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RECENT SCENARIO OF INVESTMENT IN INDIAN MUTUAL FUND INDUSTRY

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ABSTRACT

In today's volatile market environment, mutual funds are looked upon as a transparent and low-cost investment vehicle, which is likely to attract a fair share of investor attention. However, the progress made till now by the industry is still far behind compared to other investment sectors in India. The total asset in mutual fund industry is still below 10% (9.08% in Financial Year 2015-16) of GDP (Gross Domestic Product). In financial year 2013-14 Mutual Funds were able to attract only 1.8% of the total financial savings of the household sector. The present study aims to analyze various aspects of the growth experience of the mutual fund industry. It has analyzed the pattern of investment, financial savings of the household sector, fund mobilized, AUM (Assets Under Management), repurchase/redemption etc. in the Mutual Fund industry after year 2000. A comparison between public and private sector has also been made. The study also intends to ascertain to what extent the Indian mutual fund industry was able to withstand the global financial crisis of 2008 and global recession of 2011 and whether it has overcome from this setback till now.

KEYWORDS

AUM, growth, investment, mutual fund.

1. INTRODUCTION

Before 1990 India had a bank dominated financial market under monopoly of the government where the capital market was totally controlled by administrative officers of the government. Since then it has made remarkable progress to become one of the most developed financial markets among emerging economies, however, it still has a long way to go to level the developed economies. The investments can be quickly and efficiently undertaken if investors have access to a well-developed financial market. The Indian securities market gained greater importance when the SEBI Act, 1992 established the Securities and Exchange Board of India (SEBI) as a statutory authority to oversee the Securities market in India. SEBI is mandated with three principal objectives: (i) To protect the interests of investors in securities; (ii) To promote the development of the securities market; and (iii) To regulate the securities market. Before the establishment of SEBI, activities in securities markets lacked a comprehensive regulatory framework and were opaque. Since the establishment of SEBI, the securities market in India has developed significantly. With the implementation of various rules and regulations prescribed by SEBI, access to information has increased, the risk of defaults has gone down and overall governance and ambience have become conducive for protection of investors' interests and the development of the securities market in India (Rakesh M., 2007).

India's investment cycle, was on an upturn since 2003-04 up to the 2007-08. The year 2008 witnessed an unprecedented crisis in an era when the integration of the world economy had achieved newer heights in history as an exceptional phase in the global economic Diaspora. India was comparatively less impacted by the crisis. This can be attributed to India's domestic driven market as against other export oriented economies. Additionally, the Indian banking system has been quite robust and was able to withstand the liquidity crunch.

In this study, various aspects of the growth experience of the mutual fund industry are analyzed. It has analyzed the pattern of investment, growth, the factors contributing and inhibiting to the growth and has made assessment of future prospects of Indian Mutual Fund Industry. The study also intends to ascertain that to the extent the Indian mutual fund industry was able to withstand the global financial crisis of 2008 and global recession of 2011 and whether it has overcome from this setback. The study is mostly restricted to the period of past 16 years, starting from year 2000 to 2016. The data has been collected from the websites of Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and Association of Mutual Funds in India (AMFI). In order to analyze the growth, Compounded Annual Growth Rate (CAGR) and exponential growth rate has been used using MS Excel. The CAGRs have been evaluated for two periods, one from 2000 to 2008 and other from 2000 to the latest time for which data were available in the tables to compare the growth rate pre and post global crisis of 2008.

