handicrafts etc. are some of the examples of their training programmes. They also identify the basic problems in the society and put their efforts to eradicate them, for e.g. Prevent Alcohol addiction & Recovery. 75% of their members are insured and so as their crops and animals. They attend weekly meetings and the report of the same is submitted to the higher authority on the basis of which future lending decisions are made.

THE MAIN PROBLEMS AND PROBABLE SOLUTIONS OF THE CO-OPERATIVES IN FACILITATING RURAL CREDIT ARE AS FOLLOWS:

- Dual Control of State Government and RBI:** The co-operatives are under the control of the Apex bank at the state level and RBI at the central level. This dual control restricts the co-operatives from its smooth functioning due to time consumption for policy formulation and implementation. By the time they reach the co-operatives they become outdated or useless. The policies framed by the central Government may or may not be suitable for the local co-operatives.
- Absence of Technology & Professional Management:** The co-operatives are still in the process of upgrading their services by usage of latest technology and the absence of professional management is one more hurdle which has created more problems to the beneficiaries. Innovative Practices in this era of transformation: The banks are trying to fully computerize their operations and go for core banking solutions. Only when this kind of innovative & ICT practices are brought forward in co-operative sector the real changes may happen.
- Lack of Need based, Sound, Healthy & Quality Banking Services:** When the services do not meet the actual needs of the beneficiaries or they do not reach the needy beneficiaries, such unhealthy and disqualified services of co-operatives may not bring positive changes in our economy. Banking services should be provided in such a way that it should benefit the beneficiaries and at the same time facilitate the cooperatives work profitably. Train beneficiaries to use cash point, Increase usage of Debit/Credit cards
- Problems being faced to sanction credit beyond their Authority power:** The auditors of NABARD as per the directions of RBI fix the limit for credit facilities to the co-operatives through the Apex Bank. The cooperatives usually come across such situations where they will be able to work out more profitably by sanctioning a higher loan amount beyond their powers but as it is not in their hands they refuse the befitting opportunity.
- Low Capital Base:** Strengthening capital base and Increasing Deposits of Co-operative banks has been in the forefront objectives of all co-operatives. Some of the current issues of DCC bank in shivamogga district has created fear and made the customers to withdraw the deposits held by them. Absence of transparency in the working of the co-operatives has posed a serious problem for the cooperative sector.
- Dividend Payout Restrictions:** Although some of the cooperatives are running with huge profits they donot have sufficient freedom to declare dividend, which will attract more capital indirectly and hence this has made the sector unattractive to the investors.
- Lack of Product & Process:** The traditional practices on one side and policies suitable for the central level on another side may not fit the local needs of the farmers. Technological innovation both Regulatory and Structural is necessary to bring new product and process which best suit the actual needs of the beneficiaries. Crop insurance and health insurance schemes for better living of the farmers are also not proved to be successful.
- High Transaction Cost:** Cooperatives should use updated technology and IT tools & applications to reduce their transaction costs. Linkages through SHGs & NGOs cooperatives may reduce their cost of operation as well as work for the real practical requirements of the beneficiaries. Also initiatives like development of common MIS and other software for all Cooperatives can be adopted to make the operation more transparent and efficient.
- High Level of NPAs:** Decreasing the gross NPA position is the aim of almost all the cooperatives in the present situation. The Apex bank can avoid sanctioning loans to the noncredit worthy borrowers by adopting certain measures. They are careful appraisal of the project which involves checking the economic capability of the project. The problem of NPAs has been a major issue for the banking industry. The RBI which is the apex body for controlling level of non-performing assets has been giving guidelines and getting norms for the banks in order to control the incidents of faults. Reduction of NPAs in banking sector should be treated as national priority item to make the Indian Banking system more strong, vibrant and geared to meet the challenges of globalization
- Lack of Strategies to Mitigate Risks:** Efficient Credit risk management is a positive sign for the efficient working of the cooperatives. But the credit as available in gigantic proportion is basically difficult to be managed and the strategies like loan waiver may not work if the mistakes of the past are repeated. If we have to evolve a strategy for mitigating the incidence of credit risk, particularly in the case of providing credit to the farmers cooperatives should be very careful while collecting the securities as well as recovering the debt and interest.
- Impact of External Factors:** Dual Government Control, competition in the market by other formal and non formal financial Institutions, Tax implications by the income tax authorities and other external factors also restrict the cooperatives to work effectively and provide timely and adequate credit to the beneficiaries.

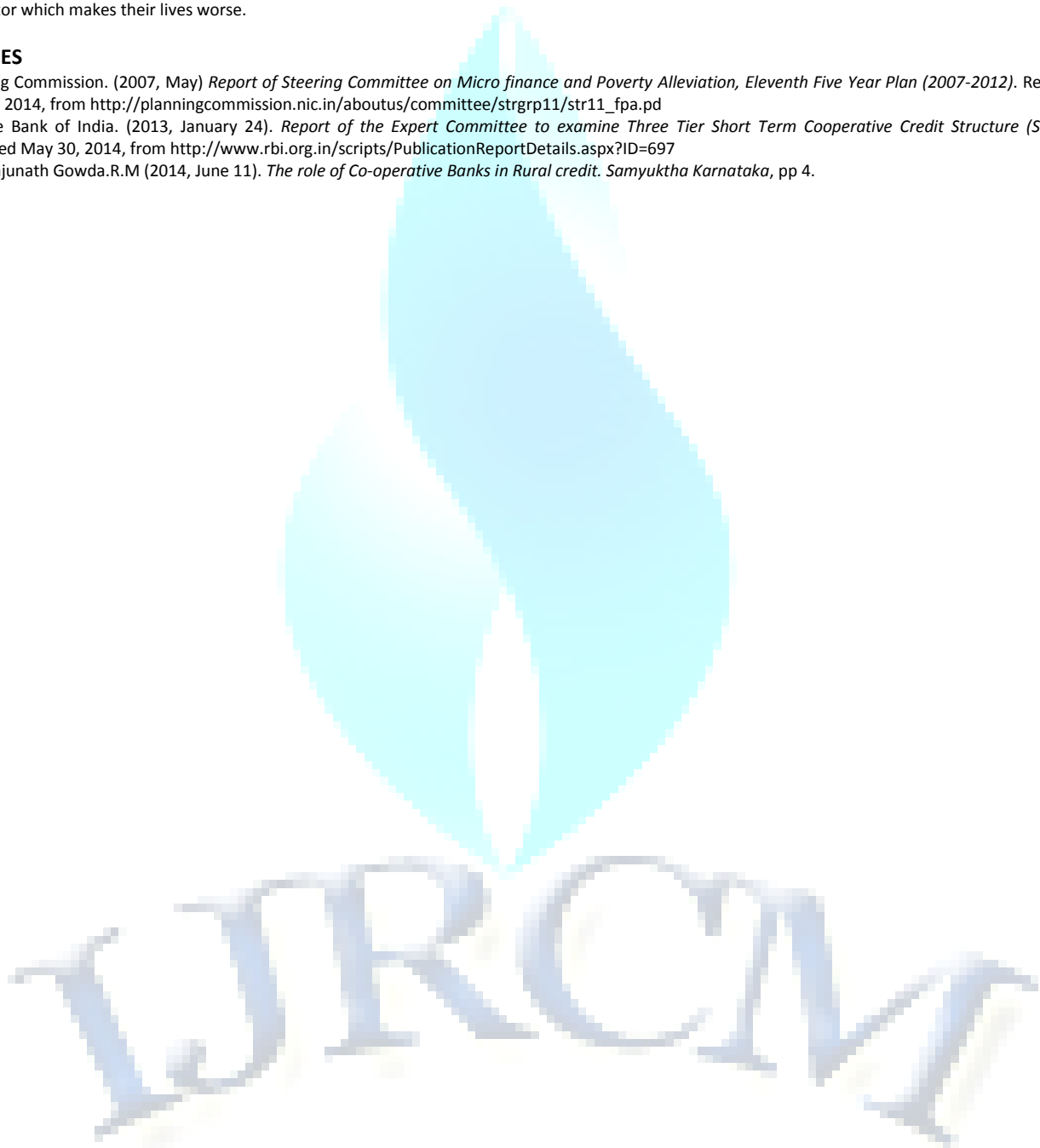
12. **Imprudent funds & Investment Management:** On the basis of the policies framed by the Government from time to time cooperatives may sometime disburse loans irrespective to the requirements of the beneficiaries and if their investment is not properly adjusted with their borrowing they are sure to suffer. Professionalised Management system should be evolved where impartial loan disbursement is the utmost priority.
13. **Farmers are ignoring co-operative sector:** The farmers should be motivated to bank with Co-operative sector. Human Resource Development to assist the farmers has become necessary. User friendly technological assistance and hassle free banking services by the co-operatives may create interest amongst the farmers to bank with co-operatives.

CONCLUSION

Mckinsey and Company in their 2013 Report published that people Below Poverty Line has decreased from 45% to 22% between 1994 to 2012 and this includes 27 crore Indians out of the total population in India. 98.5 billion had been induced in PACS & DCCS in this financial period in spite of which farmers are not able to meet the present standard of living. Although India, America and China are three giants in food production, farmers in the rural areas are striving for good food, shelter and health. The problems and suggestions have always been identified by the well wishers for Co-operative sector but until and unless Government and its representatives make it a point to bring some real changes for this sector, the benefits will not reach the rural people and farmers depend on other informal sector which makes their lives worse.

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e-WASTE: A THREAT TO HEALTH AND ENVIRONMENTAL SUSTAINABILITY

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ABSTRACT

Wastes are substances or objects, which are disposed of or are intended to be disposed of by the provisions of national laws. Additionally, wastes are such items which people are required to discard, because of their hazardous properties. E-waste or electronic waste, broadly describes loosely discarded, surplus, obsolete, broken, electrical or electronic devices. E-waste consists of all waste from electronic and electrical appliances which have reached their end-of-life period or are no longer fit for their original intended use and are destined for recovery, recycling or disposal. The quantum of e-wastes generated over the past several years in India and around the world have posed an increasing threat to environment and public health. Computers and electronics equipment are designed without giving sufficient attention to the aspects such as downstream impacts, and the ease of recycling. As long as electronic products continue to contain an assortment of toxic chemicals and are designed without recycling aspects they would pose a threat to environment and public health at their end-of-life. This paper analyses the e-waste generation in India and its hazardous impacts on the environment and public health.

KEYWORDS

e-waste, recycling, hazardous e-waste.

1. INTRODUCTION

In recent years, economists have become increasingly aware of the important implications of environmental issues for the success of developmental efforts. We now understand that the interaction between poverty and environmental degradation can lead to a self-perpetuating process in which, as a result of ignorance or economic necessity, communities may inadvertently destroy or exhaust the resources on which they depend for survival. Rising pressures on environmental resources in developing countries can have severe consequences for self-sufficiency, and future growth potential in the developing world.

The problem of e-waste has become an alarming concern as its unregulated accumulation and recycling can lead to major environmental problems endangering human health. The advancement in information technology has revolutionized the way people live and communicate, bringing several benefits. The creation of innovative and new technologies and the globalization of the economy have made a whole range of products available and affordable to the people changing their lifestyles significantly. New electronic products have become an integral part of our daily lives providing us with more comfort, security, easy and faster acquisition and exchange of information. At the same time, these have led to manifold problems including the problem of massive amount of hazardous waste and other wastes generated from electric and electronic products. These hazardous and other wastes pose a great threat to the human health and environment. The issue of proper management of wastes, therefore, is critical to the protection of livelihood, health and environment. It constitutes a serious challenge to the modern societies and requires coordinated efforts to address it for achieving sustainable development.

2. WHAT IS e-WASTE?

Wastes are substances or objects, which are disposed of or are intended to be disposed of by the provisions of national laws. Additionally, wastes are such items which people are required to discard, because of their hazardous properties. One of the major issues related to e-waste is that there is no standard definition of e-waste. Different countries have different definitions, interpretation and usage of the term e-waste. However, the most widely accepted definition and description of e-waste is as per the European Union directive. The Directive 2002/96/EC of the European Parliament and of the Council of 27 January 2003 on waste electrical and electronic equipment (WEEE) covers all electrical and electronic equipment used by consumers. For the purposes of this Directive, following definitions are applied:

1. 'electrical and electronic equipment' or 'EEE' means equipment which is dependent on electric currents or electromagnetic fields in order to work properly and equipment for the generation, transfer and measurement of such currents and fields falling under the categories set out in Annex IA and designed for use with a voltage rating not exceeding 1000 Volt for alternating current and 1 500 Volt for direct current;
2. 'Waste electrical and electronic equipment' or 'WEEE' means electrical or electronic equipment which is waste within the meaning of Article 1(a) of Directive 75/442/EEC, including all components, subassemblies and consumables which are part of the product at the time of discarding.

In India, E-waste is covered in Schedule 3 of "The Hazardous Wastes (Management and Handling) Rules, 2003". Under Schedule 3, E-waste is defined as "Waste Electrical and Electronic Equipment including all components, sub-assemblies and their fractions except batteries falling under these rules". "Guidelines for Environmentally Sound Management of E-waste" formulated by the Ministry of Environment and Forest, Government of India, in the year 2008 followed the same definition.

According to the "the e-waste (Management and Handling) Rules, 2011", 'electrical and electronic equipment' means equipment which is dependent on electric currents or electro-magnetic fields to be fully functional and 'e-waste' means waste electrical and electronic equipment, whole or in part or rejects from their manufacturing and repair process, which are intended to be discarded.

Thus, e-waste or electronic waste, broadly describes loosely discarded, surplus, obsolete, broken, electrical or electronic devices. E-waste consists of all waste from electronic and electrical appliances which have reached their end-of-life period or are no longer fit for their original intended use and are destined for recovery, recycling or disposal. It includes computer and its accessories, printers, keyboards, central processing units, typewriters, mobile phones and chargers, remotes, compact discs, headphones, batteries, LCD/Plasma TVs, air conditioners, refrigerators and other household appliances. The composition of e-waste is diverse and falls under 'hazardous' and 'non-hazardous' categories. Broadly, it consists of ferrous and non-ferrous metals, plastics, glass, wood and plywood, printed circuit boards, concrete, ceramics, rubber and other items. Iron and steel constitute about 50% of the waste, followed by plastics (21%), non-ferrous metals (13%) and other constituents. Non-ferrous metals consist of metals like copper, aluminum and precious metals like silver, gold, platinum, palladium and so on. The presence of elements like lead, mercury, arsenic, cadmium, selenium, hexavalent chromium, and flame retardants beyond threshold quantities make

e-waste hazardous in nature. It contains over 1000 different substances, many of which are toxic, and creates serious pollution upon disposal. Obsolete computers pose the most significant environmental and health hazard among the e-wastes.

The rapid growth of technology, upgradation of technical innovations and a high rate of obsolescence in the electronics industry have led to one of the fastest growing waste streams in the world which consist of end of life electrical and electronic equipment products. It comprises a whole range of electrical and electronic items such as refrigerators, washing machines, computers and printers, televisions, mobiles, i-pods, etc., many of which contain toxic materials. Many of the trends in consumption and production processes are unsustainable and pose serious challenge to environment and human health.

3. e-WASTE IN INDIA

All over the world, the quantity of electrical and electronic waste generated each year, especially computers and televisions, has assumed alarming proportions. Globally, about 20-50 MT (million tonnes) of e-wastes is disposed off each year, which accounts for 5% of all municipal solid waste. Although no definite official data exist on how much waste is generated in India or how much is disposed off, there are estimations based on independent studies conducted by NGOs or government agencies. According to the Comptroller and Auditor- General's (CAG) report, over 7.2 MT of industrial hazardous waste, four lakh tonnes of electronic waste, 1.5 MT of plastic waste, 1.7 MT of medical waste, 48 MT of municipal waste are generated in the country annually. Despite 23 units currently registered with the Government of India, Ministry of Environment and Forests, Central Pollution Control Board, as e-waste recyclers/reprocessors, having environmentally sound management facilities, the entire recycling process more or less still exists in the unorganised sector.

The Cobalt-60 radiation tragedy at Mayapuri in Delhi in May 2010, in which one person lost his life and six persons were admitted to hospital served as a wake up call drawing attention to the mounting quantity of hazardous waste including e-waste in the country while revealing systemic problems on the issue of waste disposal. The Ministry of Environment and Forests (MoEF) has notified the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 for effective management of hazardous wastes, including e-waste in the country.

Mobile phone sales have highly increased in the past few years, for example, in India the current growth rate amounts to over 80%. Therefore, e-waste flows in India, which still were rather low in 2007, will be multiplied by 18 until 2020. In China mobile phone subscribers relative to the population exceed subscribers in India. For this reason e-waste flows will increase less and are estimated to be around 7 times higher than in 2007.

E-waste flows from TVs will not increase as much as flows from PCs and mobile phones, since TV markets are already closer to saturation. Unfortunately, for these countries no time series of TV sales were available.

In India and China current e-waste flows will be multiplied by a factor 1.5 to 2 by the year 2020. As already mentioned above, new technologies are resulting in the inclusion of lighter equipment, which again will cause a decrease in weight of future e-waste flows.

The main source of e-waste generated in India happens to be government institutions and public and private sector generating almost 70 per cent of the total e-waste. The e-waste generated by individual households is currently relatively small, though this is also likely to grow appreciably in future. Manufacturers of components and assemblers are another major source of e-waste generation in the country and it is extremely difficult to estimate the exact quantity of waste generated by this group. The import of e-waste, which is illegal, is another major source and preliminary estimates do point out that the quantity being brought in is very significant. This takes place both in a legal as well as quasi-legal way, since e-waste is either misclassified as 'metal scrap' or imported as second hand or 'end-of life' goods, which soon become waste.

4. ENVIRONMENTAL AND HEALTH CONCERNS

e-waste contains over 1,000 different substances and chemicals including lead, cadmium, mercury, Polychlorinated Biphenyls (PCBs), Poly Vinyl Chloride (PVC) etc., many of which are toxic and are likely to create serious problems for the environment and human health if not handled properly. Effects of some toxics are briefly summarized below:

Lead: Lead severely affects the central and peripheral nervous systems, blood systems, kidney and reproductive system in humans. It also affects the endocrine system, and retards brain development among children.

Cadmium: Acute inhalation exposure to high levels of cadmium in humans affects lungs. Toxic cadmium compounds accumulate in the kidneys that can cause kidney diseases, including proteinuria and an increased frequency of stone formation. (E.J. Calabrese and E.M. Kenyon, Air Toxics and Risk Assessment)

Mercury: Elemental and methylmercury are toxic to the central and peripheral nervous system. The inhalation of mercury may affect nervous, digestive, immune system, lungs and kidneys and may be fatal. Inorganic salts of mercury are corrosive to the skin, eyes and gastrointestinal tract. For fetuses, infants, and children, the primary health effect of methylmercury is impaired neurological development.

Hexavalent Chromium/Chromium VI 29: Chromium VI can cause damage to DNA and is extremely toxic in the environment. The respiratory tract is its major target organ. Shortness of breath, coughing and wheezing were reported in cases where an individual inhaled very high concentration of chromium trioxide. Other effects include gastrointestinal and neurological effects and skin burns. Exposure to chromium IV may also result in complications during pregnancy and childbirth.

Barium: Studies have shown that short-term exposure to barium causes brain swelling, muscle weakness, damage to the heart, liver, and spleen. (Toxics Link)

Beryllium: Exposure to beryllium can cause lung cancer. Beryllium also causes a skin disease that is characterised by poor wound healing and wartlike bumps. Studies have shown that people can develop beryllium disease many years following the last exposure. (Toxics Link)

Phosphor and additives: The phosphor coating on cathode ray tubes contains heavy metals, such as cadmium, and other rare earth metals, for example, zinc, vanadium as additives. These metals and their compounds are very toxic. This is a serious hazard posed for those who dismantle CRTs by hand. (Toxics Links)

5. ACTS & POLICIES

The management of huge and growing quantities of electronic waste is emerging as one of the most important environmental problems of developing countries, especially India. The e-waste has become more of a problem than all other wastes because of the very significant health and environment hazards associated with it. E-waste is getting generated at a 10 per cent annual growth rate which is one of the highest in the world.

The appropriate handling of e-waste can both prevent serious environmental damage and also recover valuable materials, especially for metals. The recycling chain for e-waste is classified into three main subsequent steps: (i) collection, (ii) sorting/dismantling and preprocessing (including sorting, dismantling and mechanical treatment) and (iii) end processing.

All three steps should operate and interact in a holistic manner to achieve the overall recycling objectives. The main objectives of e-waste recycling and basic considerations for innovation are to treat the hazardous fractions in an environmentally sound manner, recover valuable material maximally, create eco-efficient and sustainable business, and consider social impact and local context.

The government of India passed an "Environment Protection Act, 1986, which led clear emphasis on the dismantling, recycling, treatment and disposal of e-waste. The Act says that there should be responsibility of the producer of the electrical and electronic equipments for collection of e-waste generated during the manufacture of electrical equipments and channelizing it for recycling or disposal. Collection of e-waste generated from the 'end of life' of their products in line with the principle of "extended Producer Responsibility" and to ensure that such e-wastes are channelized to registered dismantler or recycler, producer shall, as necessary, ensure collection and channelization by authorising collection agencies; setting up collection centres or take back systems either individually or collectively. Financing and organising a system to meet the costs involved in the environmentally sound management of e-waste generated from the end of life of its own products and historical waste available on the date from which these rules come into force. The financing arrangements of such a system shall be transparent. The producer may choose to establish such a system either individually or by joining a collective scheme.

The rule also said that providing details such as address, telephone numbers of authorized collection centres to consumers or bulk consumers so as to facilitate return of used electrical and electronic equipment.

There should also be responsibility of such collection centre. They have to obtain an authorization in accordance with the procedure under rule 9 from the State Pollution Control Board or Pollution Control Committee concerned as the case may be and provide details such as address, telephone numbers of such collection centre to the general public.

It should ensure that the e-waste collected by them is stored in a secured manner till it is sent to registered dismantlers or recycler as the case may be and ensure that no damage is caused to the environment during storage and transportation of e-waste¹.

Sangchari Ghosh in an article, *Electronic Waste Recycling for Developing Economies*, says that the backbone of electronic waste recycling is the Extended Producer Responsibility (EPR) scheme first introduced in Switzerland in 2003. It places the burden of recycling on the producers and hence delineates a recycling market as part of the intermediate goods market of the economy. Most European countries and some south-east Asian nations have followed this model while in California, where recycling has taken on an important role, the consumers have to pay a surcharge.

Experts believe that the problem of development nation's problem of e-waste is deeply rooted in the nexus between the trade environment and the economy of these nations. Like many negative Pollution externalities e-waste has been shipped to the developing nations conforming to the pollution haven hypothesis. Less stringent environmental regulations, a lethargic public attitude and relatively poor technical infrastructure have together contributed to the emergence of an informal "market" in the backyard of stores and factories where labourers work under unhygienic and adverse environmental conditions.

Switzerland has been the pioneer in the e-waste recycling field ever since it came to the forefront as a hazardous yet economic waste material that needs careful disposal. Switzerland's adoption of the EPR principle was followed by other developed nations including many in Asia. According to Khatriwal (2009), this led to environmentally and economically effective systems for reuse and recycling, and therefore, a structured market for e-waste recycling where only licensed firms (those holding government licenses for recycling can legally carry out recycling against an advanced recycling fee (ARF) payment by the producers and/or consumers. This model has been successful in Switzerland and to some extent in other countries because of consumer cooperation, low cost of compliance, regular audit of licensed recycling firms, and no monopoly creation at all due to an exogenous fee charged to name a few reasons. In the US, California has been active in implementing regulations on the commodity market itself through charging a consumer fee for electronic purchase while the study by Wagner (2009) in Maine documents the success of the extended producer responsibility principle. Maryland and Washington have their e-waste recycling regulations in place too (Thakker 2006). However, this same policy fails to perform in the developing countries due to the differences in the evolution of e-waste recycling market in these economies.

According to Toxic Links, an estimated 0.48 million e-waste is generated annually in India with 95% of the waste being handled by the informal sector. The focus here will be on an economic assessment of the e-waste recycling market and the various aspects of its working in the developing nations. The importance of setting up a formal recycling market stems from the growing problem of e-waste dumping in these pollution havens and the resultant negative health effects on the thousands of workers who engage in removal of essential parts from the waste and selling them off in the secondary market. A formal recycling market with licensed re-cyclers can mitigate the above problems by (i) setting up a legal route for export of e-waste to the developing nations and leaving it to the governments of both the exporting and importing nations to punish defaulters, (ii) creating a new industry for employment of the vast population.

United Nations Environment Programme (2009) says that the amount of appliances put on market every year is increasing both in (post) industrialized and industrializing countries. In the European Union (EU) the total weight of electronic appliances put on the market in 2005 ranged up to more than 9.3 million tons with a sensible growing rate, particularly in Eastern Europe. Electronic appliances put on the market included 44+ million large household appliances in EU, 48 million desktops and laptops, 32 million TVs, and 776 million lamps.

In the United States of America (USA), in 2006, more than 34 million TVs and displays have been placed on the market, while more than 24 million PCs and roughly 139 million portable communication devices such as cell phones, pagers or smart-phones have been manufactured. It has to be highlighted that in the last couple of years the highest growth rate has occurred in communication devices: less than 90 million were sold in 2003, whereas 152 million were sold in 2008.

India had an installed base of about 5 million PCs in 2006, which is contributing to the 25% compounded annual growth rate in the Indian PC industry. In China roughly 14 million PCs were sold in 2005, as well as more than 48 million TVs, nearly 20 million refrigerators and 7.5 million air conditioners in 2001, both growth rate and market penetration are increasing year by year.

Objective of recycling is to take care of hazardous/toxic substances contained in e-waste in an environmentally sound manner while preventing secondary and tertiary emissions. Recover valuable materials as effectively as possible and create economically and environmentally sustainable businesses (optimize eco-efficiency).

The Indian e-waste landscape has been analysed since 2003 in conjunction with the Swiss e-Waste Programme. India's e-waste recycling industry is dominated by the so-called informal sector, where tens of thousands of people are estimated to make their living from material recovery. Several attempts to define a legal framework have been unsuccessful. The identified barriers for the transfer of e-waste technology have to be understood considering these framework conditions.

e-waste recycling sector is dominated by the informal sector. Low technologies are applied by low-skilled workers, resulting in high health and environment risks, including open-sky incineration and wet chemical leaching of metals. No proper solution for hazardous fractions contained in e-waste.

Due to the early stage of awareness for e-waste recycling in emerging economies, innovation hubs are yet to be established. However, some organizations are currently establishing their e-waste competence and have a great potential to develop into innovation hubs. Multilateral institutions, mainly National Cleaner Production Centres and Basel Convention Regional Centres develop into knowledge hubs for e-waste management in some countries. The current situation in China, India and South Africa indicate that smaller and less complex economies such as South Africa's improve faster in awareness and competence.

6. CONCLUSION

Researchers opine that environment protection laws in India are not stringent enough to address the issues relating to either domestic waste or imports of hazardous waste including e-waste. We do not have appropriate technology to ascertain the quantum and quality of wastes in the imported items. For instance, it has been reported that the problem of toxic waste imports cannot be addressed properly as none of the Indian ports (except the Jawaharlal Nehru Port at Nhava Sheva) has scanners to detect the actual contents of the consignments. There are expectations that the proposed E-waste (Management and Handling) Rules, 2010 will lay down explicit laws concerning e-waste and systematize various aspects of the e-waste recycling sector. The Government has consulted various non-governmental organizations (NGOs) in the process of developing a dedicated set of rules, which would govern the management and handling of electronic and electrical waste.

Awareness of the hazardous constituents of e-waste and its management on the Producers be created. The awareness among the consumers regarding hazardous constituents of e-waste can be created through active media campaign and strong extension programmes.

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A STUDY ON THE SERVICE QUALITY AND LEVEL OF CONSUMER SATISFACTION IN PRIVATE SECTOR BANK OF INDIA

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ABSTRACT

It is increasingly being recognized that the competition in Indian banking industry is going to be intense day by day. To beat one another, service providers viz. public sector, private sector and foreign sector banks launches new kind of technological application into banking services each day. In this situation, expectations rise and customers become more inclined towards the quality of service aspects. Thus, it is now clear that it is the service quality that differentiates the best banking, in the days to come, out of the average one. The information collected for this study is based on the questionnaire having questions based on Likert's five point scale. The analysis of questionnaires has been carried out by using the statistical package SPSS 17.0 for windows. The research findings show that there are significant differences in the Indian private banking sectors in terms of customer perceptions of service quality and the degree of importance attached to various dimensions of service quality.