2. PATTERN OF FINANCIAL SAVINGS OF HOUSEHOLD SECTOR

TABLE 1: % DISTRIBUTION OF FINANCIAL SAVINGS OF THE HOUSEHOLD SECTOR IN THE SPECIFIED ITEMS

Year	Deposits with Commercial Banks	Shares & debentures	Mutual Fund ¹	Small savings	Insurance funds
2000-01	32.5	3.2	0.9	14.0	13.6
2001-02	35.3	1.5	1.2	12.1	14.2
2002-03	35.5	0.9	0.8	14.9	16.1
2003-04	37.4	1.2	-1.1	15.5	13.7
2004-05	36.4	1.4	-0.3	19.5	16.0
2005-06	46.7	1.4	3.5	12.2	14.2
2006-07	47.8	3.7	5.3	2.7	17.7
2007-08	50.4	4.5	7.9	-1.9	18.0
2008-09 ^R	52.8	0.7	-1.4	-3.8	20.3
2009-10 ^R	36.6	1.2	3.3	4.3	26.2
2010-11 ^R	41.3	1.4	-1.2	4.0	22.3
2011-12 ^P	48.5	0.4	-1.1	-2.3	23.1
2012-13 ^R	51.1	4.1	3.4	-0.7	17.3
2013-14 ^R	53.1	2.9	1.8	0.6	17
CAGR-08	6.47%	4.99%	36.39%	---	4.09%
CAGR-14	3.85%	-2.63%	5.48%		1.73%

Source: Various issues of Annual Report of RBI of corresponding years from www.rbi.org.in/scripts/AnnualReportMainDisplay.aspx accessed on 19-09-2016.

Notes: 1- Mutual Funds and UTI combined, R - Revised, P - Provisional Estimates

The **Table 1** shows the distribution of gross financial saving of the household sector among specified items. It shows that share of mutual funds in the total investment in the country was never significant. It was 0.9% in 2000 and it is 1.8% in 2014. The best position was in 2007-08 when it was 7.9%. The percent shares of mutual funds were growing with an encouraging rate with CAGR (Compounded Annual Growth Rate) 36.39% till 2008 but its growth has fallen in year 2014 to CAGR 5.48%, which was around 15% between 2000 and 2006 and reached to 0.6% in 2014. Small sharp decline is seen in small savings which had double digit share till 2006. However, the insurance funds have maintained their share about 18% throughout the period 2000-2014. CAGR reveals that the percent shares of deposits with commercial banks were growing with CAGR 6.47% till 2008 but it came down to the level of 3.85% in 2014. The percent shares of Shares & debentures were growing with CAGR 4.99% till 2008 but it showed a negative growth in 2014 with CAGR -2.63%. However, the percent shares of insurance funds including provident and pension has maintained some growth. While CAGR of insurance funds was 4.09% till 2008 it has reduced to 1.73% in 2014. Deposit with commercial banks still has a bulk share of savings in household sector. It had 32.5% share in 2000-01 and has 53.1% share in 2013-14. The CAGR of the deposits till 2008 was 6.47% and it was 3.85% till 2014. However, in the comparison with Mutual Funds the CAGR of deposits with commercial banks is much lower than that of Mutual Funds. The impact of global crisis of 2008 is clearly visible on the trend of growth in investment in Mutual Funds and although its share is showing upward trend nevertheless it has still not recovered fully.

3. UNIT HOLDING AND INVESTMENT PATTERN

TABLE 2: UNIT-HOLDING PATTERN OF MUTUAL FUNDS INDUSTRY AS ON MARCH 31

Category\Year	% of Total Investors							% of Total Net Assets						
	2010	2011	2012	2013	2014	2015	2016	2010	2011	2012	2013	2014	2015	2016
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Individuals	97.1	97.0	94.5	96.9	97.4	97.3	97.5	39.8	23.4	48.2	45.7	45.1	46.9	46.7
NRIs	2.0	1.9	1.9	1.8	1.7	1.8	1.7	4.5	2.0	6.0	4.7	3.8	3.8	3.6
FIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.8	0.9	1.0	0.9	1.6	0.9
Corporates/Institutions/Others	1.0	1.1	3.6	1.2	0.9	0.9	0.8	54.8	72.8	44.9	48.6	50.2	47.6	48.8
Share of Public Sector	34.59	NA	34.4	34.79	36.1	34.8	34.03	22.03	NA	17.6	17.4	16.8	15.2	17.10
Distribution of Public Sector\Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Individuals	98.7	98.7	90.7	98.8	97.5	98.6	98.7	39.9	51.5	51.1	49.0	45.2	50.2	44.9
NRIs	0.9	0.9	0.9	0.9	1.7	0.9	0.9	2.0	3.2	3.4	3.1	3.6	2.5	2.2
FIs	0.0	0.0		0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	1.2	0.0	0.1
Corporates/Institutions/Others	0.4	0.4	8.4	0.4	0.8	0.5	0.4	58.0	45.2	45.5	47.8	50.0	47.3	52.8
Share of Private Sector	65.41	NA	55.6	65.21	63.9	65.2	65.97	77.97	NA	82.4	82.6	83.2	84.8	82.90
Distribution of Private Sector\Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Individuals	96.2	96.2	96.3	96.0	97.3	96.6	96.8	39.7	23.4	47.3	45.0	45.1	46.3	47
NRIs	2.5	2.4	2.4	2.4	1.7	2.2	2.1	5.1	2.0	6.6	5.0	3.8	4.1	3.9
FIs	0.0	0.0	0.0	0.0	0.0	0.1	0.0	1.3	1.8	1.2	1.2	1.0	1.9	1.1
Corporates/Institutions/Others	1.2	1.4	1.1	1.7	0.9	1.2	1.1	53.8	72.8	44.8	48.8	50.2	47.7	48.0