KEYWORDS

Banking Service quality, Consumer Satisfaction, private sector bank.

1.1 INTRODUCTION

Global banking scenario is currently undergoing radical transformation owing to the changes in the political, economical and structural atmosphere of most of the countries in the world, and Indian Banking industry is no exception to the ongoing trend.

Level of customer satisfaction is now becoming the major focus of banks to increase their market share. Non-price factors become more important, so far. Every Bank, where it is private or public or foreign sector, is trying hard to achieve this and want to associate their customers for the long term duration.

Apart from the above, the entry of information technology into the banking industry has created a revolution in this sector. Now, many banks have introduced new customer friendly measures like 24x7 banking, anywhere banking, internet banking, extended business hours, ATM network, etc to increase their market share. In this way, technological applications are gaining importance in the banking operation day by day with a view to lure the customers. And, thus customers are finding very difficult to make a choice among the various service providers to run their business, in today's competition.

The Banking sector being a service-oriented industry has to sustain on the ground of quality of customer service. The efficient and effective customer service will hold the existing customers and attract new customers to try the services being offered by a bank. At the same place, if customers perceive quality as unsatisfactory, they may be quit to take their businesses elsewhere. Therefore, it is desirable for banks to develop a customer-oriented approach for enlarging their growth and profits. Hence, this study is undertaken to analyze the customer perceptions of service quality and the level of satisfaction attached to various dimensions of service quality of the Indian Private Sector banks.

1.2 REVIEW OF LITERATURE

Extensive research work has been done on customer satisfaction in the banking industry. **Biswa N Bhattacharyay (1990)**, in his study "Is Customer Service Deteriorating in the Indian Banking Industry?" tried to establish empirically, that customer orientation of the banking industry has not deteriorated in the post nationalization era. **Kangis, Peter, & Voukelatos, Vassilis (1997)**, in their study on "Private and public banks: a comparison of customer expectations and perception with reference to Greece" found that the quality expectation and evaluation of services received from the private banks were marginally higher in comparison to public sector banks, in most of the dimensions measured. **Gani and Bhatt (2003)**, in his study on "Comparative Study of commercial banks" studied quality dimensions of services of commercial banks. The result concluded that Indian banks require heavy investment in customer centric services to improve the quality dimension. **R K Mohanty (2008)** in his study on "Hunting Customer Satisfaction in Banks" revealed the fact that there are wide gaps exist between the expectations and perceptions of customers and services delivery by banks.

In this way, analytical results of various research studies conducted on this issue world-wide, reveal the fact that the survival and growth of commercial banks not only depend upon its ability to provide qualitative services to their customers on regular basis, but to build a long term mutually beneficial and trust worthy relationship with their customers.

1.3 OBJECTIVES OF THE STUDY

The present research aims at analyzing the level of awareness and satisfaction among three different segments of banks.

The broad objectives of the study are as follows:

1. To understand the dimensions of the awareness and satisfaction level of customers with regards to the services provided by private sector banks in India.
2. To analyze the dimensions of the awareness and satisfaction level of customers with regards to the services provided by private sector banks in India.
3. To make recommendations to enhance customer satisfaction in the banking industry in general.

1.4 METHODOLOGY

This study has been conducted in New Delhi, as it being the national capital and Mumbai, as being the business centre of the country. Both of these cities witness the latest changes in the banking services and have almost all the present day consumer banking service dimensions which satisfy the customers. Moreover, both the place is also representative of people belonging to various demographic profile of urban life relevant to modern consumer banking services. A convenience sampling of roughly 182 dispersed banking customers within the six selected banks branches of the two private sectors bank of India namely ICICI Bank and HDFC Bank from the above mentioned two cities was considered for the study purpose. The unit of observation and analysis of this study is the individual banking customer. The definition of banking customer is "an individual who has had (during the study period) bank account in anyone of the above public sector banks.

A well structured questionnaire was prepared for this study. SERVEQUAL scale has been used for measuring the perceived service quality and satisfaction. The questionnaire was divided into three sections. Section A was designed to obtain demographic information about customers, Section B had 28 questions which were intended to analyze the awareness and satisfaction of the customers contacted for this study. In section B, the questions were on the basis of Likert's five point scale. The analysis of questionnaires has been carried out by using the statistical package SPSS 17.0 for windows. Factor analysis has been used for the data analysis purpose.

1.5 RESULT & DISCUSSION

Results of the reliability tests (as given in Table 1) resulted in an overall Cronbach alpha value 0.968 which is much higher than the benchmark (Cronbach alpha > 0.70 as suggested by Nunnally(1978) that confirms the items included in the interval scale is considered fully reliable and internally consistent. The result of Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) and Bartlett’s Test of Sphericity depicts that both the KMO and Bartlett’s Test of Sphericity are adequate to conduct Principal Component Analysis. The KMO is 0.851 while the level of significance of Bartlett’s Test of Sphericity is also 0.000.

TABLE 1: VARIOUS TEST STATISTICS

Cronbach's Alpha		.968
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.851
Bartlett's Test of Sphericity	Approx. Chi-Square	6821.690
	Df	378
	Sig.	.000
No. of Items		28

1.5.1 PRINCIPAL COMPONENT ANALYSIS

To verify the existence of different dimensions proposed by the SERVQUAL model in the data, the principal component analysis is used to reduce 28 variables. Principal component analysis has been identified four major factors in this case, which accounted for 77.870 percent of the total variance across the sample, as given below-

TABLE 2: ROTATION SUMS OF SQUARED LOADINGS

Factors	Eigen values	% of Variance	Cumulative Variance %
1	17.370	62.035	62.035
2	1.993	7.117	69.152
3	1.411	5.041	74.193
4	1.030	3.677	77.870

Extraction Method: Principal Component Analysis

The above mentioned four factors are similar to the ones existing in the SERVQUAL scale however with different importance attached to it (as given in table 2), which is as follows:

1. The first factor extracted is Awareness regarding Modern and Value Added Services. And it comprises of twenty one items which accounted for 62.035 per cent of the total variance.
2. The second factor identified from the principal component analysis is Satisfaction regarding Competitive fees and Interest Rates. This included two items which accounted for 7.117 per cent of the total variance.
3. The third factor extraction is Satisfaction regarding Accessible officers and convenient operating hours. It consisted of two items accounted for 5.041 per cent of the total variance.
4. The fourth factor is Satisfaction regarding Approachable distance with one item included, and it accounted for 3.677 per cent of the total variance.

All four factors extracted showed Eigen value above 1. The Initial Eigen values of the four factors are 17.370, 1.993, 1.411 and 1.030 respectively. The factor having Eigen value less than 1.0 can be considered as redundant factor and may be ignored from the analysis. Therefore, only four out of the twenty Eight factors were actually extracted in this analysis and it represents a total of 77.870 per cent of the twenty Eight items which confirmed the scale.

TABLE 3: IDENTIFICATION OF AWARENESS AND SATISFACTION RELATED FACTORS

Factor Name	Variables	Factor Loadings
Factor 1 Awareness regarding Modern and Value-Added Services	My bank has modern equipment and tools	.867
	My bank has cash counting machines	.864
	My bank offers credit card facilities	.835
	My bank offers internet banking service	.905
	Accurate and timely updating of pass books take place	.798
	There is clarity in statements and billings	.869
	My bank provide error free services	.809
	I feel safe in my transaction with the bank	.861
	My bank introduces new services	.794
	My bank readily attends to my needs	.823
	My grievances are redressed immediately	.789
	Lost/damaged cards/pass books get replaced on time	.665
	My banks accords equal treatment to all customers	.869
	Bank staff understand my specific needs	.761
	Bank fulfils its promises within the stipulated time	.898
	Bank's staff have the knowledge to answer all my questions	.901
	Services helped make cordial banker customer relationship	.779
	Procedural formalities for opening an account and availing other services are prompt	.837
	The physical facilities are very appealing and pleasant	.890
	The waiting area is very comfortable	.908
	My bank has enough parking facilities	.767
Factor 2 Satisfaction regarding Competitive fees and Interest Rates	My banker's Charges and fees are competitive	.737
	Interest rates are cheaper	.818
Factor 3 Satisfaction regarding Accessible officers and Convenient operating hour's	My banker answers queries made over telephone	.429
	My bankers operating hour's is convenient to me	.351
Factor 4 Satisfaction regarding Approachable distance	Distance to the branch premises from my place is approachable	.625

Extraction Method: Principal Component Analysis 4 components extracted.

Therefore, the above data (as given in table 3) clearly indicates that the above mentioned twenty Eight items are related to the four factors extracted.

1.5.2 ANALYZING THE DIMENSIONS OF THE AWARENESS AND SATISFACTION LEVEL OF CUSTOMERS WITH REGARDS TO THE SERVICES PROVIDED BY PRIVATE SECTOR BANKS IN INDIA

The perceptions of the customers regarding the quality of service being provided by private sector banks were used to analyze the level of service quality. Mean measures were used in this research to identify the levels of satisfaction observed by the customers from all four factor of service quality dimensions.

TABLE 4: COMPARATIVE ANALYSIS OF THE FOUR FACTORS OF SERVICE QUALITY OF PRIVATE SECTOR BANKS

Factors	Mean Score
Factor 1 : Awareness regarding Modern and Value-Added Services	0.833
Factor 2 : Satisfaction regarding Competitive fees and Interest Rates	0.777
Factor 4 : Satisfaction regarding Approachable distance	0.650
Factor 3 : Satisfaction regarding Accessible officers and Convenient operating hour's	0.390

The above data (as given in table 4) Clearly shows that the level of satisfaction from the Factor one (Awareness regarding Modern and Value Added Services), factor two (Satisfaction regarding Competitive fees and Interest Rates) and Factor four (Satisfaction regarding Approachable distance dimension for Customers) of private sector bank is high while in factor three (Satisfaction regarding Accessible officers and Convenient operating hour's) private sector bank scored low. Thus, private sector bank should focus on this issue by modifying the operating hour's convenient and making their officers accessible to the customers.

1.6 CONCLUSION

Therefore, it can be stated that within the creative management of the construct of service quality, managers of the respective banks may contribute to the achievement of both external marketing goals and internal bank goals, as improving the level of service quality provided to the customers may help to benefit the banks, in terms of customer satisfaction, customer loyalty and then profitability. Therefore, it is recommended that Indian private sector bank should work on improving their marketing strategies and policies like convenient operating hour's etc. to enhance the levels of service quality for better result.

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GENDER INEQUALITY ISSUES IN ENTREPRENEURSHIP IN MANIPUR

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ABSTRACT

The existence of gender inequalities in various aspects of entrepreneurship and resulting hindrance on the growth of women entrepreneurs and hence on the economic growth of a country is now become a known fact. Investigating and addressing the dynamics of this present phenomenon can set a benchmark which can be used to reduce and even eliminate the inequalities is the motto of the study. In this connection, a survey has been conducted from a population of both the gender forms using convenient sampling technique, selecting a sample of exactly 50 entrepreneurs. For uniform and better analysis, a common trade is chosen and equal number of entrepreneurs from either sex intentionally. This empirical study attempts to explore the said domain on some preset parameters to decide the existence of gender inequalities and if any, then to estimate their degree of differences. It will particularly concentrate on such aspects as various issues at the time of starting up and during the running of their ventures such as determining source of finance, volume of investment; working styles, time consumption pattern and possible conflicts in the process; and in their earning patterns. In addition, the study will also discuss the differences in their educational status and their motivating factor to become entrepreneurs to make the discussions more fruitful. As an output of the study, a list of suggestions can be drawn from the findings; this will ultimately serve as an eye opener in future discussions in this very important topic regarding women entrepreneurs in Manipur.

KEYWORDS

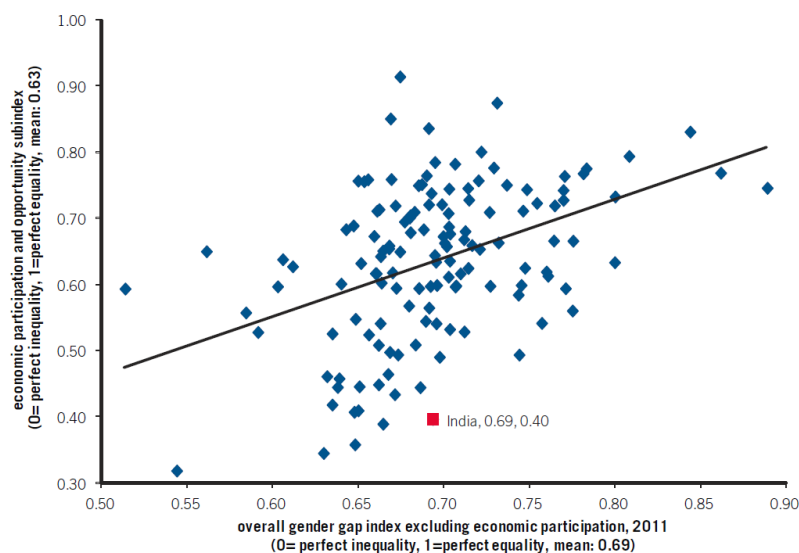
gender inequalities, entrepreneurs, development.

INTRODUCTION

Many development economists and entrepreneurship researchers designate entrepreneurs both male and female as the engine for the growth of an economy. In fact, they are the individuals who can extract opportunities from chaos, confusion and contradiction (Kuratko & Hodgetts, 2004). They are often regarded as the catalytic agents of change, which generates employment opportunities for others and create wealth of the society.

Adding diversity in entrepreneurship trades, female entrepreneurs also make significant contributions to the economic growth and to the poverty reduction around the world. In the United States, for example, women-owned firms are growing at more than double the rate of all other firms, contribute nearly \$3 trillion to the economy and are directly responsible for 23 million jobs. In developing countries, female entrepreneurship is also increasing—there are about 8 million to 10 million formal small and medium enterprises (SMEs) with at least one female owner (World Bank, 2014). According to GEM report in 2012, an estimated 126 million women were starting or running new businesses in 67 economies around the world. In addition, an estimated 98 million were running established businesses. A projected 48 million female entrepreneurs and 64 million female business owners currently employ one or more people in their businesses (GEM, 2012).

FIGURE 1: WOMEN'S ECONOMIC PARTICIPATION: OPPORTUNITY AND OVERALL GENDER GAP INDEX, 2011



Source: Hausmann, Tyson, and Zahidi 2011.

In spite of their phenomenal growth rate and their substantial contribution towards economic growth, the number of women entrepreneurs is still low when compared with their male counterpart and more importantly, the question of gender inequality and gender stereotyping is still deeply rooted in entrepreneurship. And, the gender gap varies greatly in size across the world. It ranges from 1.5% to 45.4% women of the adult population who actively operate a business as entrepreneurs or who are thinking about starting a business. On the extreme, the MENA (Middle East and North Africa)/Mid-Asia group shows the greatest gender disparity in entrepreneurship participation rate, where male TEA⁹ rates are four times that of females. On average, Sub-Saharan Africa and Developing Asia exhibit the greatest gender parity in entrepreneurship participation rate. In just seven economies (Panama, Thailand, Ghana, Ecuador, Nigeria, Mexico and Uganda), women had equal or slightly higher levels of entrepreneurship than men. For the rest, women represented a smaller share of the entrepreneur population. However on global scenario, men make up 52% of all entrepreneurial activity, compared to 48% of women entrepreneurs i.e. the gap is fair close (GEM, 2010).

What stands as hindrance to the progress of entrepreneurs is this issue of gender inequality. In the word of Robert B. Zoellick (President, The World Bank Group) "Gender equality is at the heart of development. It's the right development objective, and it's smart economic policy". According to the Kauffman Firm Survey (Robb et al. 2009) which followed a cohort of firms founded in 2004, only about 30 percent of the primary owners were women. Only 3 percent of firms that have a primary owner that is a woman are high tech while the same figure for men is 7 percent (J. McGrath Cohoon, et al, 2010).

In Indian context, when it comes to economic participation, gender disparities remain deeply entrenched. The women entrepreneurs comprise only about 10% of the total number of entrepreneurs and it is expected to cross 20% in next 5 years. Even though women own about 10% of the total enterprises in the small sector, the gross output of these units is just 3.5% of the total output of SSI sector (Deepak Kaushal, et.al, 2014). The 2013 World Economic Forum's Gender Gap Index ranked India 101 out of 136 countries on economic participation and opportunity. India ranks 132 out of 187 countries on the gender inequality index – lower than Pakistan (123), according to the United Nations Development Program's Human Development Report 2013.

TABLE 1: DISTRICT-WISE DISTRIBUTION OF PERMANENT REGISTERED MALE AND FEMALE ENTREPRENEURS (2001-2007)

District	Male	Female	Total +Female)
Imphal East	21	37	58
Imphal West WWWWWWest	2399	298	2697
Thoubal	456	77	533
Bishnupur	381	79	460
CCpur	310	97	407
Senapati	125	57	182
Tamenglong	156	36	192
Ukhrul	285	261	546
Chandel	110	22	132
Total	4243	964	5207
Percentage	81.48	18.51	100

Source: Neucleus Cell

The entrepreneurial scenario in Manipur is also not encouraging at present. Table 1 containing data from state's Neucleus Cell exhibits district-wise distribution of permanent registered male and female entrepreneurs in Manipur during 2001-2007 and it proves the existence of huge gender gap in the growth of entrepreneurship in Manipur. When the number of male entrepreneurs is 4243 (81.48%), number of female entrepreneurs is only 964(18.51%). Every district shows mammoth gaps in the number of male and female entrepreneurs except one district i.e. Ukhrul.

WHAT CAUSES GENDER INEQUALITY IN ENTREPRENEURSHIP?

The factors that cause gender inequality in entrepreneurship can vary across the world. Investigating the causes of it Gender inequality means that individuals – especially women and girls – face barriers to participating in, accessing, benefitting and controlling resources and rights (UNIDO, 2014). Women entrepreneurs tend to experience greater bias specifically because of pre-existing inequalities that are found at personal, situational, and structural levels (societal / cultural and policy)(adopted from Heise, L., 1999). Some of the important structural causes are listed below (adopted from UNIDO, 2012).

AT THE POLICY LEVEL

- Discriminatory local, state, federal laws and statutes, regulations, standards and rights
- Low participation of women in leadership and decision making positions
- Lack of gender-sensitive public sector spending, including a dearth of gender budgeting and audits
- Low levels of affirmative action and quota policies for women.
- Gender-blind industrial policies, including low levels of industry competence and political will to work on gender issues
- Lack of recognition of women's 'reproductive' / unpaid work

AT THE SOCIETAL / CULTURAL LEVEL

- Rigid and traditional gender norms
- Discrimination against ethnic groups, people with disabilities and other vulnerable groups
- Geographical disadvantage consequently leading to low levels of access to technology, education and training, health-care and transportation
- Low levels of social acceptability of women in leadership and decision-making positions
- Low levels of community support and resources for women's movements

In 1989 Nelson argued that the gender gap is due to 'irrational behaviour' of women entrepreneurs as they tend to turn to their unqualified family members for help, which, he observed, has consequences for business performance. However other scholars have other findings that women are less entrepreneurial because they are risk-averse and lack the necessary skills, attitude and education for entrepreneurship (Ahl, 2006). A number of other studies identify differences between men and women entrepreneurs with respect to self-perception (Anna *et al.*, 2000), opportunity recognition (Eckhardt and Shane, 2003), decision-making styles (Baker and Nelson, 2005) and networking behaviour (McManus, 2001).

LITERATURE REVIEW

Despite great efforts from different quarters including state and global institutions in the form of significant increase of initiatives, policies and resources designed to promote and develop women's entrepreneurship, still, the gender gap in entrepreneurship continues in most of the economies except a few. And more important, the problems and level of gender gap are also seen varied in different part of the world.

But in general, women entrepreneurs face gender-based barriers to starting and growing their businesses including discriminatory property, matrimonial and inheritance laws and/or cultural practices, limited mobility, voice and representation, and an unequal share of family and household responsibilities. These factors, combined with social exclusion based on sex mean that women entrepreneurs are in a less favourable position compared to men when it comes to accessing commercial credit from formal financial service providers, more lucrative markets, rather than the traditional local markets, technology and information to establish and grow their businesses (ILO). To bring them at par with their male counterparts, it is imperative to review previous researches in this area and their findings across the world.

Carter (2000) founds a difference in salary level between males and females and that the stereotypical female role in the family still exists to some extent, negatively affecting greater integration of females into the labour market and starting their own businesses.

In terms of business age, companies led by females are generally "younger" than those led by males (Hill *et al.*, 2006). Moreover, several studies indicate that females prefer to grow their businesses slowly and are less likely to seek growth, which reflects the size of their businesses (Jennings & Cash, 2006).

Most of the women entrepreneurs in Manipur do not practice budget planning, expenditure planning and account maintenance. In addition, monthly working capital on salary investment, maintenance investment and daily expenditure on material are found to be very low. Only a few borrow money from Nationalized banks (Bimolata, 2013).

Females compared to males are also less likely to seek for external financial support (Heilbrunn, 2005; Muravyev, 2007). Recent studies of this issue have shown that obtaining financial support is relatively more difficult for women (Buttner, 2001; Carter, 2000; Coleman, 2002).

Additionally, Buttner (2001) claims females start their businesses in sectors that are not attractive for external funding. In the studies of external funding for entrepreneurs, Muravyev (2007) stresses that female entrepreneurs face discrimination when obtaining bank loans: the probability of obtaining a loan is 5.4 percent lower for female entrepreneurs than for men, and interest rates are 0.6 percent higher for women than for men.

Even in regular times, research indicates that ventures owned by women tend to under-perform in financial/growth terms, compared to male-owned firms (Srinivasan et al., 1994)

On analyzing official statistics on Malaysian women entrepreneurs, Idris (2009) found that on average, women entrepreneurs in Malaysia commit fewer hours to their business (46 hrs per week) than their men counterpart (51 hrs per week).

In OECD countries, 22% of self-employed women work less than 40 hours a week, while this is only 10% for self-employed men (OECD, 2012).

In OECD countries when women do start businesses, they do it on a smaller scale than men and in a limited range of sectors, often at low capital intensity. On average one-third of self-employed men have employees, while this is only one-fifth for self-employed women. In emerging and developing countries, women often represent the majority of business owners without paid employees in the informal sector. Overall, women earn far less: gender gaps in median earnings among the self-employed are often around 30 to 40% compared with an average of 16% across OECD countries in terms of salaried jobs. Even when enterprises in the same size class and industry are compared, women-owned businesses have other features that are associated with lower sales, profits and labour productivity. Two key differences between male and female entrepreneurs help explain these relatively low returns: women start their enterprises with limited management experience, and they devote much less time to their business than men (OECD, 2012).

According to world development report 2012, everywhere women devote more time each day to care and housework than their male partners yielding a big earnings gaps: differences range from one to three hours more for housework, two to ten times the time for care (of children, elderly, and the sick), and one to four hours less for market activities.

Compared to men, the majority of women start a business while still employed in a paid job. This is both the case in low-income countries (74%), middle income countries (91%) and high-income countries (82%) [Minniti, 2010].

Tambunan's (2009) analysis of secondary data from 14 Asian countries found that women entrepreneurs appear to be constrained mainly by cultural values and social expectations which are manifested through a lack of educational and career opportunities. As a result Asian women are usually involved in small, low-technology businesses which do not require too much capital and skill.

OBJECTIVES OF THE STUDY

Keeping in view of the above review literatures regarding the gender disparities in entrepreneurship and assuming that comprehending the issue in depth as the crux of growth of women entrepreneurs and hence subsequent improvement of an economy, the followings are set as main objectives of the study.

1. To identify the main differences between male and female entrepreneurial activities in various aspects.
2. To provide some suggestions to overcome the prevailing gender inequalities in the entrepreneurship.

METHODOLOGY

A sample of 50 entrepreneurs (25 male and 25 female) in tailoring trade was selected from different part of Imphal West by using convenient sampling. The questionnaire cum interview method was used to collect the primary data. Statistical tools such as percentage and average mean were adopted for interpretation of the primary data. The survey was conducted in a span of just one week.

RESULTS AND DISCUSSION

The present study is concentrated on few parameters such as financial structure, time consumption pattern, employment generation, workers salaries pattern, motivational factors to become entrepreneurs, and problems faced by them etc. to determine the gender disparities between male and female entrepreneurs, if any. For each parameter, there exists a concern table illustrating in depth primary data. However, the main findings from the analysis of those primary data are shown in a condensed form as follows.

TABLE 2: MAIN FINDINGS

Criteria	Male	Female
A. Financial Structure (mean in Rs.):	27,000	45,000
1) Startup capital	73,800	66,600
2) Present fixed capital	31,000	15,800
3) Monthly working capital	18,000	6,500
4) Monthly net income		
B. Time consumption (mean in Hr):	1.4	7.25
1) House hold activities	8.92	7.72
2) Entrepreneurial activities		
C. Employment Generation (average)	6.52	5.4
D. Salary per Month (mean in Rs.)	6420	1740
E. Factor to become entrepreneur (%)	100	68
1) Livelihood	0	32
2) Others		
F. Problems in work-life balance (%)	36	64
1) Exist	64	36
2) Not Exist		
G. Business problems (%)	32	80
1) Exist	68	20
2) Not exist		

Source: Field survey

- A. Financial Structure:** Many literatures reveal that finance serves as the key factor to the success of all types of business and that female entrepreneurs often lack finance for both starting and running business. Equally important is the skill of better money management as it will properly regulate the flow of money in the business. As female entrepreneurship is a late phenomenon as against that of male (please see the chart in fig.2), female entrepreneurs have to expense a bigger amount to start up their venture. As a result, a mean value of Rs. 27,000 were used by the male entrepreneurs and a mean value of Rs. 45,000 by the female entrepreneurs in starting up their corresponding ventures. But in reality, the study finds that largest number of the male entrepreneurs (40%) started their ventures with a sum of maximum Rs. 10,000 while only 16% of female entrepreneurs started with the said amount. Another important finding that follows is that, in the present business scenario, both male and female entrepreneurs expense almost equal volume of investment on fixed assets i.e., Rs.73,800 on average by male entrepreneurs while Rs. 66,600 on average by female entrepreneurs. It also can be said that male entrepreneurs use Rs.31,000 on average as working capital per month and female entrepreneurs use Rs.15,800 on average per month. It is also further found that 56% of female entrepreneurs invest within Rs.10,000 for monthly expenditure such as workers salaries, electric bill, materials, etc. On the other hand, only 29% of male entrepreneurs use the said amount for monthly expenditure.

The study also notices the existence of a wide gender gap in net income. For instance, with the above financial allocation female entrepreneurs can earn on average only Rs.6,500 per month as net income while male entrepreneurs can earn a mean value of Rs.18,000 per month. Women entrepreneurs acquire less income than male entrepreneurs due to their lack of diversification in the business. For instance, women entrepreneurs mainly concentrate on female oriented dresses such as blouse, bloomer, salwar kurta etc. whereas male entrepreneurs work on various outfits. As a result, male entrepreneurs have the advantages to work on bulk items such as school uniforms as well as the repairing of readymade garments.

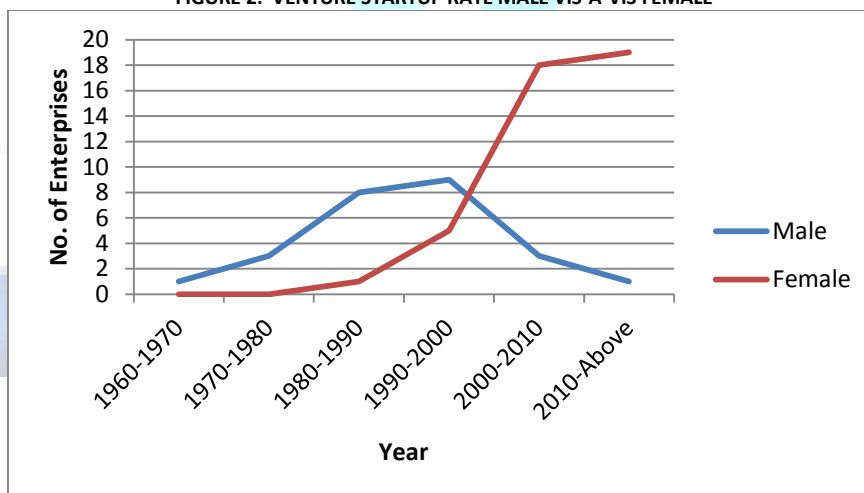
It is observed from the study that only two male entrepreneurs out of the 50 entrepreneurs surveyed secured bank loans and incentives from government. Thus all in all, the above finding shows the presence of gender inequality in financial structure of the entrepreneurs.

- B. **Time Consumption:** Time is the most crucial but critical assets for any business enterprise. In fact it un-repairable; once lost it is lost. Therefore, its' management is of utmost importance for all entrepreneurs; even more crucial for women entrepreneurs as they have to keep their work and family in balance. For women entrepreneurs, particularly women entrepreneurs who are also mothers, it is an inborn natural curse that according to researchers, undermine the success of their business. No doubt, only those superwomen who overwhelm this problem can become a successful entrepreneur. The existence of a big gender disparity in entrepreneurship is clearly visible in the time consumption pattern. Since most of the male entrepreneurs are free from household core in our male dominated society, they can utilize average 8.92(approx. 9) hours in a day in their work leaving only 1.4 hours for household activities. However, women entrepreneurs very wisely balance their daily time in between home and business activities (7.25 hours home and 7.72 hours business). This finding reminds us the needs of family support towards women entrepreneurs in terms of sharing of work among family. By doing so, they can devote more time on business which ultimately can boost their confidence and their success rate as well.
- C. **Employment generation:** Self employment and employment generation for the others is perhaps one of the most commendable characteristics of entrepreneurs. The study reveals that on average, each of male entrepreneurs has 6.52 employees while each of the female entrepreneurs generates 5.4 jobs. So the gender gap in this area is pretty closer now although there is significant variation in the wage structure which will be seen next.
- D. **Salary per month:** Employee wage or salary is determined by factors such as experience or skill, market trends and hard working. It is a big way of motivating the employees which can be translated to greater productivity. There is a mammoth gap in the employee salary structure persisted in female and male own enterprises. An employee in a male own enterprise obtains Rs. 6420 (mean value) per month while a mean value of Rs. 1740 is given to an employee by a female entrepreneur. It is mainly due to the fact that male entrepreneurs earn significantly healthier income than female entrepreneurs.
- E. **Factor to become entrepreneur:** One finding of the study depicts that most of the entrepreneurs (both male and women) are driven by necessity (push factor) rather than opportunity (pull factor) at least in the trade on the sample of which the study has been conducted. Male entrepreneurs (100% for livelihood) show even more degree of inclination towards the necessity driven entrepreneurship than their female counterpart (68% for livelihood and remaining for other reasons). Many researchers felt that the high growth rate but low life span of the most necessity driven entrepreneurs closely relate to this type of the motive. They quickly become entrepreneurs by necessity but because of the harsh business environment surrounding them they could not sustain for long. In this finding, we also observe a contradiction as these male entrepreneurs still sustain so long despite facing grave challenges of globalization.
- F. **Problems in work-life balance:** Many of the male entrepreneurs opine that their main problem is the insufficient time they have to spend with their family members and look after their children, in particular. But in our patriarchal society, maximum household activities are carried out by women entrepreneurs as a societal convention. In addition, they have to take care of their children's and families well beings. The table-2 shows a significant difference in family related problems inflicted in both male and female entrepreneurs. Maximum number of female entrepreneurs (64%) has the problem in balancing work and family as against 36% of male entrepreneurs. It is mainly because women are more responsible for domestic activities than their male counterpart as mentioned above. Hence, female entrepreneurs often have the problem of less time for her personnel activities.
- G. **Business problems:** All business establishments have one problem or the other. These problems hinder the smooth running and the growth of the enterprise. Less number of customers, problem of marketing, problem of money, problem of electricity, problem of unpunctuality of workers, problem of less time available for work etc. are some of the problems occurred in many enterprises. Female are more prone to these problems. From the table-2 it is found that 80% of the female entrepreneurs encounter business related problems as against 32% for male entrepreneurs. Most of the entrepreneurs disclose that they do not have money problems. Only 20% of male and 24% female entrepreneurs express the shortcoming of money in the business. Keeping in view of their present business status, these show the lack of business literacy in terms of area and volume of expansion of their business. Another important finding asserts that more and more female entrepreneurs demand more business time but none of the male entrepreneurs expressed the problem related to less business time.

Other findings: In addition to the findings discussed above, the study also has some other important findings.

A) VENTURE STARTUP: From the figure-2 venture start up given below which is based on the field survey shows that at least in the picked up trade (tailoring), women entrepreneurship is marked by its late entry (mainly after 2000).

FIGURE 2: VENTURE STARTUP RATE MALE VIS-À-VIS FEMALE



The figure also illustrates that after the year 2000, there seems a reduction in the number of male entrepreneurs entered in this field. Avoiding how much growth they achieved so far, the study finds that many of them are still self sustained.

B) EDUCATIONAL QUALIFICATION

TABLE 3: EDUCATIONAL QUALIFICATION

Qualification	Male	Female
Under-matric	17 (68%)	2 (8%)
Matric	4 (10%)	10(40%)
Under Graduate	1 (4%)	7 (28%)
Graduate	3 (12%)	6 (24%)
Total	25	25

Source: Field survey

Since the education is one necessary condition (although might not be sufficient) for the successful establishment and running of a business, a close examination of the entrepreneurs qualification is a must. Unfortunately, the survey could not find a single entrepreneur holding a degree on business education. Because of this lack of business education, most entrepreneurs (both male and female) have less management knowledge. This is one of the most unfortunate attributes of our entrepreneurs. The table-3 shows that, on formal education pursued, women entrepreneurs are more educated than male entrepreneurs.

SUGGESTIONS AND CONCLUSION

For developing economies like India, thriving entrepreneurship is the mantra for economic development. However, the equal participation of both male and female in economic sphere is paramount march for the economic development of a society. As such, the problem of gender inequality is a major concern at present. It is time to identify the inadequacy of female entrepreneurs as compare with their male counterpart in a larger scale.

From the present study, it comes to know that there is a significant difference in investment pattern and in monthly net income level. So our women entrepreneurs should think of increasing their investments volume. In addition to lesser investment, their less income is mainly because of various factors. Limited time available by the female entrepreneurs is one important factor. Job diversification is also needed for more income. Both male and female need more awareness of various schemes provided by government for entrepreneurship development as well as various economical sources of finance. At least, our entrepreneurs should attained EDPs (Entrepreneurship Development Programmes) regularly for enabling efficient management of their enterprises and also to be able to take risk. In addition, our entrepreneurs particularly, female entrepreneurs are less ambitious and should think of about expansion of their business both in area and in volume.

Finally the financial institutes and other agencies responsible for promoting entrepreneurs should work with dedication and sincerity (no corruption) in selecting beneficiaries (selecting only those capable candidates), in releasing money (quick and easy release) and in sponsoring EDPs (making fruitful and result oriented, not mere name shake). Mere introduction of policies alone by law makers will not serve any good for the entrepreneurs until these policies are practically implemented.

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QUALITY OF WORK LIFE OF THE EMPLOYEES IN TAMIL NADU TEA PLANTATION CORPORATION LIMITED, COONOOR

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ABSTRACT

Quality of Work Life is an attempt to establish that performance is linked to involvement and satisfaction of employees at work places. In addition to improving the work system, Quality of Work Life programs usually emphasizes the development of employee skills, the reduction of occupational stress and the development of more co-operative labour management relations. This research utilizes random sampling of 100 employees distributed in different departments in Tamil Nadu Tea Plantation Corporation Limited, Coonoor. Interview method was used to collect the data. This study dealt with job challenges, Working Condition, Social Security Measures, Job Satisfaction, Problems Faced by the employees and suggestions for improvement of quality of work life in Tamil Nadu Tea Plantation Corporation Limited, Coonoor. The study concludes highlighting the Tea Plantation Corporation Limited, maintaining smooth relationship between workers and management, which leads to enrichment of organization efforts.

KEYWORDS

Quality of Work Life, Work Life Balance, Working Condition, Social Security Measures, Job Satisfaction.

INTRODUCTION

 Quality of Work Life emphasizes improving the human dimension of work. Human Resource should try to improve Quality of Work Life by introducing participative problem solving, restricting work, introducing innovative reward systems, and improving the work environment (Hunger 2000).

Quality of Work Life is a process by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making the decision that design their lives at work (Robbins 2001).

Quality of Work Life is a process of joint decision making, collaborations and building mutual respect between management and employees (Cohan 2004).

Quality of Work Life is the process by which an organization responds to the employee needs for developing mechanisms to allow them to share fully in making the decision that design their lives at work (Walton 2000).

Quality of Work Life leads to an atmosphere that encourages them to improve their skills. It also leads to have good interpersonal relations and highly motivated employees who strive for their development. Quality of Work Life will ensure enthusiasm work environment with opportunities for everyone to give best. Such job will provide satisfaction and pride to the company (Agarwal 2002).

Quality of Work Life are to improve employee satisfaction, improve physical and psychological health of employees which creates positive feeling, enhance productivity of employees, reinforce workplace learning, improved management of the on-going change and transitions and build the image of the company as best in recruitment, retention, and in general motivation of employees (Srividhya 2007).

REVIEW OF LITERATURE

Aryeetey (2012) conducted a study on "Understanding Employees Perspective of Quality of Work Life Indicators" in Ghanaian Organization. The results show that employees have insights of available and non-available, as well as functional and non-functional work life indicators that could be incorporated in the organizational design to support the creation of positive organizational values to enhance employee-management relationship in Ghanaian Organizations.

Gurpreet (2012) conducted a study on "Quality of Work Life Issues" was a comparative study of multinational and Indian Food Companies of Punjab. The findings of the study revealed that a significant difference exists between the MNCs and INCs employees' perception over various Quality of Work . Findings revealed that in most of the cases MNCs are performing better than INCs.

Jeyarathnam (2011) conducted a study on "Quality of Work Life among Sugar Mill employees in Tamilnadu. The study attempted to evaluate the Quality of Work Life of sugar mill employees and analyse the relationship between the productivity and Quality of Work Life. The results of the study showed the intensity of working conditions and the behavioral aspects of the employees in the study area. It concludes that the basic strategy for improving the Quality of Work Life is to identify employee's important needs and to satisfy those needs.

Nakkeeran (2011) conducted a study on "Quality of Work Life Perception of College Teachers". The results show that there is a significant association between quality of work life total and Quality of Life in teaching environment total. It shows Quality of Work Life of college teachers is in low level.

Rahman (2011) conducted a study on "Quality of Work Life among male and female employees of Private Commercial Banks" in Bangladesh. The study revealed that significant difference existed between male and female employees of Quality of Work Life in the following factors of Quality of Work Life; adequate and fair compensation, flexible work schedule and job assignment, attention to job design and employee relations. The conclusion of the study paper recommendations are made to ensure gender equity in the private banking sector of Bangladesh.

Jamal (2006) conducted a study on "Routinization of job context and context as related to employees' Quality of Working Life" of Canadian nurses. The results indicated that nurses who worked routine shifts perceived higher levels of Quality of Work Life compared to those on non-routine shifts. The results also indicated that nurses who experienced high routinization in job content perceived lower levels of Quality of Work Life compared to those nurses who experienced low routinization in job content.

Harisha (2005) conducted a study on "Quality of Work Life among IT Professionals" in (SME's) Selected Cities of India. The study tries to answer the question, what is the Quality of Work Life for IT professionals engaged in software services and development in small and medium enterprises in India by selecting three cities which are known for small and medium enterprises (SME's) in IT sector. The study results the fact that SME's particularly are at a disadvantage as they are unable to justify the best talents in the industry, owing to their limitations in infrastructure.

Mentz (2001) conducted a study to "Determine the Quality of Work Life of teachers on farm schools" in South Africa. Findings indicated that teachers in rural schools were generally satisfied with circumstances and enjoy teaching; they were satisfied with classroom size, physical facilities and teacher's student relations.

Abdeen and Ibrahim (2001) conducted an empirical study on Quality of Work Life. His research examined the Quality of Work Life in selected pharmaceutical companies in Egypt. The findings of the study indicated that there was a significant positive relationship between the employees' perceptions of their Quality of Work Life. The results also indicated that employees perceived their Quality of Work Life to be greater or better in the multinational pharmaceutical companies than were the employees perceptions of their Quality of Work Life in both the private and public pharmaceutical companies in Egypt.

OBJECTIVES OF THE STUDY

Having this in view, present study was taken up with the following objectives:

1. To study the socio-economic profile of the employees.
2. To assess the job security and working condition of the employees.
3. To analyse the level of job satisfaction and Quality of Work Life of the employees.
4. To suggestions for the improvements of Quality of Work Life.

METHODOLOGY

The locale selected for the study is Tamil Nadu Tea Plantation Corporation Limited in Coonoor, Nilgiris District. It was started in the year 1976 which is now popularly known as TANTEA. Producing a total capacity of 9.75 million kg of tea per year.

Totally 360 employees are working in Tamil Nadu Tea Plantation Corporation Limited. In that 120 were male and 140 were female. Out of the total, 50 male and 50 female workers were randomly selected, making the total sample size as 100.

Interview method was used in the study, for collecting required information from the employees. The data thus collected were consolidated, tabulated and analysed with appropriate statistical tools such as

- Frequency and percentage
- Five points Likert scale
- Average percentage score
- Chi-square tests

RESULTS AND DISCUSSION**TABLE I: GENERAL PROFILE OF THE RESPONDENTS**

Aspects	Percentage of respondents (N:100)
Age(in yrs)	
20-30	3
30-40	40
40-50	47
Above 50	10
Educational Qualification	
Primary	11
Secondary	52
Higher secondary	29
Illiterate	8
Marital status	
Single	10
Married	90
Place of Residence	
Urban	56
Rural	28
Semi rural	16
Type of Residence	
Own	22
Rental	78

The above table shows that 47 per cent of the respondents were of the age group between 40-50 years, 40 per cent of the respondents were of the age group between 30-40 years, 10 per cent of the respondents were above 50 years and 3 per cent below 20-30 years. It was found that 90 per cent were married. Fifty two per cent of the respondents were educated upto secondary level, 29 per cent of them were educated upto higher secondary level, 11 per cent of them had primary level and only 8 per cent of them were illiterate. It is clear that educational level is not a criterion for employment in this factory at respondents' level.

Regarding the residence, 56 per cent of the respondents were residing in urban areas, 28 per cent of the respondents were residing in rural area and the rest 16 per cent of the respondents were residing in semi-rural.

Among the respondents 22 per cent were residing in rented house and 78 per cent of them lived in own house.

TABLE II: DETAILS OF THE JOB

Factors	Percentage of respondents stating(N:100)
Department	
Production	28
Packing	27
Administration	20
Sales	14
Grading	11
Experience in present job	
0-5 years	31
6-10 years	63
11-15 years	6
Monthly income	
Below 5000	91
5000-10000	9

Out of the total respondents, 28 per cent of them were working in production department, 27 per cent in packing department, 20 per cent in administration department, 14 per cent in sales department and 11 per cent of them were working in the grading department. It shows that the participation of the respondents was high in production and sales departments compared to the rest of the departments in the factory.

Regarding the work experience, 63 per cent of the respondents had 6-10 years of experience, 31 per cent of respondents had less than 5 years experience and 6 per cent of the respondents had experience more than 10 years. Most of the respondents were experienced and working for long time in the factory. Regarding the monthly income, 91 per cent of the respondents were earning a income less than Rs.5000 and only 9 per cent of them were earning above Rs.5000.

The relationship between age level of respondents and experience in the present job of the respondents is depicted in Table III.

TABLE III: RELATIONSHIP BETWEEN AGE AND YEARS OF EXPERIENCE OF THE RESPONDENTS .

Age	Years of Experience			Total	Result
	Below 5	6-10	11-15		
Below 30	3	0	0	3	p>0.05 Not Significant
	100.0%	0%	0%	100.0%	
31-40	13	26	1	40	
	32.5%	65.0%	2.5%	100.0%	
41-50	12	31	4	47	
	25.5%	66.0%	8.5%	100.0%	
Above 50	3	6	1	10	
	30.0%	60.0%	10.0%	100.0%	
Total	31	63	6	100	
	31.0%	63.0%	6.0%	100.0%	

There is no significant association between age of the respondents and years of experience of the respondents. It is interpreted that age of the respondents does not influence the level of experience of the respondents.

TABLE IV: AVERAGE SCORE GIVEN BY RESPONDENTS ON THE FACILITIES IN THE WORK PLACE

Aspects	Average Percentage score(N:100)
Restroom facilities provided in the factory	96
Ventilation facilities provided in the work place of the Factory	95
Facilities for disposed of waste and dust	94
Lunch room facilities in the factory	90
Adequate drinking water facilities in the factory	85
Recreational facilities provided	79
Medical facilities available in the factory	74
Health care measures provided by the factory	72
Measures for controlling pollution	70
Canteen facilities in the factory	69

It is clear from Table and that 96 per cent of the respondents were satisfied with the restroom facility, 95 per cent of the respondents were satisfied with the ventilation facility, 94 per cent were satisfied with the facilities for disposal of waste and dust, 90 per cent of them were satisfied with lunchroom facilities, 90 per cent of them were satisfied with controlling pollution at the work place, 85 per cent of them were satisfied with the adequate water facilities, 79 per cent of the them were satisfied with the recreational facilities, 74 per cent of the them were satisfied with medical facilities, 72 per cent of them were satisfied with the health care measure provided by the factory and 69 per cent of them were satisfied with the canteen facilities. The overall satisfaction of the respondents on labour welfare was found to be good. The management has to concentrate on improving the welfare facilities as it is one of the important factors in promoting and motivating the efficiency of the employees.

TABLE V: PROVISION OF SOCIAL SECURITY MEASURES

Measures	Respondents Stating(N:100)
Employee State Insurance	92
Provident fund	92
Gratuity	91
Pension	90

The above table enumerates the satisfaction of the respondents on Social Security Measures provided in the factory. It shows that majority of the respondents were satisfied with all the Social Security Measures provided by the factory. Social Security Measures are statutory, the employer has no influence over such measures.

TABLE VI: RELATIONSHIP BETWEEN LEVEL OF JOB SATISFACTION AND QUALITY OF WORK LIFE

Level of Job Satisfaction	Quality of Work Life			Total	Result
	High	Moderate	Low		
Very High	5	0	0	5	P<0.01 Significant
	100.0%	0%	0%	100.0%	
High	8	5	0	13	
	61.5%	38.5%	0%	100.0%	
Moderate	13	44	4	61	
	21.3%	72.1%	6.6%	100.0%	
Low	5	16	0	21	
	23.8%	76.2%	0%	100.0%	
Total	31	65	4	100	
	31.0%	65.0%	4.0%	100.0%	

There is a significant association between level of Job Satisfaction and Quality of Work Life of the respondents

TABLE VII: PROBLEMS FACED BY THE RESPONDENTS

Problems	Percentage of respondents status(N:100)
Conflict among the workers in the work place	49
Relationship between the workers and supervisor is not Healthy	44
Gender discrimination among workers	43
Authorities are not treating the workers with respect	41
Age discrimination among workers	34
Timing is not suitable	27
Stress in job	19
Over workload	12

From the above Table , it is clear that 49 per cent of the respondents felt that conflict arised among the workers in the work place; 44 per cent of the respondents realised that there was no healthy relationship between the workers and supervisors; 43 per cent of the respondents implied that there was a gender discrimination among workers; 41 per cent of the respondents opined that authorities were not treating the workers with respect; 34 per cent of the respondents expressed that there is age discrimination among workers; 27 per cent of the respondents expressed that the timing was not suitable; 19 per cent of the respondents stated that they had stress in job and 12 per cent of the respondents agreed that they had heavy work load.

SUGGESTIONS FOR THE IMPROVEMENT OF QUALITY OF WORK LIFE

FACILITIES

The Company should focus on workers' welfare by providing the basic necessities such as quality food, pollution free environment, canteen facilities, recreational facilities and hygienic sanitary equipments which would create a conductive ambience for the workers psychologically, emotionally and physically fit enough to work.

The Company should also address the policies to the employees so that they don't feel deprive of their rights. Also the Company should provide emotional support and guidance when the worker is irregular or not performing well which may caused by his family situation.

Employees need to handle employees in such a manner that employees do not get frustrated with the stress and over burdened of the work. Health and yoga camps could be arranged on regular basis to make their workers get rid of stress of work load.

POLICY

Legal aspect and social compliance have to be reviewed and monitored regularly and correction measure to be taken in time to time.

To ensure employees' satisfaction and Quality of Work Life employers need to embrace a certain level of employment security, job safety, free from job anxiety, reasonable wage, family day/leisure life, social life enjoyment opportunity, participation in decision making.

SATISFACTION OF EMPLOYEES

Introduction of Employee Assistance Programmes (EAPs) to provide workers with the counseling support to manage their personal problems. This would be effective in assisting employees to ensure that good psychological health is maintained.

Less overtime, and weekly working hours not more than 48 (6 days in a week) was a welcoming trend in the organisation.

Team work activities to be developed for more productivity/ performance/training to be introduced in all level for performance and job satisfaction.

There is a need to provide an opportunity for staff to interact socially with other members of the organization both formally as well as informally.

Arrangement of get together parties and related activities on various occasions is very much needed to be done by the organization.

CONCLUSION

A peaceful industrial environment will create a Quality of Work Life of employees in an Organization. By conducting this study we could infer that the Tamil Nadu Tea Plantation Corporation Limited is maintaining smooth relationship between workers and management It is essential that the management should focus on job challenges, work environment, performance appraisal, team work, relationship with co-workers and the welfare measures, it improves the standard of living of the employees. The result of improved Quality of Work Life among the employees their involvement in job gets increased and results in increased productivity of the Organisation, which will lead to the enrichment of factory efforts.

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ROLE OF HUMAN RESOURCE MANAGEMENT IN MODERN ERA

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ABSTRACT

Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. HRM can also be performed by line managers. HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training. HRM is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives. HRM is moving away from traditional personnel, administration, and transactional roles, which are increasingly outsourced. HRM is now expected to add value to the strategic utilization of employees and that employee programs impact the business in measurable ways. The new role of HRM involves strategic direction and HRM metrics and measurements to demonstrate value. It depicts the milestones in HRM 1890-present. There is a growing body of evidence supporting an association between what are termed high performance or high commitment human resource management (HRM) practices and various measures of organizational performance. However, it is not clear why this association exists. This paper argues that to provide a convincing explanation of this association we need to improve our theoretical and analytic frameworks in three key areas. These are the nature of HRM, and especially the rationale for the specific lists of HR practices; the nature of organizational performance; and the linkage between HRM and performance. A model is presented within which to explore these linkages. The existing literature on HRM and performance is reviewed in the light of this analysis to identify key gaps in knowledge and help to focus further the research priorities.

KEYWORDS

human resource management, employee performance, strategic integration.

INTRODUCTION

Human resource management is a function in organizations designed to maximize employee performance in service of their employer's strategic objectives. HR is primarily concerned with how people are managed within organizations, focusing on policies and systems. HR departments and units in organizations are typically responsible for a number of activities, including employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). HR is also concerned with industrial relations, that is, the balancing of organizational practices with regulations arising from collective bargaining and governmental laws.

REVIEW OF LITERATURE

A review of the literature is an essential part of my academic research project. The review is a careful examination of a body of literature point towards the answer to my research question.

Literature reviewed typically includes scholarly journals, scholarly books, authoritative databases and primary sources. Sometimes it includes newspapers, magazines, other books, films, and audio and video tapes, and other secondary sources.

- Primary sources are the origin of information under study, fundamental documents relating to a particular subject or idea. Often they are first hand accounts written by a witness or researcher at the time of an event or discovery. These may be accessible as physical publications, as publications in electronic databases, or on the Internet.
- Secondary sources are documents or recordings that relate to or discuss information originally presented elsewhere. These, too, may be accessible as physical objects or electronically in databases or on the Internet.

It is described that why human resource management (HRM) decisions are likely to have an important and unique influence on organizational performance. I hope that this research forum will help advance research on the link between HRM and organizational performance. I identified key unresolved questions in need of future study and make several suggestions intended to help others studying these questions build a more cumulative body of knowledge that will have key implications for both theory and practice. This review takes an evolutionary and chronological perspective on the development of human resource management literature. During this time the field took shape, developed rich conceptual foundations, and matured into a domain that has substantial influence on research activities in HR and related management disciplines. I traced how the field has evolved to its current state, articulate many of the major findings and contributions, and discussed how I believe it will evolve in the future. This approach contributes to the field of HRM by synthesizing work in this domain and by highlighting areas of research focus that have received perhaps enough attention, as well as areas of research focus that, while promising, have remained largely unexamined.

IMPORTANCE OF THE STUDY

The purpose of research is to inform action. Thus, our study should seek to contextualize its findings within the larger body of research. Research must always be high quality in order to produce knowledge that is applicable outside of the research setting with implications that go beyond the group that has participated in the research. Furthermore, the results of our study should have implications for policy and project implementation.

Well-conducted research is vital to the success of global health endeavors. Not only does research form the foundation of program development and policies all over the world, but it can also be translated into effective global health programs. Research draws its power from the fact that it is empirical: rather than merely theorizing about what *might* be effective or what *could* work, researchers go out into the field and design studies that give policymakers hard data on which they can base their decisions. Furthermore, good research produces results that are examinable by peers, methodologies that can be replicated, and knowledge that can be applied to real-world situations. Researchers work as a team to enhance our knowledge of how to best address the world's problems.

RESEARCH METHODOLOGY

The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

SOURCES OF DATA

PRIMARY DATA-The primary data are those data which are collected a fresh and for the first time.

SECONDARY DATA- are those data which have already been collected from someone else and which have already been passed through statistical process.

In this project, secondary data is used which have been collected from following sources-

- Books

- Internet
- Others

FUNCTIONS OF HRM

Managerial Functions	Operative Functions
Planning	Employment
Organizing	Human Resources Development
Directing	Compensation
Controlling	Human Relations
	Industrial Relations

1. MANAGERIAL FUNCTIONS: Managerial functions of personnel management involve planning, organizing, directing and controlling.

PLANNING: It is pre-determined course of action. Planning pertains to formulating strategies of personnel programmes and changes in advance that will contribute to the organizational goals. It involves planning of human resources, requirements, recruitment, selection, training etc. It also involves forecasting of personnel needs, changing values, attitudes and behavior of employees and their impact on the organization.

ORGANISING: An organization is a means to an end. It is essential to carry out the determined course of action. An organization is a structure and a process by which a co-operative group of human beings allocates its task among its members, identifies relationships and integrates its activities towards a common objective. Complex relationships exist between the specialized departments and the general departments as many top managers are seeking the advice of the personnel manager. Thus an organization establishes relationships among the employees so that they can collectively contribute to the attainment of company goals.

DIRECTING: The next logical function after completing planning and organizing is the execution of the plan. The basic function of personnel management at any level is motivating, commanding, leading and activating people. The willing and effective co-operation of employees for the attainment of organizational goals is possible through proper direction. Tapping the maximum potentialities of the people is possible through motivation and command. Co-ordination deals with the task of blending efforts in order to ensure successful attainment of an objective.

CONTROLLING: After planning, organizing and directing various activities of personnel management, the performance is to be verified in order to know that the personnel functions are performed in conformity with the plans and directions of an organization. Controlling also involves checking, verifying and comparing of the actual with the plans, identification of deviations if any and standards through controls. Auditing training programmes, analyzing labour turnover records, directing morale surveys, conducting separate interviews are some of the means of controlling the personnel management function and making it effective.

2. OPERATIVE FUNCTIONS: The operative functions of human resources management are related to specific activities of personnel management viz, employment, development, compensation and relations. All these functions are interacted with managerial functions.

EMPLOYMENT: It is the first operative function of Human Resource Management. Employment is concerned with securing and employing the people possessing the required kind and level of human resources necessary to achieve the organizational objectives. It covers functions such as job analysis, human resource planning, recruitment, selection, placement, induction and internal mobility.

HUMAN RESOURCE DEVELOPMENT: It is a process of improving, molding and changing the skills, knowledge, creative ability, aptitude, values, commitment etc., based on present and future job and organizational requirements. It includes Performance Appraisal, Training, Management Development, Career Planning and Development, Internal Mobility, Transfer, Promotion, Demotion, Change and Organizational Development.

COMPENSATION: It is a process of providing adequate, equitable and fair remuneration to the employees. It includes job evaluation, wage administration and salary administration, incentives, bonus, fringe benefits, social security measures etc.

HUMAN RELATIONS: Practicing various human resources policies and programmes like employment, development and compensation and interaction among employees create a sense of relationship between the individual worker and management, among workers and trade unions and the management. It is a process of interaction among human beings. Human relations are an rear of management in integrating people into work situations in a way that motivates them to work together productively co-operatively and with economic, psychological and social satisfaction. It includes:

- Understanding and applying tality, learning, intra and inter personnel relations, intra and inter group relations.
- Motivating the employees
- Boosting employee morale
- Developing the communication skills
- Developing the communications skills
- Redressing employee grievances properly and in time by means of a well-formulated grievance procedure.
- Handling disciplinary cases by means of an established disciplinary procedure.
- Counseling the employees in solving their personal, family and work problems and releasing their stress, Strain and tensions.
- Improving quality of work life of employees through participation and other means.

INDUSTRIAL RELATIONS-Industrial relations refer to the study of relations among employees, employer, government and trade unions. Industrial relations include:

- Indian lab our market
- Trade unionism
- Collective bargaining
- Industrial conflicts
- Worker's participation in management and
- Quality circles

THE CHALLENGES OF HRM IN ORGANISATIONAL CONTEXT

A goal seeking organizations especially one that seeks improvement over the current situation is a challenge, taking organization. When many such goals are pursued tremendous internal pressures some of them conflicting, tend to be generated. Unless the organization develops mechanisms for coping with these self-generated pressures, it may face major failure and suffer disastrous retreats from its goal.

Human Resource function cannot be performed in a vacuum. There are many challenges that it has to face to survive. All these challenges are discussed below. -

1. TECHNOLOGICAL FACTORS: Just as necessity is the mother of invention competition and a host of other reasons are responsible for the rapid technological changes and innovations. As a consequence of these changes, technical personnel, skilled workers, computer operators and machine operators are increasingly required while the demand for other categories of employers has declined. Hence procurement of skilled employees and their increase in numbers to match the changing job requirements has become a complicated task.

2. HUMAN RESOURCE IN COUNTRY: The structure, values and the level of education of human resource in a country influence much of the Human Resource function. The influence of manpower in the country can be studies through the changes in structure of employment.

a. Change in the Structure of Employment: The structure of employment in an organization changes with the entrance of workforce with different backgrounds (Social economic, region, community, sex, religion, traditions culture etc). There has been a significant change in the structure of employment with the entry of 1) candidates belonging to the schedule castes, schedules tribes and backward communities. 2) More female employees, due to increased career orientation among women to the suitability of women for certain jobs and to women becoming more acclimatized to the working climate and higher level of commitment.

3) The workforce consists of different regions but due to increased transportation facilities and mobile character of people. These changes in workforce are a challenge and a complicated task of HR function. It has to deal with employees with different backgrounds.

3. **CHANGES IN EMPLOYEE ROLES AND THEIR VALUES:** Earlier the management could totally control its employees and get the desired output. Today the employees have to be considered as a partner in the organization. Changing structure of workforce has led to the introduction of new values in organization. Among these are moves

i) Emphasis on quality of life rather than quantity

ii) Equality and justice for employees over economic efficiency

iii) Participation over authority.

iv) Workers now prefer flexible working hours to fixed time schedule.

v) Level of education in recent years is comparatively very higher. Increased formal education has led to the change of attitude of the employees.

4. **CHANGING DEMANDS OF EMPLOYER:** changes always are not on the side of employees. Organizations also undergo changes and consequently their demands on employees will also change. The information technological revolution and neck to neck marketing competition of most of the organizations due to globalization demand that the existing employees adopt to the ever-changing work situation and learn new skills, knowledge etc to cope with the new changes.

5. **GOVERNMENT AND LEGAL FACTORS:** Until 1940 the government was not involved or interested regarding the problems of labor or industry. But the need for Govt., interference arose out of the belief that Government is the custodian of industrial and economic activities. The role of the government in business has after 1991 with the announcement of economic liberalization. However awareness of legislations is very important like the Factory Act, 1948, Trade Union act 1962, Payment of wages Act 1936, The Minimum Wages Act 1923, The Payment of Bonus Act 1965, The Employment Exchange Act, Standing Order Act 1946, Maternity Benefit Act 1961, and The Apprentice Act 1961. All these acts if not complied with can get the organization into deep trouble.

6. **CUSTOMERS:** Organizations produce products or render services for the ultimate consumption use by the customer. In other words organizations depend upon customers for their survival and growth. Customers revolt against employees, if the services rendered are less qualitative. The banks face such type of challenges. Customers may develop a negative attitude towards the organization, if it does not follow the social policies of the country. Hence the customers pose a challenge special ally in service industry.

7. **SOCIAL FACTORS:** Social environment consists of class structure, mobility social roles social values nature and development of social institutions caste structure and occupational structure, traditions, religion culture etc. To cater to everyone's requirement and keep them happy is a big challenge faced by HR today.

IMPORTANCE OF HUMAN RESOURCE MANAGEMENT IN MODERN ERA

An organisation cannot build a good team of working professionals without good Human Resources. The key functions of the Human Resources Management (HRM) team include recruiting people, training them, performance appraisals, motivating employees as well as workplace communication, workplace safety, and much more. The beneficial effects of these functions are discussed here:

RECRUITMENT AND TRAINING

This is one of the major responsibilities of the human resource team. The HR managers come up with plans and strategies for hiring the right kind of people. They design the criteria which is best suited for a specific job description. Their other tasks related to recruitment include formulating the obligations of an employee and the scope of tasks assigned to him or her. Based on these two factors, the contract of an employee with the company is prepared. When needed, they also provide training to the employees according to the requirements of the organisation. Thus, the staff members get the opportunity to sharpen their existing skills or develop specialised skills which in turn, will help them to take up some new roles

PERFORMANCE APPRAISAL

HRM encourages the people working in an organisation, to work according to their potential and gives them suggestions that can help them to bring about improvement in it. The team communicates with the staff individually from time to time and provides all the necessary information regarding their performances and also defines their respective roles. This is beneficial as it enables them to form an outline of their anticipated goals in much clearer terms and thereby, helps them execute the goals with best possible efforts. Performance appraisals, when taken on a regular basis, motivate the employees.

MAINTAINING WORK ATMOSPHERE

This is a vital aspect of HRM because the performance of an individual in an organisation is largely driven by the work atmosphere or work culture that prevails at the workplace. A good working condition is one of the benefits that the employees can expect from an efficient human resource team. A safe, clean and healthy environment can bring out the best in an employee. A friendly atmosphere gives the staff members job satisfaction as well.

MANAGING DISPUTES

In an organisation, there are several issues on which disputes may arise between the employees and the employers. You can say conflicts are almost inevitable. In such a scenario, it is the human resource department which acts as a consultant and mediator to sort out those issues in an effective manner. They first hear the grievances of the employees. Then they come up with suitable solutions to sort them out. In other words, they take timely action and prevent things from going out of hands.

DEVELOPING PUBLIC RELATIONS

The responsibility of establishing good public relations lies with the HRM to a great extent. They organize business meetings, seminars and **various official gatherings on behalf of the company in order to build up relationships with other business sectors. Sometimes, the HR department plays an active role in preparing the business and marketing plans for the organization too.**

Any organization, without a proper setup for HRM is bound to suffer from serious problems while managing its regular activities. For this reason, today, companies must put a lot of effort and energy into setting up a strong and effective HRM.

THE CHANGING FIELD OF HUMAN RESOURCE MANAGEMENT

In recent years, several business trends have had a significant impact on the broad field of HRM. Chief among them was new technologies. These new technologies, particularly in the areas of electronic communication and information dissemination and retrieval, have dramatically altered the business landscape. Satellite communications, computers and networking systems, fax machines, and other devices have all facilitated change in the ways in which businesses interact with each other and their workers. Telecommuting, for instance, has become a very popular option for many workers, and HRM professionals have had to develop new guidelines for this emerging subset of employees.

Changes in organizational structure have also influenced the changing face of human resource management. Continued erosion in manufacturing industries in the United States and other nations, coupled with the rise in service industries in those countries, have changed the workplace, as has the decline in union representation in many industries (these two trends, in fact, are commonly viewed as interrelated). In addition, organizational philosophies have undergone change. Many companies have scrapped or adjusted their traditional, hierarchical organizational structures in favor of flatter management structures. HRM experts note that this shift in responsibility brought with it a need to reassess job descriptions, appraisal systems, and other elements of personnel management. A third change factor has been accelerating market globalization. This phenomenon has served to increase competition for both customers and jobs. The latter development enabled some businesses to demand higher performances from their employees while holding the line on compensation. Other factors that have changed the nature of HRM in recent years include new management and operational theories like Total Quality Management (TQM), rapidly changing demographics, and changes in health insurance and federal and state employment legislation.

Small business consultants strongly urge even the most modest of business enterprises to implement and document policies regarding human resource issues. "Few small enterprises can afford even a fledgling personnel department during the first few years of business operation," acknowledged Burstiner.

"Nevertheless, a large mass of personnel forms and data generally accumulates rather rapidly from the very beginning. To hold problems to a minimum, specific

personnel policies should be established as early as possible. These become useful guides in all areas: recruitment and selection, compensation plan and employee benefits, training, promotions and terminations, and the like." Depending on the nature of the business enterprise (and the owner's own comfort zone), the owner can even involve his employees in this endeavor. In any case, a carefully considered employee handbook or personnel manual can be an invaluable tool in ensuring that the small business owner and his or her employees are on the same page. Moreover, a written record can lend a small business some protection in the event that its management or operating procedures are questioned in the legal arena.

Some small business owners also need to consider training and other development needs in managing their enterprise's employees. The need for such educational supplements can range dramatically. A bakery owner, for instance, may not need to devote much of his resources to employee training, but a firm that provides electrical wiring services to commercial clients may need to implement a system of continuing education for its workers in order to remain viable. Finally, the small business owner needs to establish and maintain a productive working atmosphere for his or her work force. Employees are far more likely to be productive assets to your company if they feel that they are treated fairly. The small business owner who clearly communicates personal expectations and company goals, provides adequate compensation, offers meaningful opportunities for career advancement, anticipates work force training and developmental needs, and provides meaningful feedback to his or her employees is far more likely to be successful than the owner who is neglectful in any of these areas.

MILESTONES IN THE DEVELOPMENT OF HUMAN RESOURCE MANAGEMENT

1890-1910	Frederick Taylor develops his ideas on scientific management. Taylor advocates scientific selection of workers based on qualifications and also argues for incentive-based compensation systems to motivate employees.
-1910-1930	Many companies establish departments devoted to maintaining the welfare of workers. The discipline of industrial psychology begins to develop. Industrial psychology, along with the advent of World War I, leads to advancements in employment testing and selection.
1930-1945	The interpretation of the Hawthorne Studies' begins to have an impact on management thought and practice. Greater emphasis is placed on the social and informal aspects of the workplace affecting worker productivity. Increasing the job satisfaction of workers is cited as a means to increase their productivity.
1945-1965	In the U.S., a tremendous surge in union membership between 1935 and 1950 leads to a greater emphasis on collective bargaining and labor relations within personnel management. Compensation and benefits administration also increase in importance as unions negotiate paid vacations, paid holidays, and insurance coverage.
1965-1985	The Civil Rights movement in the U.S. reaches its apex with passage of the Civil Rights Act of 1964. The personnel function is dramatically affected by Title VII of the CRA, which prohibits discrimination on the basis of race, color, sex, religion, and national origin. In the years following the passage of the CRA, equal employment opportunity and affirmative action become key human resource management responsibilities.
1985-present	Three trends dramatically impact HRM. The first is the increasing diversity of the labor force, in terms of age, gender, race, and ethnicity. HRM concerns evolve from EEO and affirmative action to "managing diversity." A second trend is the globalization of business and the accompanying technological revolution. These factors have led to dramatic changes in transportation, communication, and labor markets. The third trend, which is related to the first two, is the focus on HRM as a "strategic" function. HRM concerns and concepts must be integrated into the overall strategic planning of the firm in order to cope with rapid change, intense competition, and pressure for increased efficiency.

FINDINGS

Several major software companies provide HRMS packages. SAP, PeopleSoft, Oracle, and ADP are the largest. Depending on the company's needs and size, package options may include some or all of the following services:

- Employee career cycle management
- 24/7 data access to authorized managers
- Customized levels of access to confidential data
- Pre-populated forms and templates
- Access to real-time data—with instantaneous updates
- Employee administration
- Benefits administration
- Compliance
- Recruitment
- Performance and development
- Safety and health
- Succession planning
- Time-off management
- Organization management
- Payroll
- Training
- 401(k) plan administration

The opportunities to add more services are endless and continue to improve.

For most companies, the hardware and software needed to run these programs are fairly standard. Hardware and software is dependent on the complexity of the HRMS package; more complex HRMS packages require more hardware (e.g., server space and speed).

Another benefit of HRMS includes allowing HR to transition from an administrative department to a strategic management department. The strategic value aspect of the HRMS investment focuses on managing human capital by supporting functions such as recruitment, performance/competency management, employee development, and employee customer service. By executing well in these areas, companies can reduce employee turnover, reduce hiring costs, and improve individual performance.

Another HRMS trend is the use of online surveys. This allows companies to get fast information on their employees, policies, procedures, competition, and anything else they decide to survey. This also gives employees a sense of belonging and contributing to their company. Online employee surveys usually have an 80 percent return ratio, which is much higher than paper surveys.

Employees are becoming more self sufficient in the workplace because of HRMS and the growth of technology. They are able to answer questions, download forms, enroll in benefits, change payroll options, and complete training on their own. This saves both time and money. An employee does not have to make several phone calls in order to speak with the one person who knows the answer to their questions. Answers are readily available, usually on the company intranet. This also frees up HR to focus on more profitable activities for the company, such as recruiting and employee development.

Another growing trend includes improved methods for monitoring and managing employees' use of the Internet. This helps management to improve productivity, reduce legal liabilities, and control IT costs. Companies are blocking e-mail that may be offensive in order to reduce legal liabilities. They also are blocking Web sites that are inappropriate for workplace viewing. This has improved productivity by reducing non productive activities.

HRMS providers have products for companies of all sizes. These providers profit by maximizing the services they offer. Therefore, they are going to target large companies that need more support. However, providers are still interested in small companies, and those that will need more support as they grow.

CONCLUSION

The practice of HRM must be viewed through the prism of overall strategic goals for the organization instead of a standalone tint that takes a unit based or a micro approach. The idea here is to adopt a holistic perspective towards HRM that ensures that there are no piecemeal strategies and the HRM policy enmeshes itself fully with those of the organizational goals. For instance, if the training needs of the employees are simply met with perfunctory trainings on omnibus topics, the firm stands to lose not only from the time that the employees spend in training but also a loss of direction. Hence, the organization that takes its HRM policies seriously will ensure that training is based on focused and topical methods.

In conclusion, the practice of HRM needs to be integrated with the overall strategy to ensure effective use of people and provide better returns to the organizations in terms of ROI (Return on Investment) for every rupee or dollar spent on them. Unless the HRM practice is designed in this way, the firms stand to lose from not utilizing people fully. And this does not bode well for the success of the organization.

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ROLE OF MICROFINANCE IN ECONOMIC EMPOWERMENT OF WOMEN

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ABSTRACT

Women empowerment aims enabling women to understand their identity, potentiality and power in all spheres of their lives. It has mainly five dimensions viz, economic, political, social/cultural, personal and familial. Each dimension is very important because the real empowerment of women is possible only when a woman has increased access to economic resources, more strength and courage for entering into the power structure, more involvement through social/cultural relationships and participation, more self-motivation and confidence, and more say in the family matters. And this can be attained through many ways. Some of them are empowerment through education, providing employment, organizations for women, science and technology, entrepreneurship and skill development, micro finance institutions, agriculture and giving awareness about their rights. This study attempts to understand the impact of microfinance on economic empowerment of women. The study was conducted on a sample of 220 women beneficiaries of microfinance services of a leading MFI's operating in Kerala state. The sample was selected by convenience sampling. The results of the study show that microfinance programs have created a positive impact to its beneficiaries. It was found that microfinance has empowered women economically.

KEYWORDS

Microfinance, Women Empowerment, Economic Empowerment.

INTRODUCTION

Women empowerment can be explained as women's capability to transform both economic and social development and help them to participate fully in taking decisions that affect their lives through various activities like leadership training, consulting and getting coaching on various matters. It also acts as an enabling tool for women that help them to lead their communities, regions and countries.

When we analyze deep into women's empowerment, we can identify mainly four kinds of power such as social, economic, psychological and political power. Economic power generally deals with their access to adequate income, ownership of assets, availability of food, markets and their ability to act as a decision-making power in various financial activities. Social power mainly consist the individual's ability to access financial resources, participation in social organizations, skills, knowledge and various information. Political power indicates the ability of an individual to take decisions on their political policies particularly that may have an effect on their future. Psychological power means an individual's ability to possess self confident behavior and self esteem.

Microfinance is considered an important tool for women empowerment and it can help women to meet their basic financial needs, better manage risks, and contribute to sustainable social and economic development. Microfinance is defined as financial tool which consist of small loans, savings accounts and insurance policies. Microfinance also provides a large number of various financial services such as deposits, money transfers, various payment services, loans, insurance facility to low-income households and insurance facility for their microenterprises. It has been evolved as an economic approach for development which is mainly planned to benefit the low-income households. Various financial services offered by microfinance institutions generally comprise of savings and credit related services. Some of the microfinance institutions also offer insurance and payment related services to its customers. This paper looks into the role of microfinance in economic empowerment of women.

REVIEW OF LITERATURE

Prabhakara (2012), studied the role of Micro finance in bringing about women empowerment. The researcher has analyzed how the micro finance which was made available through SHGs empowered its members. The data was collected from 64 SHG members who were under guidance of an NGO, Sree Kshethra Dharmasthala Rural development project in Dakshina Kannada district, Karnataka. Pearson's Correlation was used as statistical tool for analyzing the data. Researcher points out that Micro finance leads Self Help Groups to be a substantial tool for development of the weaker sections of the society. The study shows that there is a remarkable improvement since joining SHG. Status and recognition of women in the society has improved after joining the SHG.

Sulaiman et.al., (2012), studied the role and effectiveness of microfinance in empowering women. The research also examines the various hurdles faced by women in accessing various microfinance services. Data used for the study is secondary and it was collected from various reports of NGO's and from annual report of Federal Bureau of Statistics, Pakistan during the period of 1975 to 2009. Johansen co integration and Correlation was used as statistical tools for analyzing the data. The research has found that Microfinance provides opportunities to female by helping them to get participated in economic and trade related activities. This helped in women empowerment to a great extent. They also have found the relation between education and share in total assets with women empowerment. They found that women with better education and better job will have an higher living standard, rich nutrition and economic prosperity in their family. It suggests that Government should frame a policy which should motivate NGO's to start microfinance programmes and also funds should be provided for microfinance programmes, especially to the poor and business oriented women.

Nessa et.al., (2012), have conducted a comparative study on empowerment of women who participates in microfinance programs and who does not participate in microfinance programs. The data was collected from 600 samples selected from eight districts of Rajshahi division, Bangladesh and tool used for analysis of data was regression. Study reveals that participation of women in microcredit programs is positively related and is significant to their level of empowerment. Loan size, duration of involvement with MFI as well as involvement in income generating activities is important and significant determinants of women empowerment. And women those involve in income generating activities are informally trained to make their own decision compared to those did not involve in income generating activities. So involvement in income generating activities leads to higher level of empowerment. Thus the study points out that empowerment of women can be significantly improved by encouraging them to participate in microcredit programs.

Joshi (2010), analyzed the role of microfinance institutions in women empowerment through Micro-Enterprise activities. The research also studies the role of micro-enterprise in stimulating social capital and mobilizing the neighborhood resident's to work together and how it has improved economic condition of low-income individuals. Both Primary and Secondary data was used for the study. Primary data was collected from various SHG's members in Udupi district, Karnataka. The secondary data was collected from MFI's. Percentage analysis and Chi-Square Tests was used to analyze the data. The results from the study shows that Middle aged people are availing more micro-financial services as compared to younger counterparts. NGO's have major share in micro-finance business as compared to banks and other co-operative societies because they have higher penetration among the rural people than any other micro-finance services providers. Profitability of a business funded by NGO's and Co-operatives is more as compared to the Bank funding and other sources. NGO's and Co-operative societies provides training, technical assistance, better information etc to the borrowers. But the study has pointed out that considerable numbers of women are still dependent on other lenders for finance and they are depending on male for managing the money and the business.

OBJECTIVE OF THE STUDY

➤ To analyze the role of microfinance in economic empowerment of women.

HYPOTHESIS

H0: There is no significant improvement in economic empowerment of women on participation of microfinance programs.

H1: There is a significant improvement in economic empowerment of women on participation of microfinance programs.

DATA COLLECTION

It is a descriptive study based on primary and secondary data.

Primary data required for the study is collected through structured questionnaires which are distributed to women beneficiaries who have taken Microfinance services from various microfinance institutions in Malappuram district, Kerala. Data was collected from 220 microfinance beneficiaries. Convenient sampling method is followed.

Secondary data was collected from the reports, articles, journals, documents, printed literatures, certain web sites and other online data bases etc.

To analyze the data the following statistical tools were used.

- Binomial Test
- One Sample T-Test

DATA ANALYSIS

A comprehensive summary of primary data is analyzed to study the economic empowerment of women. The quantitative analysis is presented below:

TABLE NO. 1

	Indicators of Economic Empowerment	Mean	Std.Dev
1.	Income level	4.57	.740
2.	Savings	4.53	.761
3.	Standard of living	4.51	.785
4.	Ability to access credit	4.44	.788
5.	Awareness of banking products and other financial schemes of government	4.43	.827
6.	Undertake banking transactions independently	4.42	.859
7.	Change in assets (gold, electronic items, land etc.)	4.41	.853

From Table No. 1 we are able to understand the variances among different variables of economic empowerment according to the responses of microfinance women beneficiaries. When we go through each variable we can understand that most of the women have agreed that their income level has increased after joining in microfinance programs. The second most important variable is the savings. Majority of the respondents have agreed that there is an increase in savings after joining in microfinance programs. The third important variable is standard of living. Most of the women have pointed out that after joining in microfinance programs their standard of living has improved a lot. Fourth important variable is their ability to access credit. They have told that after joining microfinance programs their ability to access credit or loans from banks or other financial institutions have improved a lot. The fifth important variable is that their awareness of banking products and other financial schemes of government. They have told that after joining microfinance programs their awareness about various banking products and other financial schemes of government has increased to a great extent. The sixth important variable is their ability to undertake banking transactions independently. Most of the respondents have agreed that after taking part in various microfinance programs, they are now able to undertake various banking activities independently. The last important variable according to the responses under economic empowerment is change in assets. Here also we can see that majority of women beneficiaries of microfinance programs has agreed that after joining microfinance programs there is a significant change in their assets.

TABLE NO. 2

Binomial Test

	Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)	
Income level	Group 1	<= 3	11	.05	.50	.000 ^a
	Group 2	> 3	209	.95		
	Total		220	1.00		
Savings	Group 1	<= 3	14	.06	.50	.000 ^a
	Group 2	> 3	206	.94		
	Total		220	1.00		
Standard of living	Group 1	<= 3	10	.05	.50	.000 ^a
	Group 2	> 3	210	.95		
	Total		220	1.00		
Banking products and other financial schemes of government	Group 1	<= 3	15	.07	.50	.000 ^a
	Group 2	> 3	205	.93		
	Total		220	1.00		
Access credit	Group 1	<= 3	15	.07	.50	.000 ^a
	Group 2	> 3	205	.93		
	Total		220	1.00		
Undertake banking transactions independently	Group 1	<= 3	22	.10	.50	.000 ^a
	Group 2	> 3	198	.90		
	Total		220	1.00		
Change in assets (gold, electronic items, land etc.)	Group 1	<= 3	20	.09	.50	.000 ^a
	Group 2	> 3	200	.91		
	Total		220	1.00		

While analyzing the binomial test results from Table No. 2, we are able to see that most of the respondents have agreed that microfinance had made a significant impact in their life by enabling them economically empowered. When we analyze each variable, we can see that the observed proportion for group 2 (>3 - it means the responses of respondents who have chosen the option "agree or highly agree" for each variable) is more than 0.90. It means that majority of respondents have agreed that microfinance has created a positive impact on women by enabling them economically empowered. When we consider change in income level and their standard of living, majority of respondents (95%) has agreed that their income level and standard of living has increased by taking part in microfinance programs. 84% of respondents have agreed that their total savings has increased after joining in microfinance programs. 93% of respondents has agreed that their awareness of various banking products or other financial schemes of government and their ability to access credit has increased after joining in microfinance programs. 90% of respondents has agreed that after joining in microfinance programs they are able to undertake banking transactions independently. When we consider change in assets after joining microfinance programs, 91% of respondents have agreed that there is significant change in their assets after joining in microfinance programs.

Since (p-value = 0.000 < 0.05) for all the variables, it is evident that microfinance programs have improved economic empowerment of women. So at the level $\alpha = 0.05$ of significance, we can interpret that women participation in various microfinance programs will lead them to become economically empowered.

TABLE NO. 3

One-Sample Test

	Test Value = 3		
	t	df	Sig. (2-tailed)
Income level	31.425	219	.000
Savings	29.767	219	.000
Standard of living	28.599	219	.000
Banking products and other financial schemes of government	25.594	219	.000
Access credit	27.024	219	.000
Undertake banking transactions independently	24.559	219	.000
Change in assets (gold, electronic items, land etc.)	24.580	219	.000

One sample T-Test was conducted to check whether there is a significant improvement in economic empowerment of women on participation of microfinance programs. From Table No. 3, we can see that the p-value for all the variables is 0.000 which is less than 0.05 i.e. (p-value = 0.000 < 0.05). So we will accept the

alternate hypothesis. i.e. There is a significant improvement in economic empowerment of women on participation of microfinance programs. So at the level $\alpha = 0.05$ of significance, there is enough evidence to conclude that participation in various microfinance programs will improve economic empowerment of women.

CONCLUSIONS

The study reveals that women become economically empowered after participating in microfinance programs. In analysis it was found that the mean value for each variable is more than 4. It indicates that most of respondents have strongly agreed that microfinance have led them to become economically empowered. The binomial test results also indicate that microfinance programs have improved economic empowerment of women. One sample T-Test was also conducted to check whether there is a significant improvement in economic empowerment of women on participation of microfinance programs. Results from One Sample T-Test also indicate that there is a significant improvement in economic empowerment of women on participation of microfinance programs. We can see that microfinance programs have created a positive impact on economic empowerment of women. Most of the women stated that their income level and savings have been increased after joining microfinance programs. It also helped them to improve their standard of living. Their general awareness regarding banking products and financial schemes of government has increased. Thus we can conclude that Microfinance is an important tool for economic empowerment of women.

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ANALYSIS OF INTER-LINKAGES BETWEEN OFFSHORE NDF RUPEE MARKET AND ONSHORE RUPEE MARKETS: A REVIEW OF LITERATURE

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ABSTRACT

Non-Deliverable Forwards or NDFs are over-the-counter (OTC) derivative instruments for trading in non-convertible currencies such as the rupee, Malaysian ringgit, Philippines peso and the Korean won. An NDF market for a particular currency generally grows when the onshore forward market is either underdeveloped or its access for market participants is restricted, like it happened for Indian rupee. Trading in the offshore NDF rupee market influences the onshore spot and domestic forward markets. It has become very important to study the influence of the NDF rupee market on domestic rupee markets because the size of NDF rupee market has grown substantially and it is suspected that speculation in overseas markets is actually influencing domestic rates. Thus, monitoring the level of activity in NDF markets by monetary regulators in India has become inevitable. This paper presents an analysis of inter-linkages between offshore NDF rupee market and onshore rupee markets.

JEL CLASSIFICATION

F31, G15, G18

KEYWORDS

Hedging, mean spillovers, non-deliverable forwards, NDFs and volatility spillovers.

INTRODUCTION

Non-deliverable forwards (NDFs) are contracts for the difference between an agreed exchange rate known as NDF rate or contract rate and the actual spot rate at maturity. The spot rate at maturity is taken as the officially announced domestic rate or a market-determined rate. The contract is settled with a single payment in the settlement currency. NDFs principally trade in the offshore centers i.e. outside the borders of the currency's home jurisdiction. This enables investors to avoid restrictions on trading in the onshore centers i.e. home market and does not require them to deliver the home currency offshore.

The single most important factor driving financial markets is information. Information flows between onshore spot and forward markets; and offshore markets can affect price movements in these markets. Various attempts have been made in the last decade to examine the causal links between spot, forward and NDF markets. The nature of the NDF market in terms of its size, depth and other aspects have changed a lot over these years and so were the results of the various studies done to explore the interlinkages between offshore and onshore markets. There have been various studies undertaken by the RBI as well to explore these interlinkages after it realized the importance of the influence exercised by the highly volatile NDF rupee market on the onshore markets. This paper presents a literature review of the various studies done on this issue to explain these interlinkages and also examines the changing nature of the influence of offshore and onshore segments on each other.

A basic concept of finance is that an asset trading in two different markets should sell at the same price at each point in time. However this happens only in perfect markets, where currency forward and spot prices simultaneously reflects the same aggregate information and price discrepancies are instantly arbitrated away. In various economies, various market hostilities and investment restrictions affect the relation between the offshore NDF and domestic currency markets.

REVIEW OF LITERATURE

One of the earliest attempts to explore interlinkages between offshore NDF markets and onshore spot markets was made by Park in 2001. He investigated the interrelationship and information flows between the spot and offshore NDF markets for Korean currency. The Korean won NDF market has been the largest, deepest and most liquid NDF market in Asia as well as globally (Ma, Ho, & McCauley, 2004). Korean currency market experienced substantial changes in its exchange rate system towards the end of 1997. When the contagion of the Asian currency crisis finally reached Korea in October 1997, leading to the IMF bailout of the Korean Economy, the Korean government made the transition from managed-float to free-float system of exchange rate determination. The government removed the boundaries on daily movement of the Won-Dollar exchange rate and the bounds on foreign capital movements. Park examined the impact of these reforms in the Korean exchange rate systems on the information flows and interlinkages between the Korean Won-Dollar spot and its offshore NDF markets.

METHODOLOGY

The methods used in his research includes a unit root test for checking the stationarity of the data, a cointegration test for examining the long-term equilibrium relation between the NDF and spot rates, an error correction model for testing causality and ARCH and GARCH models for explaining time varying volatility in time series data.

Data & Sample Period: He took data of daily closing rates of the Won-Dollar NDF and spot from 1 August 1996 to 18 October 1999. He employed One-month forward contracts for NDF data and used the average of closing bid and offered rates. He divided the sample period into two separate periods surrounding the reform: Pre-reform (1 August 1996 to 09 November 1997) and post-reform (20 January 1998 to 18 October 1999). He excluded the period from 10 November 1997 to 19 January 1998 from the sample because the data in this time interval appeared to be extraordinary².

Findings: Park found that there were information flows between the two markets and that the reforms changed the direction of the dynamic relation between two markets.

There was a positive mean return (measured by rate change) in the pre-reform period and a negative mean return in the post-reform period. When he compared the market volatilities, he found that the volatility of spot rate changes was only half of the NDF volatility in the pre-reform period whereas the difference reduced in the post-reform period. There was distortion of the domestic spot rates prior to the reforms, but the regulations and controls served to reduce the volatility. Post-reform, the spot rate volatility increased by a higher percentage than the NDF rate volatility and both the volatilities reached to a similar level.

² During this period the Korean market was under a state of panic. This was because of the withdrawal by the Korean Government of its involvement in the currency market on 10 November 1997. The markets stabilized after an agreement to repay Korean debts was made by foreign creditors on 19 January 1998.

Measures for skewness and excess kurtosis indicated that the currency series are skewed and leptokurtic with respect to the normal distribution. This was confirmed by employing the Jacque-Bera normality test. Using Augmented Dickey-Fuller (ADF) unit root test with a time trend, he found that the level of spot and NDF rates were non-stationary time series and the data with first differences was stationary. He then tested the presence of linear and non-linear dependencies in data by employing Ljung-Box Q statistics for serial correlation of the spot and NDF rate changes and their squared series for 10 lags [L-B Q (10)], which indicated the presence of serial correlation in both the spot and NDF rate changes; and their squared series.

The distribution properties and other characteristics of data implied the presence of autoregressive conditional heteroskedasticity, i.e., volatility clustering, which can be properly specified by the ARCH (Autoregressive Conditional Heteroskedasticity) or GARCH (Generalized Autoregressive Conditional Heteroskedasticity) models.

Using Johansen's Cointegration³ test, he found that the spot and NDF rates are cointegrated and each individual series was not stationary in both pre- and post-reform periods. This **confirmed the existence of a long-term equilibrium relation between the Won-Dollar spot and NDF rates**, even though there were differences in regulations and other institutional factors in both the markets.

"According to Engle and Granger (1987), if two variables are cointegrated, then there exists a vector-autoregressive representation of the first differences of the variables, with each equation augmented by one lag of the cointegrating residuals. In this model specification, changes in one variable can be related to the lagged changes of the other variable and its own past changes." Park then employed the Granger causality test that involved testing for the joint significance of the coefficients of the lagged changes of the other variables. The test results revealed a structural change in the causal relationship between the Won-Dollar spot and NDF markets surrounding the reform. He found a **unidirectional causality from the spot to the NDF market during the pre-reform period and a unidirectional reverse causality in the post-reform period**.

To test the presence of intermarket spillover effects, Park used an augmented GARCH model. He found that **the existence of bidirectional volatility spillover⁴ effect from spot to NDF and vice-versa in pre-reform period; and a unidirectional volatility spillover effect in the post-reform period from the NDF to the spot market, but not in the reverse direction**. He also observed **unidirectional mean spillover⁵ effect from the spot to the NDF market in the pre-reform period and from the NDF to the spot market in the post-reform period**. A bidirectional spillover effect indicates that information revealed in the previous trading day in one market is taken into account in the other market. This test also confirmed the results of Granger's Causality test.

Implications: This study made some extremely valuable contributions. It confirmed the existence of short-term dynamics and a long-term equilibrium relation between the offshore NDF and domestic currency markets. The relationship between these markets strengthened with the increase in the level of financial integration of markets. The existence of unidirectional mean spillover effects in opposite directions in different periods suggested that prior to the reform; the NDF rates were lagging the underlying spot rates, probably because of the government involvement in the currency market influencing the spot rates. Post-reform, the reductions in market imperfections in the domestic market and the increased influence of foreign factors made the offshore NDF market lead the domestic spot market in Korea. Hence, the deregulation of exchange rates had a substantial impact on the interrelation and information flows between the two markets. Park also appreciated the price discovery role of information in price innovations that originate in the offshore forward market and is transmitted to the onshore spot and forward markets after deregulation.

Limitations: Although this study by Park made a significant contribution to the understanding of the interlinkages between offshore NDF and onshore spot markets, it lacked the examination of onshore deliverable forward markets. So we carry forward this literature review with this need of including onshore forward markets in our scope and emphasizing on the Indian context.

Using the similar methodology, there was another study done in 2006 by Misra and Behera, to explore the interlinkages among the spot, forward and NDF markets for Indian rupee. At that time, the INR NDF was largely concentrated in Singapore and Hong Kong, with small volumes traded in the Middle East (Dubai and Bahrain) as well. Currently, London & Singapore have become the largest markets for INR NDFs (Misra & Behera, 2006) (Goyal, Jain, & Tewari, 2013). Over the number of years, there has been a phenomenal increase in the trading volume of INR NDF. "As per an estimate by HSBC for mid-2003, the daily volume for INR NDF was about US \$ 100 million" (Misra & Behera, 2006). According to another study conducted by the Bank for International Settlements (BIS), the daily turnover in the offshore rupee NDF market was US \$10.8 billion in 2010.

GROWTH IN INR NDF MARKET TURNOVER

	Average Daily NDF Turnover in London (\$ millions)
April 2008	1,481
April 2009	1,312
April 2010	3,212
April 2011	4950
April 2012	5,159

Source: FXJSC Semi-Annual FX Turnover Survey

Thus, from the above table, we can see an increase of almost 250 percent in the NDF trading volume in the Indian rupee between April 2008 and April 2012, from \$1.5 billion to \$5.2 billion. "The use of NDFs is part of a larger structural change in growth, which is becoming more focused on emerging markets. As more emerging markets open up to foreign investment it is inevitable that there will be greater demand for emerging markets currency hedging" (Best practice in foreign exchange markets 2008)

INTERLINKAGES BETWEEN ONSHORE (SPOT AND FORWARD) AND OFFSHORE (NDF) MARKET FOR INDIAN RUPEE

Using the daily exchange rate data for the period November 2004 to February 2007 and employing a similar methodology, Misra & Behera, 2006 examined the causal link between the spot, forward and NDF market for Indian rupee.

The results of Granger's Causality test employed by them revealed the presence of **two-way causation between percentage change in spot and forward rupee-dollar rates; and a strong unidirectional causality from percentage change in spot to NDF rates and forwards to NDF rates. The causality from NDF to spot and forward markets remained statistically insignificant**. This reflects the fact that NDF market follows the spot markets in the sense that the prices in the NDF market are determined primarily on the basis of the RBI reference rate. **These results are contrary to the results obtained by Park, 2001 in regard to the Korean currency**. This is because India had very strict exchange rate controls then, and also strictly regulates the participation of domestic market players in offshore NDF rupee market. This also implied that the NDF markets were unable to predict the future level of the spot exchange rate. They also found that NDF rate volatilities were consistently higher than the onshore rate volatilities, because of government regulation in onshore markets. They further examined if the higher volatility in the NDF market had any spillover effects on volatility in the onshore markets. **The results of augmented GARCH model applied on sample data revealed that the mean spillover effect from both spot and forward to NDF market was statistically significant. The mean spillover effect from NDF to spot and forward was observed to be statistically insignificant**. This reflects that the information flows from spot and forward markets determine the returns in the NDF market. As regard to the **volatility spillover effects, they found bidirectional spillovers in spot and NDF markets**. However, the strength of volatility spillover from spot to NDF was relatively higher. They also observed a unidirectional volatility spillover effect from NDF markets to onshore forward markets.

³ A group of non-stationary time series is said to be cointegrated if a linear combination of them is stationary, i.e., the combination does not have a stochastic trend. The linear combination is called the cointegrating equation. A normal interpretation of cointegration is the existence of a long-term equilibrium relationship. On the other hand, lack of cointegration suggests that the series can wander arbitrarily far away from each other. (Park, 2001)

⁴ Volatility Spillover Effect or contagion refers to the spread of market disturbances from one country/market to another; characterizes the structure of interrelationships across markets and shows how the conditional variance of one market is affected by the past conditional variance and the past shock of the other market (the variance of 1 at time t-1 affects the variance of 2 at time t) (Dornbusch, Park, & Claessens, 2000)

⁵ Mean Spillover Effect suggest that two markets are somehow interdependent in terms of mean returns.

The activity in the NDF market is governed by various factors including further move towards capital account convertibility; further development of financial markets; introduction and availability of additional derivative products for both onshore and offshore investors so as to provide them with additional avenues for hedging in the domestic market, particularly to offshore investors; and relaxation or complete phasing out of the underlying exposure criteria for booking a forward contract. The underlying exposure criteria enable corporates to hedge only a part of their exposures that arise on the basis of the volume of goods (exports/imports) to be delivered (Misra & Behera, 2006) (Behera, 2011)

The investment climate of the emerging market economies (EMEs) and the shift of manufacturing to low-cost countries such as China and India led to increase in demand for trading in emerging market currencies. Increasing economic interest in EMEs, along with stringent foreign exchange convertibility restrictions in these economies led to the strengthening of the offshore foreign exchange market. The non-availability of an active onshore forward market for non-domestic players, private companies and investors investing in these EMEs, made NDFs a popular derivative instruments catering to the offshore investors' demand for hedging (Behera, 2011).

The effectiveness of capital controls in India has changed over time. It has been observed that *de facto* capital control barriers were asymmetric over inflows and outflows and made a gradual shift from primarily restricting outflows to effectively restricting inflows. In recent years, capital controls have been more symmetric over capital inflows and outflows and the deviations from covered interest rate parity (CIP) outside some reasonable boundaries were closed more quickly. Smaller deviations from covered interest parity are an indication of greater capital account openness since the advent of India's capital control liberalization. Various steps have been taken liberalize the capital account and to allow certain kinds of foreign capital flows, but a number of restrictions and discretionary controls still remain and keep us away from fuller capital account convertibility (Hutchison, Kendall, Pasricha, & Singh, 2010). Liberalization of capital controls in India is related to the development of INR NDF markets. One of the major developments in the currency markets of India was the introduction of exchange traded currency futures markets in September, 2008, as this platform was made available to larger number of market participants and offered a better and efficient price discovery mechanism compared to the rather restricted entry and opaque OTC markets. (Guru, 2009)

Another empirical study done by Behera in 2011 confirmed the absence of mean spillover impact of NDF markets on onshore spot, forward or futures market and the presence of significant volatility spillover impact of NDF market to onshore markets. He found an increase in the magnitude of volatility spillover from NDF to spot market post the introduction of currency futures in India, probably because of large arbitrage transactions that had taken place between futures and NDF market.

Sample Data & Methodology: The data used in the study by Behera, 2011 consisted of daily closing exchange rates of rupees per US dollar for spot, forward and NDF markets, from 5 November 2000 to 19 November 2009. The sample data was divided into three data sub-periods: full sample period; sub-period 1: 5 November 2000 to 28 August 2008; and sub-period 2: 1 September 2008 to 19 November 2009, to examine the changes in the onshore and offshore relationship of the rupee after the introduction of exchange traded currency futures in India on 29 August 2008.

He examined mean and volatility spillover between onshore and offshore rupee markets by using the trivariate multivariate generalized autoregressive conditional heteroscedasticity (MGARCH) model in vector autoregressive (VAR) framework, where the conditional mean and variance equations are estimated simultaneously, for three different markets –spot, forward and NDF.

Findings: Various trivariate GARCH models were fitted to different combinations of spot, forward, futures and NDF for different sample periods. Observations included indications of significant bi-directional mean spillover between spot and forward market; absence of any mean spillover impact from NDF to either spot or forward markets; significant influence on NDF by both spot and forward market.

Before the introduction of currency futures in India, spot and forward market had bidirectional shock transmission. However, when considered for full sample period it was observed that the shocks in forward market failed to significantly influence spot market volatility. However, the shocks in spot market continued to influence the volatility in forward market. Further, shocks in spot and forward market had no statistically significant impact on the volatility of NDF market before the introduction of currency futures, which became statistically significant when considered for full sample. There was bidirectional volatility spillovers observed between spot and forward before the introduction of currency futures. However, the volatility spillover from forward to spot became insignificant when considered for full sample data. Similarly, bidirectional volatility transmissions existed between spot and NDF market. Additionally, volatility spillovers existed from forward market to NDF market but not from NDF to forward market. The magnitude of volatility spillover from NDF to spot market increased after the introduction of currency futures in India. Post the introduction of currency futures, there were bi-directional mean spillovers between spot and futures markets; and their mean return was not influenced by NDF return. On the other hand, there was mean spillover impact from spot and futures market to NDF market. Both shock and volatility spillovers existed among spot, futures and NDF market, except the shock spillover impact from futures to NDF market. Moreover, volatilities in all the markets were influenced by their own previous volatility.

The results in mean equation showed the presence of mean spillover from futures to forward and NDF market and from forward to NDF market. However, futures market does not have any mean spillover impact either from forward or from NDF market.

Further, NDF market is impacted by mean spillover in forward market apart from its own. Shocks in forward, futures and NDF markets influence each other. The futures and NDF markets had volatility spillover from all the markets. Volatility in forward market was also impacted by the volatility in futures market apart from its own volatility, and not by the volatility in the NDF market. Thus, the study concluded that while the offshore NDF rates had no mean spillover impact on onshore spot, forward and futures market, shocks and volatilities in NDF markets influenced the onshore markets. The magnitude of volatility spillover from NDF to spot market increased after the introduction of currency futures in India.

As observed NDF markets have begun exerting increased influence on the domestic currency markets through spillover effects and better information content. There has been a transition from strong unidirectional causalities from spot to NDF rates and domestic forwards to NDF rates; to bidirectional causalities between returns in NDF and spot; and NDF and forward markets indicating that the information advantage that spot and domestic forward markets earlier had over the NDF markets no longer exists and that the spot and forward markets also obtain information from NDF markets in determining their levels. This has been observed over the sample data period of January 2007 to April 2009. (Guru, 2009)

Another attempt to evaluate the impact of introduction of exchange traded currency futures on the causal links between spot, domestic forwards, currency futures and NDFs was made by Guru in 2009. She applied Granger's Causality test on the returns data for the four markets, over a period September 2008 to April 2009, and found unidirectional causal links between spot and NDF market returns runs from NDF to spot markets and not vice versa post the introduction of currency futures. Similarly, between the domestic forward and NDF markets, it was the NDF market returns which were found to be leading and hence driving returns on the domestic forward markets and not vice versa. This is in contrast to the results of the study done by Misra & Behera in 2006 over the period of November 2004 to February 2007, which found strong unidirectional causalities from spot to NDF. The causality between NDF and currency futures runs from currency futures to NDF with the reverse causality being weak, indicating that currency futures markets, being organized, transparent and regulated, have more information content than the NDF markets. Thus, introduction of currency futures contributed to development of NDF markets. NDF markets, now generates signals for the domestic spot and forward markets (Guru, 2009).

These causality results are further supported by ARMA-GARCH models testing mean and volatility spillovers amongst all the three markets, from one to the other. These results suggested that past returns and innovations in one market exerts influence on the conditional mean and variance of the returns in the other market. The results revealed that the returns in spot markets were subjected to mean spillover effects from domestic forwards and NDF markets; domestic forwards markets were affected by currency futures markets through the volatility spillover effect; spot markets had volatility spillover effect and domestic forward markets had mean spillover effect on the NDF markets; and currency futures markets had volatility spillovers from spot and domestic forward as well as NDF markets.

Hence, there are interlinkages between each of the currency markets in the form of returns in one market influencing the mean level of returns in other market(s) or the volatility of one market having an effect on volatility in the other market(s). The NDF markets witnessed spillover effects from both spot and domestic forward markets and also exerted spillover effects on spot and currency futures markets.

The above discussion shows how the interlinkages between onshore and offshore currency markets for rupee have evolved over time with increasing foreign inflows, development in onshore markets, changing nature of regulations and other policy initiatives to develop the Indian financial market.

After identifying the interlinkages, we shall discuss about the potential risks associated with NDF markets exerting an influence on onshore markets. One risk is that pressures for appreciation or depreciation may flow from the NDF market to the spot market by making capital flows larger and more volatile. Another risk is that the NDF markets might facilitate building sizeable speculative positions (DeBelle, Gyntelberg, & Plumb, 2006). Large FIIs, MNC banks and corporate houses establish arbitrage deals to cash on the price differences that exist in domestic forward and offshore NDF markets. Such transactions are capable of affecting domestic markets and move the spot rate. So, we can say that offshore rupee NDF market plays a critical role in determining the value of rupee. "Being a 24x7 market, the offshore NDF market exerts considerable pressure on onshore currency markets, particularly when the market markets in Hong Kong and Singapore set the price movement of the rupee. A bearish or bullish trend in the NDF market sentiment is fragile for the rupee" (Singh, 2013).

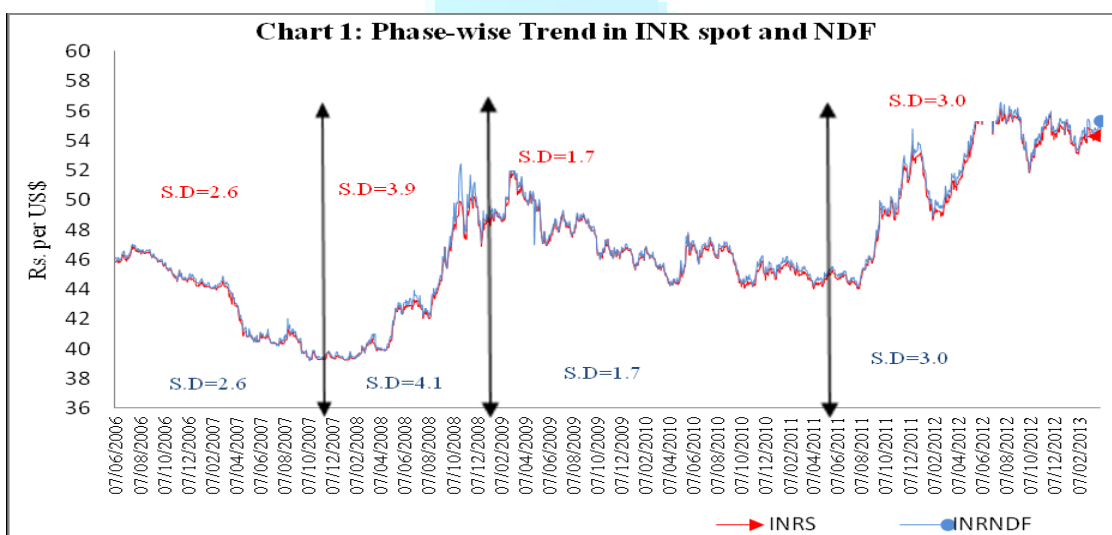
When the rupee plunged to 68.85 to the dollar in August 2013, it was held that much of the speculative trade that led to the slide in the Indian currency took place in the offshore NDF market. In its Annual Report (2012-13), the RBI acknowledged that there is a long-term relationship between the spot and NDF markets for the rupee. "During the period of depreciation, shocks originating in the NDF market may carry more information, which gets reflected in on-shore segments of the market through mean and volatility spillovers" (Goyal, Jain, & Tewari, 2013).

It was observed that it was specifically during phases of downward pressure on INR that the movements in INR NDF market drove adjustments in onshore INR market. This has been empirically tested in a study by Goyal, Jain and Tewari in 2013, to examine the inter-linkages of onshore and offshore segments of India's foreign exchange market for Indian rupee, for a sample period of 6 June 2006 to 3 April 2013. The study employed vector error correction model (VECM) and ARCH/GARCH models to examine the direction of transmission between onshore and NDF markets. The sample data was divided into four sub-samples on the basis various phases of trend in rupee exchange rate. The methodology followed was similar to that discussed for the study conducted by Park in 2001 for Korean Markets.

TABLE 3: VARIOUS PHASES OF TREND IN RUPEE EXCHANGE RATE

Period 1	June 6, 2006 to January 2008	APPRECIATION	Prior to global financial crisis
Period 2	January 2008 to March 2009	DEPRECIATION	Global financial crisis
Period 3	March 2009 to August 2011	APPRECIATION	Recovery from global crisis
Period 4	August 2011 to April 3, 2013	DEPRECIATION	Post us rating downgrade

Source: (Goyal, Jain, & Tewari, 2013)



Source: (Goyal, Jain, & Tewari, 2013)

The test results confirmed the presence of a long-term relationship in all sub-periods. The adjustment behavior of both onshore and NDF exchange rate of INR towards long-term equilibrium was different across sub-periods. It was found that in sub-periods 1 and 3 which coincided with the phase of rupee appreciation, both onshore and NDF segment of INR showed a tendency of adjustment. It implied the presence of bi-directional relationship between spot/forward rate and NDF rate of INR during period of rupee appreciation. In contrast, during sub-periods 2 and 4, there appears to be only unidirectional causality from NDF rate changes to spot INR changes. Hence, during period of rupee depreciation, movements in NDF segment leads and signals onshore segment's movements for the next day. "It implies that information flow from offshore NDF market to onshore foreign exchange market more important for movements in both spot and forward segments." (Goyal, Jain, & Tewari, 2013). To get an idea on the nature of spillovers across both markets, ARCH/GARCH models were used. GARCH models also revealed bidirectional spillovers, either through mean or volatility or both, between onshore and offshore markets during sub-periods 1 and 3. However for sub-period representing the period of global financial crisis (Sub-period 2) and post-August 2011 (sub-period 4) when rupee came under downward pressure, there was an evidence of unidirectional volatility spill-over from NDF to onshore market. Hence, during the period of rupee depreciation, only spot and forward markets seem to be responding to deviation from long-term equilibrium while in the period of rupee appreciation, both onshore as well as offshore markets show adjustment towards long-term equilibrium. The fact that during periods of rupee depreciation, the RBI tries to mitigate volatility in foreign exchange market by undertaking various measures can be the reason for such an asymmetric behavior of spot/forward and NDF markets.

The study concluded that during the period of depreciation in foreign exchange market, shocks originated in the NDF market seems to carry more information which gets reflected in onshore segments of market through mean and volatility spillovers. Thus, whenever there is a downward pressure on currency, then it becomes more prone to pressures originating in offshore markets.

IMPORTANCE OF STUDY

It is critical to have the knowledge of the interrelation and information flows between the offshore NDF and domestic currency markets to understand financial market integration. A clear understanding of these interrelationships facilitates in policy formation and implementation. Designing and implementing independent economic policies to achieve desired results becomes extremely difficult for governments if the relationships between the offshore NDF and domestic currency markets are significant. Also, the knowledge of these relationships is inevitable for investors who seek NDF markets to hedge their currency exposure or take speculative positions to formulate their investment strategy. Additionally, the presence of these interdependences might mean that the markets are not equal in their capacity to discover new information and one of the markets may lead as a primary market for price discovery. (Park, 2001) It has become increasingly important to exercise regulatory control of offshore NDF markets for Indian Rupee (INR) because of the growing activity in INR NDF markets and increased influence of INR NDF markets on onshore counterparts. We begin the review of literature with a study done in Korea, as this was the founding stone for most of the subsequent studies done for examining the interlinkages between offshore and onshore currency markets.

RECOMMENDATIONS

The growing activity in NDF rupee market and increasing influence of NDF rupee markets on onshore rupee markets suggests close monitoring of NDF markets. NDFs being OTC products are subject to minimal regulation. NDF rupee market is flourishing as a parallel market for Indian rupee outside India and outside RBI's regulatory jurisdiction. According to a study by the Bank for International Settlements (BIS), the daily turnover in offshore rupee NDF market increased to US \$10.8 billion in 2010, nearly 52 percent of the total turnover (\$20.8 billion) in foreign exchange forwards and forex swaps.

The NDF market for the rupee is mainly concentrated in Singapore, Hong Kong, Dubai, London and New York. In recent years, London has become a key center for trading in the rupee NDFs. According to FXJSC Semi-Annual FX Turnover Surveys, the average daily trading in rupee NDFs in London increased from US \$1.5 billion in 2008 to US \$5.2 billion in 2012, a jump of 250 percent (Singh, 2013).

There are no controls on the offshore participation in NDF rupee markets. However, the onshore financial institutions in India are not allowed to freely transact in the NDF markets. Domestic banking entities have specific open position and gap limits for their foreign exchange exposures and it is through these limits only that domestic entities participate in NDF market. "The main participants in the rupee NDF market consist of commercial and investment banks, hedge funds, currency speculators, international subsidiaries of Indian companies and big diamond merchants" (Singh, 2013).

As discussed, one of the serious risks associated with increased influence of NDF markets on domestic markets is that it has potential of strengthening the downward pressure on rupee, by adding to the negative sentiment of the market. "According to India Forex Advisors (a foreign exchange consulting and treasury management firm), a large demand for forward dollar pushes up forward rate and thereby influences the spot exchange rate in India. As witnessed during July-August 2013, the increased speculative trading in the NDF market exacerbated volatility in both the spot and the forward market in India" (Singh, 2013).

There are also significant transparency concerns associated with the operation of NDF transactions in overseas markets. Since NDFs are settled using an official reference rate determined by Central Bank or an industry group reference benchmark which is typically an average of rates from several banks and FX dealers, there can be attempts to influence spot rates by the parties interested in local currency so as to make profits while settling the NDFs carried in their books (Okongwu & Bruegger, 2012). This can be understood in the context of the LIBOR rigging scandal. LIBOR is considered the most critical global benchmark for short-term interest rates. According to the U.S. Commodities Futures Trading Commission, hundreds of trillions of dollars in securities and loans are linked to LIBOR. Barclays and fifteen other global financial institutions have been under international investigation for allegedly manipulating the LIBOR rate between 2005 and 2009, so that its traders could make profits on derivatives pegged to the base rate. LIBOR was maneuvered both upwards and downwards based on a trader's position. Manipulation of LIBOR distorts the trust of the marketplace and can actually lead to collapse of financial system (Alessi & Sergie, 2012).

"In the wake of LIBOR rate-fixing scandal, the Monetary Authority of Singapore (MAS) initiated a review of process for setting rates for NDFs in September 2012. The investigations carried out by MAS found that traders from 20 banks communicated with each other through email and electronic messaging to influence the NDF rate setting process run by the Association of Banks in Singapore" (Okongwu & Bruegger, 2012). Singapore is the world's fourth largest center for foreign exchange trading and has become Asia's hub for the trading in NDFs in the Indonesian rupiah, Malaysian ringgit, Vietnamese dong and Thai baht.

Thus, with this perspective it is inevitable to monitor and regulate the offshore activity in rupee for a stable currency environment. Although the NDF market is primarily meant to provide a platform to companies to hedge their foreign exchange risk and related exposures, the dominant players in this market are the speculators and arbitrageurs.

As we know, NDF markets developed in response to the difficulties encountered by non-resident companies in hedging their foreign exchange exposure because of the restrictions imposed on them in participating in onshore derivative markets. Some of the restrictions include not being allowed to directly participate in currency derivatives market, restrictions rebooking a forward contract onshore once cancelled and imposing higher margins or taxes. So, there is a need for increased liberalization in rupee trading and to provide for stable, liquid and transparent futures on currency pairs to serve hedging needs of local entities as well as international entities.

When there are taxes other restrictions on onshore trading, India loses trade to other countries and regulators lose control over currency. Easing restrictions to allow greater participation in the onshore foreign exchange market by overseas participants and accelerating financial sector reforms to provide for deep and functioning financial markets is required to reduce the growing influence of the highly volatile and unregulated NDF rupee market on the onshore rupee market. The idea is not to eliminate the trading activity taking place in NDF markets, but to move it to domestic market under the purview of regulators. Allowing FIs and non-resident Indians to trade in the currency futures market will both deepen the domestic currency market and bring it under the purview of domestic regulators.

One of the recent initiatives to regulate NDF trading and to make it transparent is made by the US through its Dodd-Frank Act which has brought NDFs under an electronic trading platform. It has provided for NDF clearing mandates by Swap Execution Facility (SEF), a platform created for regulated trading under Dodd-Frank Act. Commodities & Futures Trading Commission (CFTC), in conjunction with clearinghouses will determine which NDF currency pairs are required to be cleared. SEFs will then make NDFs available for trading after selecting NDFs that they wish to list from the mandatory clearing list. Only the NDF pairs listed by SEFs can be traded through SEF. "The predominantly voice based, single platform NDF market is set to become electronic, multi-dealer platform focused" (Best Practice Guide 2012).

"To rein in rampant speculation and manipulative activities in the offshore NDF market, the RBI should work out arrangements with other regulatory authorities in the form of information sharing and the setting of general standards. Currently, a new regulatory framework for OTC derivatives market is under preparation following the Dodd-Frank Act in the US, the European Market Infrastructure Regulation (EMIR) in Europe and the Basel III standards. As a member of G20, India should engage in the ongoing international initiatives aimed at increasing transparency and reducing systemic risk posed by the \$560 trillion global OTC derivatives market" (Singh, 2013).

CONCLUSIONS

The trading volume of currencies of emerging market economies has increased dramatically in the last three to four years. Given the existing convertibility restrictions on these currencies, NDFs account for a large fraction of the overall volume of foreign exchange trading in these currencies. A move to a fully flexible exchange rate regime in these economies would make NDFs obsolete. However, this is not expected to happen in the near future. As a consequence, the need and relevance of NDFs will continue to grow along. So, NDFs will continue to influence onshore markets and probably strengthen the potential vulnerability of domestic currency. So what is required is regulation and monitoring of NDF market. Standardizing NDF contracts, designing formal clearing mechanisms and providing for exchange based settlement can be a solution. We also require stable, liquid and transparent futures on currency pairs to serve hedging needs of different interest groups. Our ultimate goal should be to make our markets international and stable.

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THE ROLE OF CHEMICAL FERTILIZERS AND PESTICIDES IN SUSTAINABLE AGRICULTURAL DEVELOPMENT IN INDIA

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ABSTRACT

The 'Sustainable Agriculture' concept lies in the successful management of resources for agriculture to satisfy changing human needs while maintaining or enhancing the natural resource base and avoiding ecological and environmental degradations, so that these needs can be met not only in the present, but also for future generations. Increased usage of fertilizers has played a significant role in accelerating the agricultural growth and productivity apart from application of modern farming techniques and better quality inputs. In this paper we have analyzed the annual growth rate trends in use of chemical fertilizers and pesticides, total food grains production and productivity in India. We have also tried to find out the impacts of chemical fertilizers and pesticides on total food grains production and productivity in India. The uses of chemical fertilizers and pesticides have started adversely affecting the sustainable agricultural development. So we should promote Organic Farming and use of Bio-fertilizers and pesticides in place of chemical fertilizers and pesticides which is eco-friendly and helpful in sustainable agricultural development.

KEYWORDS

Chemical fertilizers, agriculture development.

1.1 INTRODUCTION

'Sustainability' is one of the buzz-words of our time. It has been attached to any number of social and economic pursuits: we want sustainable economic growth, sustainable development, sustainable forestry, a sustainable population, sustainable cities, and so on. More importantly, we talk about the need for "sustainable agriculture".

Interest in sustainability peaked in the mid 1990s following the 1987 Bruntland Report, *Our Common Future*, where the authors note the rate of economic development is compromising the needs of future generations. Concerns centered on soil quality (particularly soil erosion), water scarcity and contamination, low productivity, and imbalances of pest populations, as well as, a number of social and economic equity issues. Although there are numerous definitions and visions of sustainable agriculture, they tend to have certain aspects in common: environmental health, economic profitability, and social and economic equity. From a biophysical or environmental perspective, agricultural production affects the ecosystem which sets the natural limit to growth. If the ecosystem is pushed too far, its integrity will be destroyed, ultimately leading to a decline in agricultural productivity. With respect to economic viability, sustainable agricultural systems ensure a positive balance between production income and input costs. Economically unsustainable farms may lose control of their ecological resources. At the same time, agriculture is inevitably social, given the network of interactions and relations that both emerge and influence farming activity. Inherent in the notion of sustainable agriculture is "its adaptability and flexibility over time to respond to the demands for food and fiber (both high and low), its demands on natural resources for production, and its ability to protect the soil and the resources". [1]

1.2. OBJECTIVES OF SUSTAINABLE AGRICULTURE

The fast development of technology for increasing production without giving due importance to the agro ecosystem balance resulted in disturbed biological relationships. The imbalances thus created lead to fast degradation of natural resource base. Thus the present productivity levels have become unstable and uneconomic. This necessitated maintenance of natural resources so as to meet future demand. Thus the concept of Sustainable Agriculture emerged. Sustainable Agriculture aims at production of safe and clean food without harming the quality of natural landscapes and with minimal impact on environment. However it should operate within socially acceptable system and economic viability.

1.3. INDIAN POLICIES FOR SUSTAINABLE AGRICULTURE

The Indian government's policies have always emphasized food grain self-sufficiency, which has not necessarily coincided with agricultural sustainability. The growth of agricultural production and productivity, which had risen significantly during 1970s and 1980s, declined during 1990s. These slowdowns have worsened since 2000, both overall agricultural production and food grains production have shown negative growth rates in 2000-01 to 2002-03 period. Decline in the growth rates of agricultural production and productivity is a serious issue considering the questions of food security, livelihood, and environment. As such, a critical examination of the approaches for sustainable agricultural development is necessary. This examination must be framed not only by India's ongoing need to ensure food self-sufficiency but also by the consequences of access to international markets. The conditions for development of sustainable agriculture are becoming more and more favorable. The multifarious harmful consequences of indiscriminate use of pesticides have posed a serious threat to the ecosystem. In view of the fact that increased use of pesticides has been seriously endangering the environmental sustainability, integrated approach to pest management needs adequate importance to make the agriculture eco-friendly.

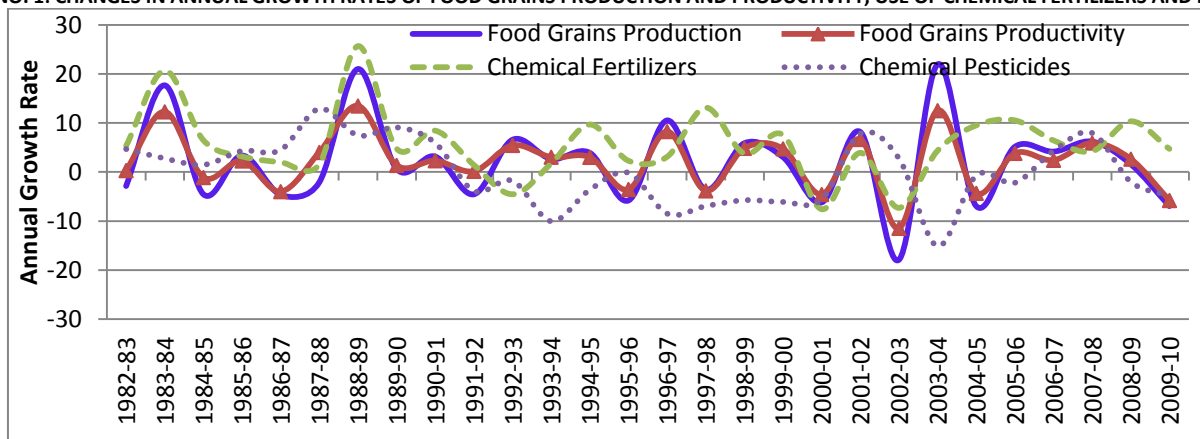
2. METHODOLOGY

The paper is based on secondary data obtained from the publication of department of chemical fertilizers and pesticides in India and economic survey of India. We have taken 30 years data of total food grains production and productivity, use of chemical fertilizers and pesticides of India level and data of 10 years for state level namely; Maharashtra, Bihar, Punjab and Rajasthan. We have tried to know the annual growth rate and the impacts of use of chemical fertilizers, chemical pesticides, total food grains production and productivity in India along with state level by using simple formula of growth rates and co-variations statistical tools.

3. IMPACTS OF CHEMICAL FERTILIZERS AND PESTICIDES ON FOOD GRAINS PRODUCTION AND PRODUCTIVITY

Production fluctuates every year according to the monsoon. Production depends upon yield rate of the crops. Productivity depends on three factors inputs: Water, Fertilizers and Hybrid seeds. Each of these plays a role in determining yield level and in turn augmentation in the level of production. The fertilizers consist of three basic nutrients for agriculture: namely, Nitrogen (N), Phosphorous (P) and Potassium (K) apart from micro-nutrients. Increased usage of fertilizers has played a significant role in accelerating the agricultural growth and productivity apart from application of modern farming techniques and better quality inputs. Chemical fertilizers have played a significant role in the development of the agricultural sector. Use of chemical fertilizers has steadily increased over the years. [2]

FIGURE NO. 1: CHANGES IN ANNUAL GROWTH RATES OF FOOD GRAINS PRODUCTION AND PRODUCTIVITY, USE OF CHEMICAL FERTILIZERS AND PESTICIDES



Sources: Department of Chemical Fertilizers and Pesticides, New Delhi

Figure No.1 indicates that in India, food grains production is increasing continuously since 1981. Same way use of chemical fertilizers is also increasing continuously since starting in India. For five consecutive years, from 2004-05 to 2008-09, food grains production recorded an increasing trend. After 2009 food grains production is going down but use of chemical fertilizers is continuously increasing. The use of chemical pesticides is decreasing continuously from 1991 to 2010. In 1980-81 the total food grains production was 129.59 m. tons that increased to 176.39 in the year 1990-91. After reaching a record level it declined to 196.81m.tons in the year 2000-01. For five consecutive years, from 2004-05 to 2008-09, food grains production recorded an increasing trend. The chart indicates that total food grains productivity is increasing continuously since 1981 to 2009. Same way use of chemical fertilizers is also increasing continuously since 1981 to 2010 in India. But the use of chemical pesticides is decreasing continuously from 1991 to 2010. We have seen total food grains productivity and use of chemical fertilizers are continuously increasing in India. We have seen more fluctuations in use of chemical pesticides. It is clear there are positive growth trends in total food grains production and productivity in India. We found maximum positive growth trends in use of chemical fertilizers, but we found maximum negative growth trends in use of chemical pesticides in India. The use of chemical fertilizers supports and pesticides does not support growth of total food grains production on the other hand use of chemical fertilizers and pesticides support growths of total food grains productivity in India.

We have tried to find out changes in annual growth rates of chemical fertilizers, chemical pesticides, total food grains production and productivity in India by calculating growth rates for all India total. Further, we will try to know the impact of chemical fertilizers and pesticides on food grains production and productivity through the figure no. 2 and 3.

FIGURE NO. 2: IMPACTS OF USE OF CHEMICAL FERTILIZERS AND PESTICIDES ON ALL INDIA FOOD GRAINS PRODUCTION

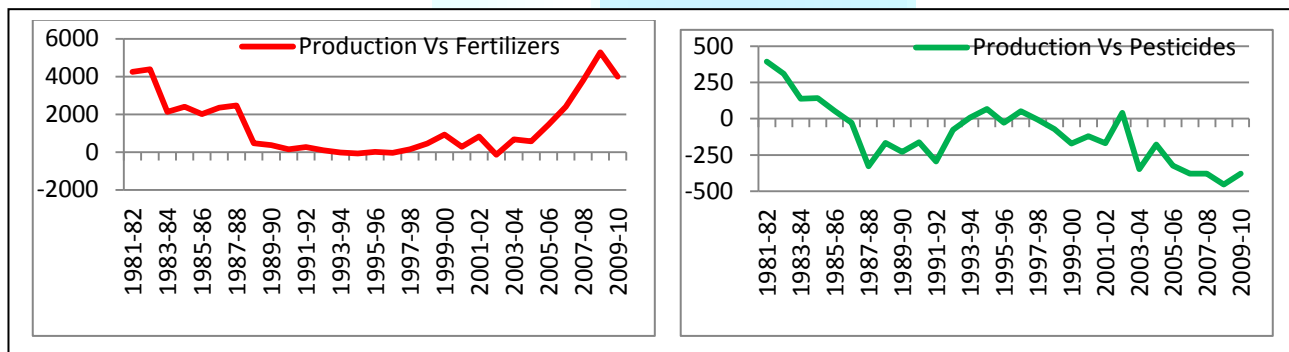


Figure No.2 indicates, there are 25 years positive and 4 years negative co-variations between total food grains production and use of chemical fertilizers out of 29 years whereas, 9 years positive and 20 years negative co-variations between total food grains production and use of chemical pesticides in India. It is clear from chart of co-variations that food grains production is supported by use of chemical fertilizers but unsupported by use of chemical pesticides in India. The chart shows negative impacts of chemical pesticides on total food grains production in India. Use of chemical pesticides affected the total food grains production in India.

FIGURE NO. 3: IMPACTS OF CHEMICAL FERTILIZERS AND PESTICIDES ON ALL INDIA FOOD GRAINS PRODUCTIVITY

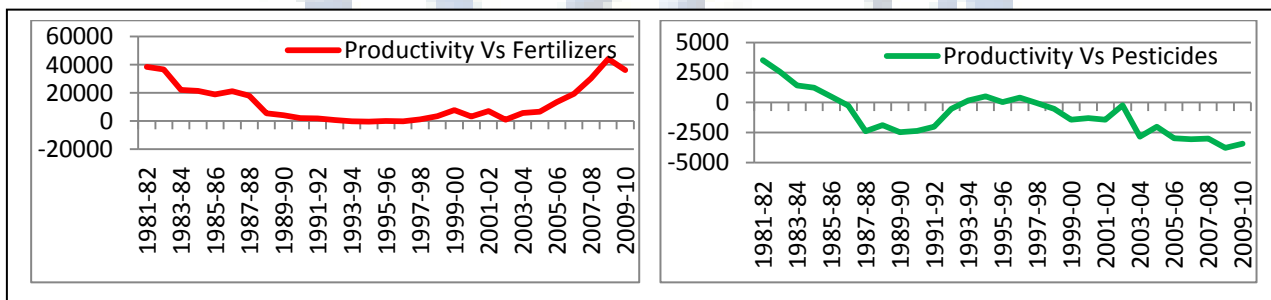


Figure No.3 indicates that, there are 25 years positive and 4 years negative co-variations between total food grains productivity and use of chemical fertilizers out of 29 years whereas, 9 years positive and 20 years negative co-variations between total food grains productivity and use of chemical pesticides in India. The total food grains productivity is supported by use of chemical fertilizers but unsupported by use of chemical pesticides in India. Chemical fertilizers and pesticides support growths of total food grains productivity in India. Further, we will try to find out the impact of chemical fertilizers and pesticides on food grains production and productivity in different states by using co-variations statistical tool through the figure no. 4 to 11.

FIGURE NO. 4: IMPACTS OF CHEMICAL FERTILIZERS AND PESTICIDES ON FOOD GRAINS PRODUCTION IN MAHARASHTRA

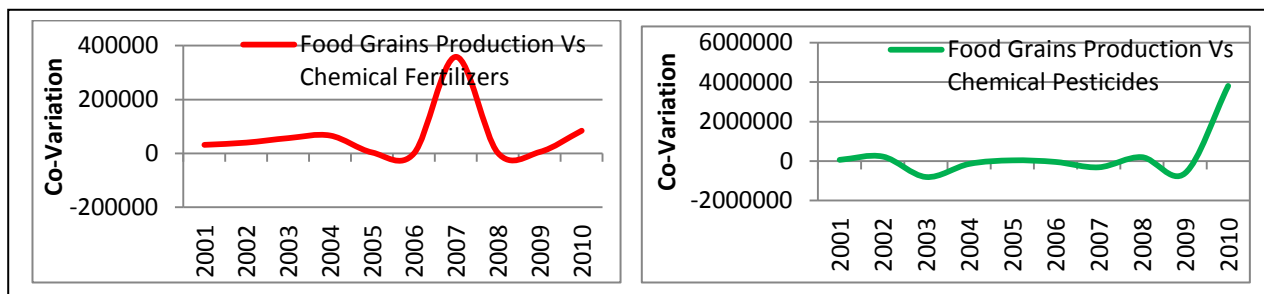


Figure No.4 indicates that there are 10 years positive co-variations between total food grains production and use of chemical fertilizers out of 10 years whereas 5 years positive and 5 years negative co-variations between total food grains production and use of chemical pesticides in Maharashtra. Use of chemical fertilizers and pesticides does not affect the total food grains production in Maharashtra. In 2007, use of chemical fertilizers was more that year sudden increase in total food grains production was seen. After that when use of chemical fertilizers was less then there was sudden fall in total food grains production. It means use of chemical fertilizers support the total food grains production.

FIGURE NO. 5: IMPACTS OF CHEMICAL FERTILIZERS AND PESTICIDES ON FOOD GRAINS PRODUCTION IN BIHAR

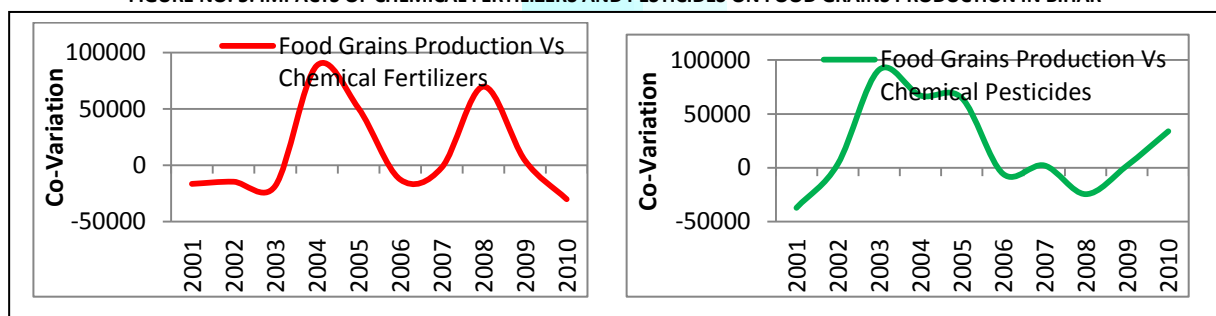


Figure No.5 indicates that there are 4 years positive and 6 years negative co-variations between total food grains production and use of chemical fertilizers out of 10 years whereas 7 years positive and 3 years negative co-variations between total food grains production and use of chemical pesticides in Bihar. When chemical fertilizers and pesticides were used in less quantity, fall was observed in total food grains production. On the other hand, when chemical fertilizers and pesticides were used in more quantity, again fall was observed in total food grains production which can be clearly seen in charts during 2004-05 and 2008-09.

FIGURE NO. 6: IMPACTS OF CHEMICAL FERTILIZERS AND PESTICIDES ON FOOD GRAINS PRODUCTION IN PUNJAB

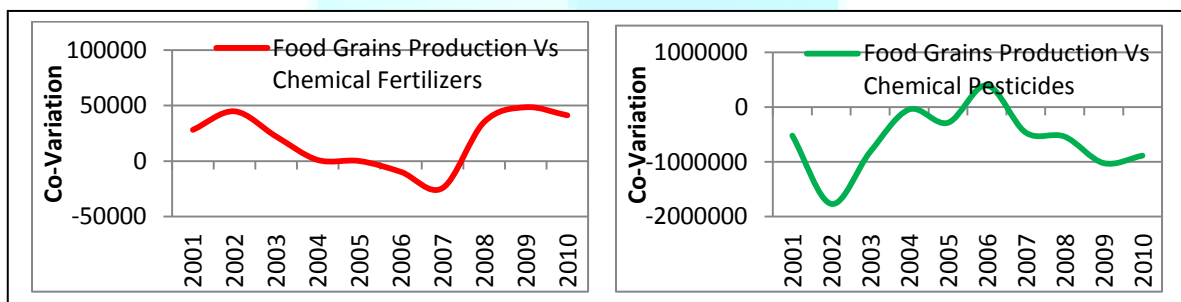


Figure No.6 indicates that there are 8 years positive and 2 years negative co-variations between total food grains production and use of chemical fertilizers out of 10 years whereas 1 years positive and 9 years negative co-variations between total food grains production and use of chemical pesticides in Punjab. Chemical pesticides affected the total food grains production in Punjab.

FIGURE NO. 7: IMPACTS OF CHEMICAL FERTILIZERS AND PESTICIDES ON FOOD GRAINS PRODUCTION IN RAJASTHAN

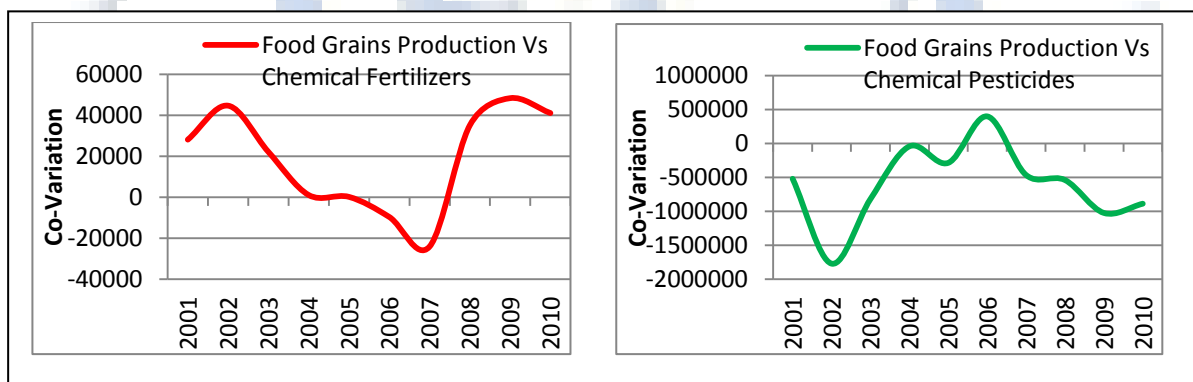


Figure No.7 indicates that there are 6 years positive and 4 years negative co-variations between total food grains production and use of chemical fertilizers out of 10 years whereas 6 years positive and 4 years negative co-variations between total food grains production and use of chemical pesticides in Rajasthan. It is clear from the chart of co-variations that food grains production is supported by both use of chemical fertilizers and pesticides in Rajasthan. We have seen more fluctuations in co-variations between total food grains production, use of chemical fertilizers and pesticides in Rajasthan.

FIGURE NO. 8: IMPACTS OF USE OF CHEMICAL FERTILIZERS AND PESTICIDES ON TOTAL FOOD GRAINS PRODUCTIVITY IN MAHARASHTRA

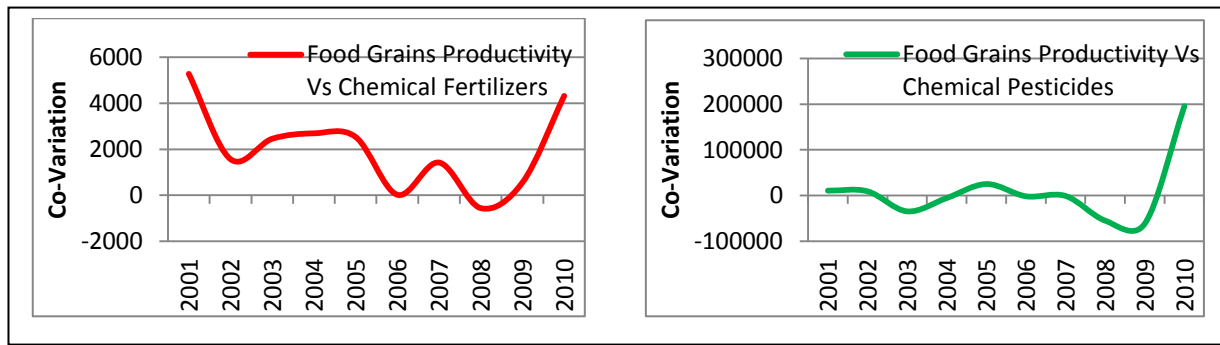


Figure No.8 indicates that there are 9 years positive and 1 year negative co-variations between total food grains productivity and use of chemical fertilizers out of 10 years whereas 4 years positive and 6 years negative co-variations between total food grains productivity and use of chemical pesticides in Maharashtra. It is clear from chart of co-variations that total food grains productivity is supported by use of chemical fertilizers in Maharashtra. Use of chemical fertilizers is more favorable in total food grains productivity than use of chemical pesticides.

FIGURE NO. 9: IMPACTS OF USE OF CHEMICAL FERTILIZERS AND PESTICIDES ON TOTAL FOOD GRAINS PRODUCTIVITY IN BIHAR

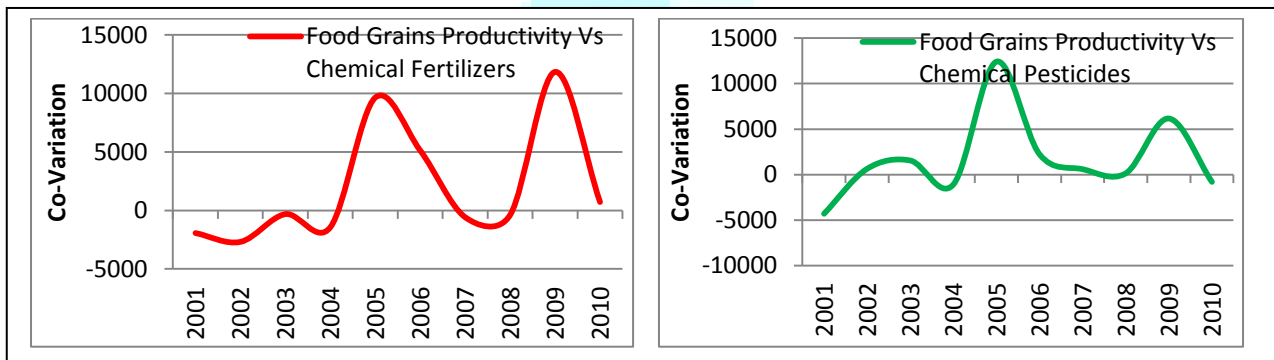


Figure No.9 indicates that there are 4 years positive and 6 years negative co-variations between total food grains productivity and use of chemical fertilizers out of 10 years whereas 7 years positive and 3 years negative co-variations between total food grains productivity and use of chemical pesticides in Bihar. Total food grains productivity is more affected by use of chemical fertilizers in Bihar.

FIGURE NO.10: IMPACTS OF USE OF CHEMICAL FERTILIZERS AND PESTICIDES ON TOTAL FOOD GRAINS PRODUCTIVITY IN PUNJAB

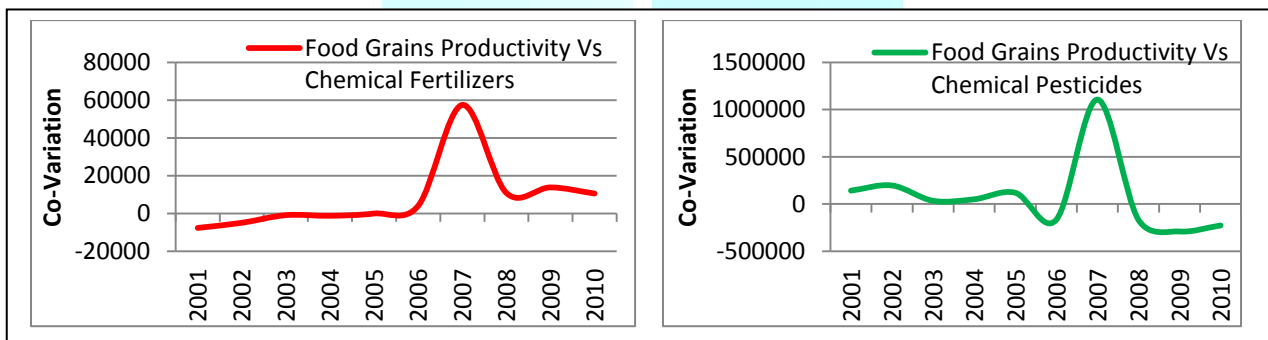


Figure No.10 indicates that there are 5 years positive and 5 years negative co-variations between total food grains productivity and use of chemical fertilizers out of 10 years whereas 6 years positive and 4 years negative co-variations between total food grains productivity and use of chemical pesticides in Punjab. After 2008 total food grains productivity is more affected by use of chemical pesticides than use of chemical fertilizers. So we can say that chemical pesticides much affected the sustainable agriculture development in Punjab.

FIGURE NO. 11: IMPACTS OF USE OF CHEMICAL FERTILIZERS AND PESTICIDES ON TOTAL FOOD GRAINS PRODUCTIVITY IN RAJASTHAN

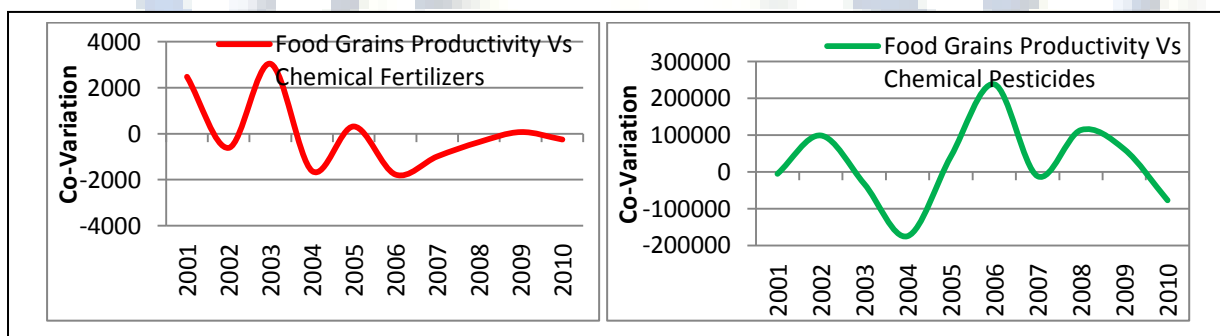


Figure No. 11 indicates that there are 4 years positive and 6 years negative co-variations between total food grains productivity and use of chemical fertilizers out of 10 years whereas 5 years positive and 5 years negative co-variations between total food grains productivity and use of chemical pesticides in Rajasthan. It is clear from chart of co-variations that food grains productivity is unsupported by both use of chemical fertilizers and pesticides in Rajasthan. Total food grains productivity is more affected by use of chemical fertilizers than use of chemical pesticides. Total food grains productivity is going down day by day in Rajasthan.

5. CONCLUSION

The analysis shows, that the use of chemical pesticides is comparatively most affecting factors than use of chemical fertilizers for total food grains productivity. There is much variation in growth rate trends of use of chemical fertilizers and pesticides, total food grains production and productivity in India along with Bihar and Rajasthan since 1982 to 2010. Bihar is the only state which is most affected by use of chemical fertilizers for total food grains production and productivity. The total food grains production and productivity in India shows positive growth rate trends along with Maharashtra and Rajasthan. The use of chemical fertilizers affects total food grains production and productivity in India to a lesser extent. Use of chemical pesticides affects total food grains production and productivity in India along with Bihar and Punjab comparatively to a larger extent. Excessive use of chemical pesticides affected the total food grains production and productivity in India and most affected states are Maharashtra and Punjab. Punjab has most affected state by the use of chemical pesticides. It means pesticides are most adverse affecting factor for ecological balance and sustainable agriculture development.

6. SUGGESTIONS

There has been a spectacular increase in the use of chemical fertilizers over past three decades. Considering the present situation of agriculture and its problems and resulting environmental degradation, sustainability of Indian agriculture is the only scientific solution on the agricultural problems due to excessive use of chemical fertilizer and pesticides. Use of chemical pesticides has started adversely affecting the sustainable agricultural development. We should promote the use of **Bio-pesticides** in place of chemical pesticides which is eco-friendly and helpful in sustainable agricultural development. These days not a single state is spared of the effect of use of chemical fertilizers and pesticides. Each and every state is affected by this by any reason. To increase the food grains production and productivity i.e. food grains self sufficiency sustainable agriculture is the only way. Sustainable agriculture is the only solution to the challenges of food security and environmental stability.

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FACTORS AFFECTING WOMEN SELF-EMPLOYMENT IN PUNJAB: A CASE STUDY OF PATIALA DISTRICT

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ABSTRACT

Self-employment is an act of setting up a new business unit or reviving an existing business unit to take advantages from new opportunities. Thus, self-employed women shape the economy by creating new wealth and new jobs and by inventing new products and services. . However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch, applying the best marketing strategy. It is in reality an attitude to create something new and an activity which creates value in the entire social eco-system. It has been well demonstrated in the literature that self-employment among women is the result of many factors. Therefore, this study is an effort to identify the socio-economic and demographic factors, which determine the women self-employment.

KEYWORDS

Pull factors, Push factors, Self-employment, Women.

1. INTRODUCTION

The role of self-employed women in the process of economic development has been recognized from nineties in various parts of the world. Today, in the world of business, self-employed women has become an essential movement in many countries and has been accepted in all areas of working. The United Nations report has also concluded that economic development is closely related to the advancement of women. In nations where women have advanced, economic growth has usually been steady. By contrast, in countries where women have been restricted, the economy has been stagnant. Self-employment is an act of setting up a new business unit or reviving an existing business unit to take advantages from new opportunities. Thus, self-employed women shape the economy by creating new wealth and new jobs and by inventing new products and services. However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch, applying the best marketing strategy. It is in reality an attitude to create something new and an activity which creates value in the entire social eco-system. It is the psyche makeup of a person. It is a state of mind, which develops naturally, based on his/ her surrounding and experiences, which makes him/ her think about life and career in a given way. The women have achieved immense development in their state of mind. With increase in dependency on service sector, many self-employment opportunities especially for women have been created where they can excel their skills with maintaining balance in their life. Accordingly, during the last two decades, increasing numbers of Indian women have entered the field of self-employment and also they are gradually changing the face of business of today, both literally and figuratively. But still they have not capitalized their potential in India the way it should be.

Women in India start their own businesses from a desire for self-determination and for career challenge and that they expect the corresponding respect, recognition, and self-esteem that both self-determination and challenge provide. Primarily, self-employment is a survival instinct that motivates women to start a business. Around the world, dismal economic conditions, high unemployment rates, and divorce catapult women into employment activities. Desperate to put food on the table for their children, women are defying societal norms in order to survive. Self-Employment is a highly personal, subjective process. It has been well demonstrated in the literature that self-employment among women is the result of many factors. Therefore, this chapter is an effort to identify the socio-economic and demographic factors, which determine the women self-employment.

2. SELF-EMPLOYED

As per NSSO reports, self-employed is defined as follows:

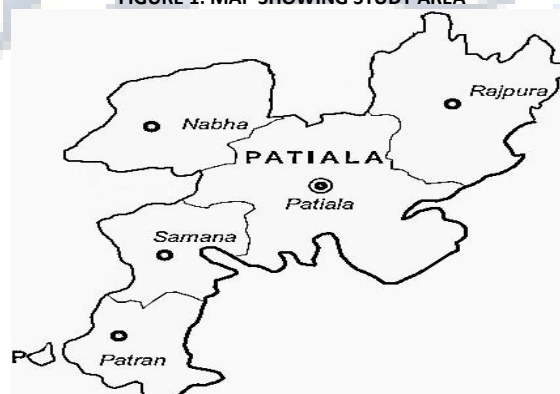
"Persons, who operate their own farm or non-farm enterprises or are engaged in a profession or trade independently or with one or few partners, are deemed to be self-employed. Autonomy and economic independence for carrying out their operations are the main features of self-employed persons".

3. OBJECTIVES

1. To understand pull factors (motivational factors) affecting self-employment among women
2. To understand push factors affecting women self-employment
3. To analyze relation between pull and push factors

4. RESEARCH METHODOLOGY**4.1 STUDY AREA**

Punjab, an agrarian state, is obviously a laggard region in this respect. It will be interesting to examine under which circumstances women entered into the self-employment. More specifically, in Punjab, Patiala district has been chosen for this study. Patiala, an erstwhile princely state and a district of Punjab, is situated in the Malwa region of Punjab.

FIGURE 1: MAP SHOWING STUDY AREA

4.2 SAMPLING DESIGN

The primary data for the study is based on the interviews with self-employed women of Patiala district in Punjab. To study the socio-economic conditions of self-employed women in Punjab, multi-stage random sampling technique is adopted. In the initial stage, Patiala district is selected on the basis of convenience, as the district was familiar to the researcher. In second stage, all tehsils of Patiala district (Patiala, Rajpura, Nabha, Patran and Samana) have been selected. Finally, 60 self-employed women who are engaged in manufacturing of traditional products like at domestic level like tailoring, knitting, handicraft, pickle making units, papad/vadiya making, paranda/dori/nala making, tiffin service and other products like khesh, hand fans or carry bags from newspapers etc., from each tehsil are selected randomly. The sample size undertaken is that of 300 self-employed women on convenience basis. Moreover, the study primarily focuses on the urban self-employed women.

4.3 DATA COLLECTION

To evaluate the objectives of the study, required data were collected from secondary as well as primary sources.

- **Secondary Data**

The secondary sources are NSSO reports, covering the period from 1987-88 to 2011-12 in different rounds. However, other related reports, journals and work of the scholars have also been made use of.

- **Primary Data**

The data required for the study were collected from the selected respondents by personal interview method. The personal interview has been conducted through a well-structured questionnaire, which has been prepared through relevant research studies and pre-tested and revised before going in for the collection of information from self-employed women.

4.4 DATA ANALYSIS

The collected data were tabulated and analyzed. Simple averages along with percentage analyses were used to study the socio-economic characteristics of the sampled respondents like age, marital status, educational status, family background, type of occupations, capital invested, source of raw material, marketing etc. Diagrammatic presentation like flow charts, bar diagrams and pie diagrams are used to present the results more explicitly.

5. REVIEW OF LITERATURE

Schwartz (1976) study on twenty female entrepreneurs observed that their major motivations to start a business were the need to achieve, economic independence with the help of starting some business. In addition to that desire to control, need for achievement, to improve the financial situation and the need for job satisfaction are also some notable motivating factors (Scott, 1986).

Patel and Dholkia (1978) focused attention on effect of certain developmental variables in female work participation rate. The variables examined are income, marital status, child bearing and caste. The study observed that the female work participation rate tends to have U-shaped curve with respect to income. Married female tends to have higher work participation rate than unmarried ones. Females having children tend to have higher work participation rate than those not having children. Socio-economic factors also have a significant bearing on female work participation rate.

Samuel (1991) examined the managerial efficiency of women entrepreneurs in food processing units of Madurai district of Tamil Nadu. The study covered 56 women and 10 men entrepreneurs in the urban area; all of them were married and belonged to the age group of 31-50 years. All the enterprises were having a capital investment of less than Rs. 20,000. The hypothesis that there is no difference in the managerial performance of women and men entrepreneurs was tested in this study. The test reveals that there is no significant difference in the managerial performance in terms of profit earnings by male and female entrepreneurs. Further she stated that there exist positive correlation between age and managerial performance and between time allocation and managerial performance, whereas negative correlation between educational level and managerial performance was observed.

According to Weeks (1995), "Self employment offers tremendous opportunities for women across the world by opening doors to greater self-sufficiency, self-esteem, education, and growth – not only for the women themselves, but also for their families and their employees. And women are changing the face of business ownership internationally; between 25 percent and 33.33 percent of the world's businesses are owned by women. As their number grows and as their business prospers, they will change the way the world does business."

Lerner et al. (1995) and Buttner and Moore (1997) have given more importance to women's motivations to start their own businesses (self-fulfillment and personal goal attainment, etc.) as the major reason for women's low quantitative performance (such as jobs creation, sales turnover and profitability) as compared to men. While Carter and Allen (1997) observed that access to financial resources and other financial aspects of business had stronger effects on business rather than choice or intention.

Moore and Buttner (1997) suggest that women started their own business for a desire for self-determination and for career challenge. They expect the corresponding respect, recognition, and self-esteem which is provided by self-determination and career challenge. Primarily, entrepreneurship is a survival instinct that motivates women to start business. Around the world, dismal economic conditions, high unemployment rates, and divorce catapult women into entrepreneurial activities. Desperate to put food on the table for their children, women are defying societal norms in order to survive.

Sethuraman (1998) states that women participation in India is determined to a large extent by cultural norms that govern women's mobility and market work. These norms operate at multiple levels and often mirror the status of women in a particular religion, permeating the household as well as public sphere.

Zimare's (2006) "Socio-Economic Study of Women Entrepreneurs in Pune District" was partly a research on women entrepreneurial determination and partly an analysis of the impact of women entrepreneurial activity on industrial development in general and also the impact of micro level family economy of the women entrepreneurial households in particular. In this study, another important factor in determining women entrepreneurial development or self-employability is the still the dominant caste structure. The women from high-caste background seem to find it easy socially and economically to enter the field of self-employment through the entrepreneurship route because few women from the study area were found belonging to socially and economically backward categories.

Neetha (2010) states that after the recent releases of employment and unemployment data by NSSO the hype around self-employment seems to have multiplied, though there have been some attempts to uncover details of the self employed. Whether individuals take to self employment as a result of a 'push' out of the formal economy, or a due to a 'pull' towards more lucrative and advantageous employment opportunities is an intensely debated topic in the labour economics literature. The analysis in the essay reveals that self employment in the post liberalization period is not one of new productive opportunities or resultant of a high growth economy, but of lack of employment opportunities. The growing social and economic crisis is locking vast sections of women workers into a downward spiral of more labour for less income resulting in an enhancement of gender based inequality in the world of work as a whole.

According to Srivastava and Srivastava (2010), Large-scale surveys show that while rural women's employment has grown over the decades, women are still largely self-employed or employed as casual labour in agriculture. They face various forms of discrimination, including job-typing that pushes them into low-paying jobs. Higher work participation does not lead to better outcomes unless accompanied by higher education, and/or assets. Education may not positively influence a woman's participation in work, but for women who are in the workforce, education is the most important determinant of better quality non-agricultural work.

Auti (2010) in her study "Socio Economic Study of Women Entrepreneurship in the Development of Maharashtra with Special Reference to Pune District" concluded that women decide to enter into business only after their marriage. Very few women are aware about training schemes. Women run their business using private sources of capital; this is partly due to lack of knowledge about government schemes. Many women entrepreneurs get different facilities and subsidies from the government; hence it is important that women become aware of these schemes. The researcher suggests that entrepreneurial awareness camps need to be conducted in rural areas with a view of making them aware of their hidden entrepreneurial capabilities. Special training and orientation programmes for appraising officers of banks and state agencies should be planned to change their mindset which is even now biased while dealing with women entrepreneurs. In view of the current technological boom in electronics and information technology, more women entrepreneurs in these business areas need to be encouraged to participate. Special courses need to be designed at college and university levels to impart entrepreneurial management education.

According to Faridi, Chaudhry and Malik (2011), the role of women’s participation in economic activities is considered a vital factor for growth and development. There are various socio-economic factors which determine why women are self-employed. The findings of their study reveal that the age and experience have positive and significant influence on women’s work participation being self-employed. It is explored from the study that women’s participation in self-employment activities is enhanced because of more years of education. In addition, the study concludes that per capita income, number of dependents and location reduce the women’s work participation as self-employed worker. Lack of education at higher level and inconvenience in attaining higher education for women is main cause of women’s self-employment. The joint family system and larger size of family (more number of children) is another cause of women’s inclination toward self-employed activities. Further, the study explores that high per capita income of the family reduces the women’s participation in self – employment activities.

The above studies conclude that women in India start their own businesses from a desire for self-determination and for career challenge and that they expect the corresponding respect, recognition, and self-esteem that both self-determination and challenge provide. Primarily, self-employment is a survival instinct that motivates women to start a business. Around the world, dismal economic conditions, high unemployment rates, and divorce catapult women into employment activities. Desperate to put food on the table for their children, women are defying societal norms in order to survive. Self-Employment is a highly personal, subjective process. Becoming Self-employed is an evolution of encountering, assessing, and reacting to a series of experiences, situations, and events produced by political, economical, social, and cultural change. These diverse circumstances prompt individual self-employed to modify their personal living conditions. Women who own and operate a business are not a homogeneous group. Cultural and social patterns prescribe whether a woman can become self-employed within her society or not. Some constraints are obvious; others are disguised in patriarchal heritage within cultures that preclude women self-employment.

6. MAIN FINDINGS

6.1 MODE OF WOMEN-EMPLOYMENT IN PUNJAB

In this section, employed women have been categorized into three broad groups according to their status of employment, (i) self-employed, (ii) regular employed and (iii) casual employed.

The changes in the status of employment in rural Punjab are shown in table 1 and figure 2. Over the period, it indicates that the proportion of self-employed rural women has decreased from 85.2 percent in 1987-88 to 85 per cent in 1993-94 and further to 77.8 per cent in 2011-12,. The share of self-employment is more than regular and casual employment during the period of 1987-88 to 2011-12. The share of casual and regular employment is on increase over the same period. The percentage of regular employed rural women has increased from 3.5 percent in 1987-88 to 8.6 percent in 2011-12 and the percentage of casual employed rural women has also increased from 11.3 percent to 13.6 percent over same time period. The data shows that self-employment is predominant among women in rural Punjab.

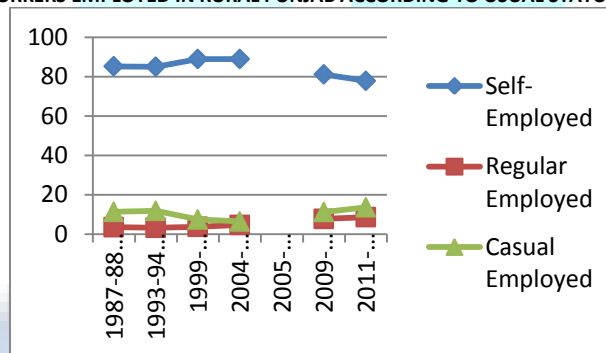
TABLE 1: PERCENTAGE OF FEMALE WORKERS EMPLOYED IN RURAL PUNJAB ACCORDING TO USUAL STATUS ALL (ps+ss) BY MODE OF EMPLOYMENT

Year (Rounds)	Status of Women Employment (Rural Punjab)		
	Self-Employed	Regular Employed	Casual Employed
1987-88 (43rd)	85.2	3.5	11.3
1993-94 (50 th)	85.0	3.2	11.8
1999-00(55th)	88.9	3.7	7.4
2004-05(61 st)	88.9	4.6	6.4
2005-06(62 nd)	N.A	N.A	N.A
2009-10(66 th)	81.1	7.7	11.2
2011-12(68 th)	77.8	8.6	13.6

Source: various rounds of NSSO data

Note: N.A represents that data is not available

FIGURE 2: PERCENTAGE OF FEMALE WORKERS EMPLOYED IN RURAL PUNJAB ACCORDING TO USUAL STATUS ALL (ps+ss) BY MODE OF EMPLOYMENT



In table 2 and figure3, Changes in the status of urban employment in Punjab indicate that women self-employment decreased from 58.1 percent in 1987-88 to 50 per cent in 1993-94 and to 41.1 percent in 2011-12, whereas regular employment has been increased from 31.5 percent in 1987-88 to 41.5 per cent in 1993-94 and to 54.3 percent in 2011-12. Over the same period, share of casual employed women in urban areas declined from 10.4 percent in 1987-88 to 8.5 percent in 1993-94 and to 4.6 percent in 2011.12. Recent changes in the status of employment point to the impact of post-liberalization policies.

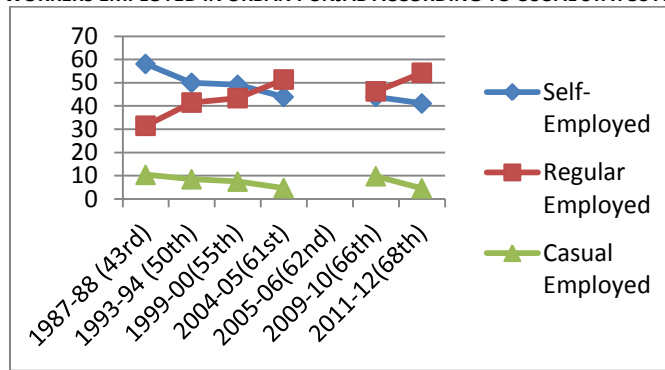
TABLE 2: PERCENTAGE OF FEMALE WORKERS EMPLOYED IN URBAN PUNJAB ACCORDING TO USUAL STATUS ALL (ps+ss) BY MODE OF EMPLOYMENT

Year (Rounds)	Status of Women Employment (Urban Punjab)		
	Self-Employed	Regular Employed	Casual Employed
1987-88 (43rd)	58.1	31.5	10.4
1993-94 (50 th)	50.0	41.5	8.5
1999-00(55th)	49.1	43.4	7.5
2004-05(61 st)	43.9	51.4	4.7
2005-06(62 nd)	N.A	N.A	N.A
2009-10(66 th)	43.9	46.3	9.8
2011-12(68 th)	41.1	54.3	4.6

Source: various rounds of NSSO data

Note: N.A represents that data is not available

FIGURE 3: PERCENTAGE OF FEMALE WORKERS EMPLOYED IN URBAN PUNJAB ACCORDING TO USUAL STATUS ALL (ps+ss) BY MODE OF EMPLOYMENT



6.2 SELF-EMPLOYED WOMEN IN PATIALA DISTRICT: EMPIRICAL EVIDENCE

For the purpose of study, the self-employed women are classified into eight groups on the basis of their occupation, namely, tailoring/boutiques, knitting, handicraft, papad/vadiya making, pickle making, paranda/doriya/nala making, tiffin service and manufacturing of other traditional items like khes, hand fans, carrybags from newspaper, etc. The sampled women’s social profile and operational details are analyzed in this study to find out factors affecting women self-employment.

TABLE 3: TEHSIL-WISE DISTRIBUTION OF SELF- EMPLOYED WOMEN AS PER THEIR DOMESTIC MANUFACTURING UNITS IN PATIALA DISTRICT

Code No.	Occupation	Nabha	Patiala	Rajpura	Samana	Patran	ALL
1	Tailoring/ Boutiques	16 (26.67)	17 (28.33)	15 (25.00)	20 (33.33)	20 (33.33)	88 (29.33)
2	Knitting	10 (16.67)	9 (15.00)	11 (18.33)	18 (30.00)	16 (26.67)	64 (21.33)
3	Handicraft	9 (15.00)	15 (25.00)	5 (8.33)	13 (21.67)	9 (15.00)	51 (17.00)
4	Papad/Vadiya	6 (10.00)	4 (6.67)	16 (26.67)	4 (6.67)	4 (6.67)	34 (11.33)
5	Pickle	5 (8.33)	4 (6.67)	4 (6.67)	3 (5.00)	3 (5.00)	19 (6.33)
6	Paranda/Dori/ Nala	10 (16.67)	7 (11.67)	3 (5.00)	2 (3.33)	6 (10.00)	28 (9.33)
7	Tiffin service	2 (3.33)	3 (5.00)	4 (6.67)	0 (0.00)	0 (0.00)	9 (3.00)
8	Others	2 (3.33)	1 (1.67)	2 (3.33)	0 (0.00)	0 (0.00)	7 (2.33)
Total		60 (100)	60 (100)	60 (100)	60 (100)	60 (100)	300 (100)

Source: As per primary survey in Patiala dist.

Note: Figures in parentheses represent percentage share

6.3 FACTORS AFFECTING WOMEN SELF-EMPLOYMENT: EMPIRICAL EVIDENCE

Self-employment is an act of setting up a new business unit or reviving an existing business unit to take advantages from new opportunities. Thus, self-employed women shape the economy by creating new wealth and new jobs and by inventing new products and services. However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch or applying the best marketing strategy. It is in reality an attitude to create something new and an activity which creates value in the entire social eco-system. It is the psychological makeup of a person. It is a state of mind, which develops naturally, based on his/ her surrounding and experiences, which makes him/ her think about life and career in a given way. The women have achieved immense development in their state of mind. During the last two decades, increasing numbers of Indian women have entered the field of self-employment and also they are gradually changing the face of business of today, both literally and figuratively. But still they have not capitalized their potential in India the way it should be.

It has been well demonstrated in the literature that self-employment among women is the result of many factors. Therefore, this paper is an effort to identify the socio-economic and demographic factors, which determine the women self-employment. This paper deals with the various pull and push factors that affect women to be self-employed by starting and running manufacturing unit at domestic level. This also concentrates on analysis of data collected through questionnaire to establish motivating and de-motivating internal and external factors of women self-employment.

6.4 PULL AND PUSH FACTORS

What makes women to enter into self-employment, whether they are pushed into that activity by some pressure either economic/social or they have been attracted to it?

Female self-employment depends upon demand and supply, which, in turn, depends upon the demand/supply of its product/service. Thus, their demand is ‘derived demand’. Besides this, demand for a self-employed woman may exist in a ‘latent’ form but may not surface owing to unfavorable social environment. For instance, in a joint family, women may not be called upon to handle family business as these are well managed by men folk. However, on partition of the family or demise of the male member, the women may be called upon to carry on the business activities. The supply of self-employed women is influenced by many factors as family demands on their time and organizational structure of the family. For instance, even when their services are badly needed for the business, they may be discouraged to join the same due to joint family system or some other family responsibilities other than to look after the children etc. However, after family division, they have to become active member of the decision-making process. And, when the head of the family is no more, they may be required to take his place with or without choice. However, the degree of their active participation to do this job would decide the success or failure of the business.

Like the individual circumstances of women which act as impediment for their joining the business, the supply of self-employed women gets affected by co-existence of pull and push factors. While encouragement motivates, discouragement dampens the adventure spirit inherent in women. Often, some of the factors act in the direction of encouragement, others in the direction of discouragement. It is the net sum-total of these opposing forces that decides the tilt.

Pull factors are related with women’s desirability to do that particular activity by becoming conscious of strengths that are directly under the control of individual. These may include; the urge to emulate the other successful self-employed women, financial support (ready availability of loan-able funds) and a supportive environment (availability of such services as professional advisory, training, and transport services etc. Pull factors are classified as: with choice pull or

without choice pull. *Pull-with choice* exists where women choose one option from the given options. On the other hand *pull-without choice* exists when women have no option to select from but have to work within the available circumstances.

Push factors are external compulsion rather than internal motives that push people to run the business unit by self-employed women. People may be suddenly thrown out of employment and may be compelled to seek or accept another job. These are divided into positive push and negative push. *Positive push* may manifest as a consequence of monotony when children grow up, to increase the household’s standard of living, to have more facilities to enjoy quality of life or luxuries of life etc.). In contrast, *Negative push* is involuntary. It arises due to death of leading earning member or his partial deformity, divorce or partition of family business etc.

The table 4 and pie chart reveals the respective share of each category i.e. pulls with choice (31.67%), pull without choice (27.33%), positive push (23.33%) and negative push (17.67%).

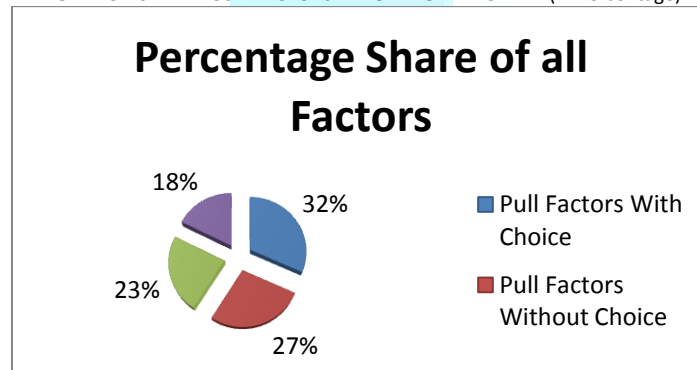
TABLE4: FACTORS DETERMINING WOMEN SELF-EMPLOYMENT IN PATIALA DISTRICT

Sr. No	Factors	No. Of Respondents
1	Pull Factors With Choice	95 (31.67)
2.	Pull Factors Without Choice	82 (27.33)
3.	Positive Push Factors	70 (23.33)
4.	Negative Push Factors	53 (17.67)
Total		300 (100)

Source: As per primary survey in Patiala Dist.

Note: Figures in parentheses represent percentage share

FIG.4: PULLS AND PUSH FACTORS IN FORM OF PIE CHART (In Percentage)



The women having excess capacity (pull with choice) are the maximum in number (31.67 percent). This category of women start/join the business activity of their interest (say activities in which they have past exposure, training or education), at preferred location (say within the household premises or outside the premises but within the city) and at chosen time-profile, say after getting free from children’s responsibilities.

The next heavy-weight in the sample (27.33 percent) is a better privileged category depicted by the pull factors without choice attributes where women enjoy the excess capacity in terms of human capital (acquired or inherent talent or supportive family) and/or physical capital (family business, location and space advantage of business) but do not have liking for line of business activity in which they are pulled. They may have time, talent, space and experience with them but do not have the alternatives to go for it for instance, normally after division of the family businesses women are immediate help to lean upon and women in turn have no option in such circumstances.

The weight of women falling in the third category (Positive push) improves to more than one-fifths of the sample (23.33 percent). Obviously, such women are in a better position as they enjoy activity choice option, which is in conformity with available economic trends, which assure reasonable profit margins. For, they are conscious of the individual strengths and weaknesses.

On expected lines, such adverse conditions as negative push attract lesser number of women to entrepreneurial activities (17.67 percent). For example, when husband running the business expires in a nuclear family, wife is forced to take up the reins of the business to salvage the problems of the business, run it to help family stay on its feet. Such a woman may or may not have the exposure in business field. Of these, about half are represented by widowed women. They are pushed into business by economic and social pressures where no choice is available to them. No wonder, they face hurdles in the initial and subsequent rounds of running the enterprise. Road to success for them in strenuous and time consuming. In their case, negative push acts as a blessing in disguise as it helps them to recognize their inner strength.

The heaviest weight is of the category of the most privileged women who enjoyed pull with choice and positive push. These women get positive support and pull gains. The positive impact of supportive (or pull) macro factors gets well portrayed by the relative weights of this category (along with its sister category – positive push in the sample).

6.5 PULL FACTORS

Pull factors are related with women’s desirability to do that particular activity by becoming conscious of strengths that are directly under the control of individual and the family or provided by the macro-environment. The supportive macro factors may manifest in the form of demonstration effects (the urge to emulate the other successful self-employed women), financial support (ready availability of loan-able funds) and a supportive environment (availability of such services as professional advisory, training, and transport services, etc. (Sexton 1986).

Pull factors have been classified as: pull factors with choice or *pull factors without choice*. Pull factors (with choice) exists where women choose one option from the given options on the basis of profit margins, existence of demand for that particular activity, friendly environment (created by society as well as state) to do something independent, utilization of space etc. Positive pull factors may flow from partner, mentor, investor and/or customer (Shapiro and Sokol, 1982). On the other hand pull (without choice) exists when women have no option to select from but have to work within the available circumstances. This includes; having education/knowledge related to a particular activity (not deliberately attained), availability of inputs for a particular activity etc. These factors are shown in detail in following table 5.

In this section we attempt to identify the prime factors which motivated the self-employed women in our sample (Table 3).From above table it is shown that 177 (59 percent) self-employed women are pulled by various factors. Out of them 95 (31.67 percent) women are pulled with choice and 82 (27.33 percent) are pulled without choice. Majority of the women (nearly 36 percent) are pulled by desirability to something independently. Now-a-days women want to be independent financially.

TABLE 5: PULL FACTORS OF WOMEN SELF-EMPLOYMENT IN PATIALA DISTRICT

Sr. No	Pull Factors	No. of Respondents		Total
		With Choice	Without Choice	
1	Desirability to do something independently	35 (36.85)	30 (36.58)	65 (36.72)
2	Past experience and talent	24 (25.26)	22 (26.83)	46 (25.99)
3	Support from family and friends	16 (16.84)	14 (17.07)	30 (16.95)
4	Encouraged from success stories of other self-employed women	8 (8.42)	6 (7.32)	14 (7.91)
5	Financial support from family	12 (12.63)	10 (12.20)	22 (12.43)
Total		95 (100)	82 (100)	177 (100)

Source: As per Primary Survey in Patiala Dist.

Note: Figures in parentheses represent percentage share

After asking them they said that they don't want to beg from husband or family for their day to day expenses. After getting employed they are financially independent but also contributing to family expenses. So urge to be independent rather than working for someone else is most important motive of becoming self employed. Nearly 26 percent women are pulled by their past experience in that activity. Like four respondents who were running boutiques said that they learnt stitching from their mother during unmarried time period. They used to help mother in their stitching work. This talent helped them to start their own work at their own. There are nearly 17 percent women who are pulled by the support of family and friends. Their family or friends have encouraged them to enter into employment. Nearly 8 percent are encouraged by success stories of other self-employed women. They tried to emulate them. There are 12 percent women who got financial support either from family or from husband. Financial support is important pull factor.

6.6 PUSH FACTORS

Sometimes it is external compulsion rather than internal motives that push people to run the business unit by self-employed women. People may be suddenly thrown out of employment and may be compelled to seek or accept another job. Remaining unemployed for long periods may also act as a factor. Perhaps the person was totally dissatisfied with the job in which he/she was employed, leaving him no other option but to quit the job. We can divide push factors into positive push and negative push.

Positive push may manifest as a consequence of monotony when children grow up, to increase the household's standard of living (Barahona, 1995) i.e. to have more facilities to enjoy quality of life or luxuries of life, to harness the acquired talent (education/training), suggestions by one's social circle to exploit the inborn talent at professional level (Finney, 1977). In contrast, **Negative push** is involuntary. It arises due to death of leading earning member or his partial deformity, divorce or partition of family business or increase in the household expenses, for instance, when children begin their schooling etc. Hence, there exist different reasons, (varying from person to person) acting as positive or negative push. Table 6 presents the details regarding the major push factors stated by our sample self-employed women in Patiala Dist.

It is evident from table 6 that out of all respondents, there are 70 respondents (23.33 percent) who are positively pushed into self employment. Out of them, 41 respondents are pushed for increasing household earnings to enjoy quality of life. During the era of inflation, it is not enough to have only one earning hand in family. So they state that women have to do something if they want better life. There are 9 self employed women who state that working women have different social status in society. This thinking pushed them to enter into their respective unit. And remaining 20 respondents are pushed by suggestions by family or friends to exploit inborn talent and skill.

Sometimes it is external compulsion rather than internal motives that push people to launch their enterprises. There are 53 respondents (17.67 percent) who are pushed by negative reasons. They are compelled to enter into self-employment. In our sample, 15 widow respondents entered after loss of their husband. Some of them are carrying on husband's unit and some have started their own domestic manufacturing unit. There are 25 respondents who are working because there is no other active member in family who can earn enough to meet household expenditure. For instance, the failure of earning hand of the family due to some physical incapability (e.g. accident or ailment) or mental incapability (e.g. an alcoholic addiction) compels women to take over his responsibilities by becoming businesswomen. One respondent was working due to illness of her husband who was suffering from cancer from last 3 years. There are 4 respondents who opted for self-employment because they lost their job. Four of them are now running boutiques at their own with the help of workers. Divorce is also compelling factor as stated by our sample women (9, 16.98 percent).

TABLE 6: PUSH FACTORS OF WOMEN SELF-EMPLOYMENT IN PATIALA DISTRICT

Sr. No	Push factors	No of Respondent
Positive Push		
1.	For increasing household earnings to enjoy quality of life	41 (58.57)
2.	To achieve high social status	9 (12.86)
3.	Suggestions by one's social circle or family to exploit inborn skill and talent	20 (28.57)
Total		70 (100)
Negative Push		
1	Loss of husband	15 (28.30)
2	Incapability of earnings	25 (47.17)
3	Fired from job	4 (7.55)
4	Divorce	9 (16.98)
Total		53 (100)

Source: As per Primary Survey in Patiala Dist.

Note: Figures in parentheses represent percentage share

Surrounding socio-economic factors of women self-employment whether positive or negative in nature has their individual bearing upon women's behavior while venturing and operating the business activity.

Strength of the problem encountered while running the enterprise gets affected by background factors. The organizational and occupational background of one's family also influences a woman for entrepreneurial ventures. For instance, a) nuclear family based women come at second position in getting supportive environment as compared to the joint family structure. b) Negative push affects self-employed women according to their marital status as unmarried women do not get positive push from society. c) Business background of a family do acts as positive push. Further, social activism helps in sales promotion of the products and services and causes positive push.

7. CONCLUSION

The study tried to find out the different crucial factors which are concerned with the women self-employment opportunities at large. Factors have been also identified through various review of literature. In general, self-inspiration was the most important factor that pulled women to self-employment irrespective of the level of working. The prime motivators are thus found to be the self-employed women themselves. They had the urge to start businesses on their own. Most of the entrepreneurs ventured into enterprises primarily to support their families. This seems to be the most important motive for starting businesses. The urge to be on one's own rather than working for somebody else was the next important motive for starting business. The self-employed women start these units primarily to support their families as well as to fulfill their ambition of being on their own. It was observed that amassing incomes and improving social status are relatively less important as pull factors in the case of these women. This reflects the nature of self-employment at domestic level, which still seems to be rooted in the satisfaction of basic needs such as supporting the family. Entry into business is not driven out of compulsion, but seems to be driven by the need to express oneself. Push factors such as unemployment and job dissatisfaction were not given high scores by the sample women. Our discussion on the prime motivators also brings out that the women were also more influenced by success stories of other self-employed women. The skills and experience a person acquires prior to starting a new venture have some influence in facilitating entry. All these factors may vary from place to place business to business but women self-employment is necessary for the growth of any economy whether it large or small. From above we conclude that the surrounding socio-economic factors of self-employment whether positive or negative in nature, have their individual bearing on women's behavior. Thus from the above empirical evidence, we can see that there are various factors which determine the entry of women into self-employment. Due to non-availability of regular jobs or due to other family restrictions women think it better to earn for their livelihoods at their home. They prefer to do job on their own basis by getting themselves into such occupations, as mentioned earlier. Self-employment has given them confidence to become independent. Their family or society also appreciates them after getting into employment on the one hand and economic empowerment on the other hand.

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RURAL DEVELOPMENT THROUGH MICROFINANCE AND WOMEN EMPOWERMENT

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ABSTRACT

Rural development is an integral process of economic growth and social progress. It implies the development of rural sector which has many dimensions. The role of microfinance and women empowerment in this context is important because it provides an environment of sustainable improvement in the quality of life of rural womenfolk enabling them to form S.H.Gs, and providing them equal opportunities in decision making process and participation in community life. Rural development and poverty reduction are commonly related to the issue of rural employment. Rural households livelihood strategies comprise several options including farming and non-farm activities, local self-employment and wage employment, and migration. Microfinance has proven to be an effective and powerful tool for rural development and poverty reduction. Like many other development tools, it has sufficiently penetrated the poorer strata of society.

KEYWORDS

Microfinance, S.H.Gs, Rural Development, Poverty, Women Empowerment.

INTRODUCTION

In an age of globalization and increasing global disparity between rich and poor, the world has seen the rise of a new and celebrated poverty-fighting strategy in past decades: microfinance. Microfinance organizations, by definition, provide financial services to poor entrepreneurs, most commonly small loans to help poor individuals start or grow small businesses. Microfinance also includes the provision of other services such as savings opportunities and micro-insurance to the poor. Since its beginnings in the 1970s, microfinance has spread exponentially worldwide with the backing of countless governments and influential international organizations such as the United Nations and the International Monetary Fund (IMF). This poverty-fighting strategy has also specifically been praised for its sustainability—instead of functioning as a charity, it aims to provide poor individuals with the tools to pull themselves out of poverty and sustain their financial success. The great faith that the world has placed in microfinance in recent years has made it seem the panacea for world poverty. Its impact on the alleviation of poverty on a grand scale has yet to be assessed, but important changes have occurred at the individual level for microfinance clients as they improve their financial stability and standard of living through small enterprise.

Microfinance has become popular not only for its alleged ability to combat poverty but also for its potential to empower the microfinance client, especially those clients who are women. In many of the developing countries where microfinance has become prevalent, gender inequalities play a powerful role in societal structure and contribute greatly to the nation's poverty and underdevelopment. The possibility of empowering women and granting them greater economic, psychological, and social agency through a simple loan therefore makes microfinance a compelling initiative at the micro and the macro level. Empowering an individual woman in a third world nation not only grants her greater independence and control over her life, but may also contribute to the wellbeing of her family and in part to the alleviation of poverty in her country. It is on this platform of the simultaneous alleviation of poverty and empowerment of women that many microfinance organizations have promoted their work and gained financial support. But much research still remains to be done on microfinance's individual and collective impact among the poor. We must continue to investigate the exact ways in which microfinance works as a tool to reverse poverty and to empower the individual before we can make claims on its worldwide success.

Microfinance is not a new development. Some developed countries as well as developing countries particularly in Asia have a long history of microfinance. During the eighteenth and nineteenth centuries, in number of European countries, microfinance evolved as a type of the informal banking for the poor. Informal finance and self-help have been at the foundation of microfinance in Europe. The early history of microfinance in Ireland can be traced back to 18th century. It is a history of how self-help led to financial innovation, legal backing and conductive regulation, and creating a mass microfinance movement. But the unpleasant regulations prompted by commercial banking brought it down. The so-called Irish loan funds appeared in early eighteenth as charities, initially financed from donated resources and offering interest free loans. They were soon replaced by financial intermediation between savers and borrowers. Loans were granted on short-term basis and instalments were scheduled on weekly basis. To enforce the repayment, monitoring process was used.

In Latin America and South Asia, the microfinance has grown out of experiments, but the best-known start was in Bangladesh in 1976, following a widespread famine in 1974 and a hard-fought war of liberation in 1971. Its origin can be traced back to 1976, when Muhammad Yunus set up the Grameen Bank, as an experiment, on the outskirts of Chittagong University campus in the village of Jobra. The inspiration of Grameen Bank came to Muhammad Yunus' mind when he lent the equivalent of \$26 to \$42 to exploited women who were working as bamboo furniture maker. He saw that, they were enthusiastic about it and paid back their loans on time. In the beginning, Muhammad Yunus focused the activities of Grameen Bank mainly on savings and small loans, and decided to put the interest rates high enough to cover the expenses. Finally yet importantly, he asked borrowers to organize themselves in solidarity groups of five people (who have to meet every week in order to repay their loans and to exchange their opinions). Inspired by the success of his experiment, he decided to spread out this system to other villages in Bangladesh. In 1983, this institution became a bank. Today it operates in almost 36000 villages and serves more than 3500000 people. On 13th October 2006, the Nobel Peace Prize went to Muhammad Yunus and Gramen Bank, the microfinance institution he founded 30 years ago. Muhammad Yunus has shown himself to be a leader who has managed to translate visions into practical action for the benefit of millions of people, not only in Bangladesh, but also in many other countries. Loans to poor people without any financial security had appeared to be an impossible idea. Eventually we are in a situation, in which Muhammad Yunus, the founder of Grameen Bank, tells us the goal spread of micro-credit and finance, which give us the hope, *"Maybe our great-grandchildren will go to museums to see what poverty was like"*.

DEFINITION AND SCOPE OF MICROFINANCE

Microfinance is the provision of financial services to low income clients who traditionally lack access to banking and related services. It helps in reaching out to the vulnerable segments of the society like women, SC, ST which are outside the purview of formal institution. It is a form of financial development that has primarily focused on alleviating poverty through providing financial services which help poor to take up income generating activities and secondly it focuses on women empowerment.

Micro-finance is the provision of a broad range of financial services such as credit and savings to poor and low-income household and their micro enterprises (Rhyne, 2003). Microfinance refers to a variety of financial services that target low-income clients, particularly women. Since the clients of microfinance institutions (MFIs) have lower incomes and often have limited access to other financial services, microfinance products tend to be for smaller monetary amounts than traditional financial services. These services include loans, savings, insurance, and remittances. Micro loans are given for a variety of purposes, frequently for microenterprise development. The diversity of products and services offered reflects the fact that the financial needs of individuals, households, and enterprises can change significantly over time, especially for those who live in poverty. Because of these varied needs, and because of the industry's focus on the poor, microfinance institutions often use non-traditional methodologies, such as group lending or other forms of collateral not employed by the formal sector.

Micro finance institutions (MFIs) consist of agents and organizations that are engaged in relatively small financial transactions using specialized, character based methodologies to serve low-income households, micro enterprises, small farmers, and others who lack access to the banking system. In addition to financial intermediation, many MFIs provide social intermediation services such as group formation, development of self-confidence, and training in financial literacy and management capabilities among members of a group. Thus the definition of micro finance often includes both financial and social intermediation. Although some MFIs provide enterprise development services such as skills training and marketing, and social services, such as literacy training, proper home management and health care, they are not generally included in the definition of micro finance.

RURAL WOMEN EMPOWERMENT THROUGH MICROFINANCE

Microfinance is a powerful tool to assist the stumbling economies to recover and strengthen, thereby making the lives of millions of poor people more self-respecting and dignified. Microcredit has made women more productive by providing them opportunity to be self –dependent in terms of their finance, helping them earn, making them aware of their rights and making them independent which in turn has empowered them. Women are now included into socio-economic activities of the country, they are contributing to family income and are a part of decision-making process in the family and they are able to exercise more control over their reproductive rights.

Microfinance is a new and dynamic approach which has aided in global poverty eradication and empowerment of women by making them financially self-reliant. Professor Yunus, Managing Director of Grameen Bank, promoted it in 1974 in Jobra, a village in Chittagong of Bangladesh, and it has spread all over the world. It is a program that extends small loans and other financial and business services to very poor people for self-employment projects that generate income, thereby enabling them to take care of themselves and their families.

Microfinance helps in integrating the financial needs of poor people into a country's mainstream financial system. It has been acknowledged that the development of a healthy national financial system is an important goal and catalyst for the broader goal of national economic development, which microfinance serves very well. Microfinance helps the poor, including women in not just obtaining loans but also inculcating in them habits of savings, investing in insurance policies and money transfer services. It helps them to raise income, be self-dependent, build up assets and have a better life and better standard of living.

A majority of microfinance programmes target women with a goal to empower them. Keeping up with the objective of financial viability, an increasing number of micro finance institutions prefer women members as they believe that they are better and more reliable borrowers. **Shri Mahila Griha Udyog Lijjat Papad or Lijjat** is an organization that has acted as a catalyst in empowering poor urban women across India during the last four decades. Starting as a small group of seven women in 1959, today Lijjat has more than 40,000 members in 62 branches across 17 Indian states. Only women can become members of Lijjat.

Rural India represents a vast opportunity with its largely unmet demand for financial services. ICICI Bank seeks to tap the significant rural commercial opportunity as well as create a social impact on the rural poor. The primary function of RMAG is to provide financial solutions to the vast rural hinterland. The group is thus responsible for all of ICICI Bank's rural, micro-banking and agri-business initiatives.

The Government, with the help of institutions like National Bank for Agriculture and Rural Development (NABARD) started **Self Help Group (SHG)** Bank linkage programme. Based on the concept of "self-help," small groups of women have been formed into groups of ten to twenty and operate a savings-first business model whereby the member's savings are used to fund loans. The rise of SHGs and more formal SHG Federations coupled now with SHG Bank Linkage have made this a dominant form of microfinance in addition to microfinance institutions (MFI). The significant policy announcements from the Government of India and the Reserve Bank of India have supported growth of micro finance sector in India. Today, it is estimated that there are at least 2 million SHGs in India.

MICRO FINANCE AND EMPOWERMENT OF WOMEN

The importance of women to the economic development of India was first recognized during the country's struggle for independence. Empowerment is a social action process that promotes participation of people, organization and communities in gaining control over their lives in their community. There is urgent need of empowering women especially in rural areas. The formation of Self Help Group and Micro Financing will enhance their socio- economic position in the society. Small loans can make good business sense among the women. It has been noticed that women in particular stand to gain a lot from micro-finance because it gives them an independent means of generating wealth and becoming self-reliant in a society that does not offer them much scope for entrepreneurship. And since it is women who run the household, a higher standard of living for women ensures better governance and a healthier and more prosperous future for the children and a better future for the nation. The success of micro credit initiatives has often been attributed to their particular focus on empowering women and encouraging their self-reliance through developing their own means of income. Various case studies show that there is a positive correlation between credit availability and women's empowerment. It is observed that majority of rural women who are associated with self-help group activity positively succeeded to gain themselves empowered.

Women in rural India lived in virtual isolation, unable to access even the most basic of services. But, with the formation of Women's Self-Help Groups, these women are now achieving social and physical mobility. It is recognized that while the empowerment of women is a process that will not happen automatically, SHG is a suitable means for the empowerment of women. The impacts of SHGs on socio-economic status of women were found significant.

Microfinance programmes are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment. Where financial service provision leads to the setting up or expansion of micro-enterprises there are a range of potential impacts including:

- Increasing women's income levels and control over income leading to greater levels of economic independence.
- Access to networks and markets giving wider experience of the world outside the home, access to information and possibilities for development of other social and political roles.
- Enhancing perceptions of women's contribution to household income and family welfare, increasing women's participation in household decisions about expenditure and other issues and leading to greater expenditure on women's welfare.
- More general improvements in attitudes to women's role in the household and community.

ROLE OF SELF HELP GROUPS

The SHGs of rural women consists of members who are the poor, having low saving capacity and who depend on money lenders for meeting their consumption needs and social obligations. Formation of women into self help groups paved a way to develop their economic standards, thereby building self confidence. Women in SHGs have been encouraged by the government as well as NGOs to undertake self employment ventures with locally available resources. Availability of micro-credit helped SHG women a lot and many women came forward and established micro enterprises. At present a number of NGOs and financial institutions have been offering micro finance especially to rural women micro entrepreneurs. They also motivate training programmes to develop their entrepreneurial skills and capabilities. Specific trainings in manufacturing or service sector are available for the prospective rural women micro entrepreneurs. These institutions have been encouraging women to start micro enterprises. As a result micro entrepreneurship is gradually growing importance among the rural women.

ROLE OF NABARD

NABARD was established as an apex institution, accredited with all matters concerning policy, planning and operations in the field of credit for agriculture and other economic activities in rural India with a vision to facilitate sustained access to financial services for the unreached poor in rural areas through various Micro Finance innovations in a cost effective and sustained manner. NABARD has been working as a catalyst in promoting and linking more and more SHGs to the banking system. The pioneering efforts at this direction were made by NABARD. In 1991-92, a pilot project for linking about 500 SHGs with banks was launched by NABARD in consultation with the RBI. It is considered as a landmark development in banking for the poor. On the recommendation of the NABARD

the Reserve Bank advised that the banks financing of SHG would be reckoned as part of their lending to weaker sections. As a follow up of the recommendations of the NABARD Working Group, the RBI took some measures in 1996 to give a thrust to micro finance based lending. Banks were advised to consider lending to the SHGs as part of their mainstream credit operations, to identify branches having potential for linkage with SHGs and provide necessary support services to such branches. Further, it was decided that NABARD would continue to provide refinance to banks under the linkage project at the rates stipulated from time to time.

CHALLENGES TO EMPOWERMENT THROUGH MICROFINANCE

While the empowering potential of microfinance programmes remains strong, the evidence of challenges, ineffectiveness and limitations of the potential is equally compelling. Although microfinance has the ability to empower women, the connection is not straightforward or easy to make. Significant research and much anecdotal evidence suggest that this link is certainly not automatic (Hunt and Kasynathan 2001, 2002; Kabeer 1998; Mayoux 1998). Just handing money to women and giving them access to financial assets and resources creates a new set of challenges for women, thus balancing the experience of empowerment with the experience of extra burdens. Others argue more strongly that access to microcredit actually impacts women's empowerment experience negatively by leading to a certain kind of disempowerment. Yet another set of analyses indicates that the goals of microfinance and its empowering potential are intrinsically of conflicting natures. The argument is that focusing on women's empowerment leads to dilution of efficiency and sustainability of MFIs, and this results in reluctance to focus on women's empowerment when designing their systems and programmes. Impressive literature exists that records the challenges and gaps between the goals and the empowerment potential of microfinance programmes that target women. These challenges emanate in the economic, politico-organizational, ideological and cultural domains within which microfinance institutions and microcredit lending programmes are embedded. This section discusses the multidimensionality of these challenges.

ECONOMIC AND POLITICO-ORGANIZATIONAL CHALLENGES

The central issue here is whether the economic goals of efficiency and sustainability of MFIs are rationally compatible with the goals of empowerment. There are arguments pro and con.

Those who support a finding of compatibility have argued that targeting women is in fact more judicious, because: (i) women's repayment rates are higher than men's; (ii) women are more cooperative; and (iii) awareness of what clients have and what they need – and empowering them – can actually increase sustainability, because MFIs can offer loans that are appropriate and sustainable (Cheston and Kuhn 2002).

Those who emphasize that it is incompatible to aim for efficiency while pursuing the empowerment of women argue that institutions that place a priority on serving women also have a tendency to place social goals ahead of efficiency, leading to poorer financial performance (Cheston and Kuhn 2002).

While there are certain studies showing that better lives can be built by integrating microfinance programmes with programmes such as education and health (Dunford 2001, 2) certain microcredit programmes such as WWF in India and Women's World Banking in the Dominican Republic do combine empowerment goals with goals of financial sustainability – the economic and organizational concerns of MFIs place great constraints on realizing the empowerment potential of micro financing.

OTHER PROBLEMS AND CHALLENGES

Surveys have shown that many elements contribute to make it more Difficult for women empowerment through micro businesses. These elements are:

- Lack of knowledge of the market and potential profitability, thus making the choice of business difficult.
- Inadequate book-keeping.
- Employment of too many relatives which increases social pressure to share benefits.
- Setting prices arbitrarily.
- Lack of capital.
- High interest rates.
- Inventory and inflation accounting is never undertaken.
- Credit policies that can gradually ruin their business (many customers cannot pay cash; on the other hand, suppliers are very harsh towards women).

CONCLUSION

For the last two decades, Indian economy has been growing at a faster rate but all have not benefited by this excellent growth. Liberalisation, privatisation and globalization have given a tremendous opportunity to develop but this development has been restricted to a certain groups of people. This has resulted in an increasing gap between the haves and have-nots of the society. In this context, microfinance can help reduce this disparity and lead to a more equitable growth of the country. Savings-driven microfinance environment is feasible in rural as well as urban areas. If properly regulated and supervised, they have great potential in poverty alleviation and development, both in rural and urban areas. Most of the world's poor lack access to basic financial services that would help them manage their assets and generate income. With the inefficient functioning of the Development Banks in the rural areas to the extent that is required, some forms of local financial services also disappeared. In this context, microfinance has emerged to fulfil the demand of rural credit.

The emerging microfinance revolution with appropriate designed financial products and services enable the poor to expand and diversify their economic activities, increase their incomes and improve their social well-being.

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