Source: Annual reports of SEBI of corresponding years from <http://www.sebi.gov.in/sebiweb/home/list/4/24/0/0/Annual-Reports> accessed on 19-09-2016

Table 2 presents unit holding and investment pattern in Mutual funds in the period 2010-2016. An analysis of the pattern shows that the retail investors for whom Mutual Funds were expected to be the primary investment vehicle, held 39.8% of total net assets with Mutual Funds in 2010 which has now increased 46.7% in 2016. It ranged between minimum 23.4% in 2011 and maximum 46.9% in 2015. In contrast, the corporates etc. which had held 54.8% is now holding 48.8% in 2016 which has declined almost to the level of retailers. The pattern of investment in 2010-16 presents an encouraging scenario for the growth of Mutual Funds in terms of increasing shares of retailers. We may also find from the table that the share of NRIs and FIs has declined in the period. The proportion of the number of individual investor folios as percentage of overall investors' accounts has been at level in the period between 94.5% and 97.4%.

When the pattern is analyzed sector wise, it may be seen that in Public Sector the share of retail investors in the total assets was 39.9% in 2010 which has increased to 44.9% in 2016 oscillating between 39.9% and 51.5% in the period and the share of Corporates etc. has decreased from 58% to 52.8% in between minimum 45.2% and maximum 58% during the said period. The share of NRIs in the period was about 3% and FIs about 1% in this period. In the Private Sector share of Corporates etc. has declined from 53.8% in 2010 to 48% in 2016 where minimum was 44.8% and maximum was 53.8% in the period and share of retail investors has increased from 39.7% in 2010 to 47% in 2016. Shares of NRIs and FIs have also declined in the period. Number of Folios of retail investors in private sector were between 96% and 97.3% while that of corporate between 0.9% and 1.7%.

The share of public sector in Net Assets in 2010 was 22.3% which has reduced systematically to reach at 17.1% in 2016. However, number of investors in public sector are almost at level between 34.4% and 36.1% in the period. A reverse phenomenon is found for the private sector.

From these comparisons we find that in Public Sector the share of number of portfolios of retailers are quite large compared to Private Sector but the share of net assets of retailers has considerably increased in Private Sector. It indicates that the in confidence of retail investors has considerably increased in private sector mutual funds compared to private sector Mutual funds.

4. GROWTH OF INDIAN MUTUAL FUND INDUSTRY

Table 3 presents Number of fund houses in operation, No. of schemes, No. of folios, Funds mobilized, Repurchase/ Redemption, Net Inflow / Outflow, AUM (Asset Under Management) on March 31, AUM as % of GDP (Gross Domestic Product) yearly from 2000 to 2016. From the Table we find that the total number of fund houses increased from 35 in the financial year 2000-01 to 42 in 2015-16 and had a CAGR of 1.22%. The CAGR up to 2008 was -0.84% indicating negative growth. From year 2002-03 to 2007-08 many fund houses were met with acquisitions and takeovers.

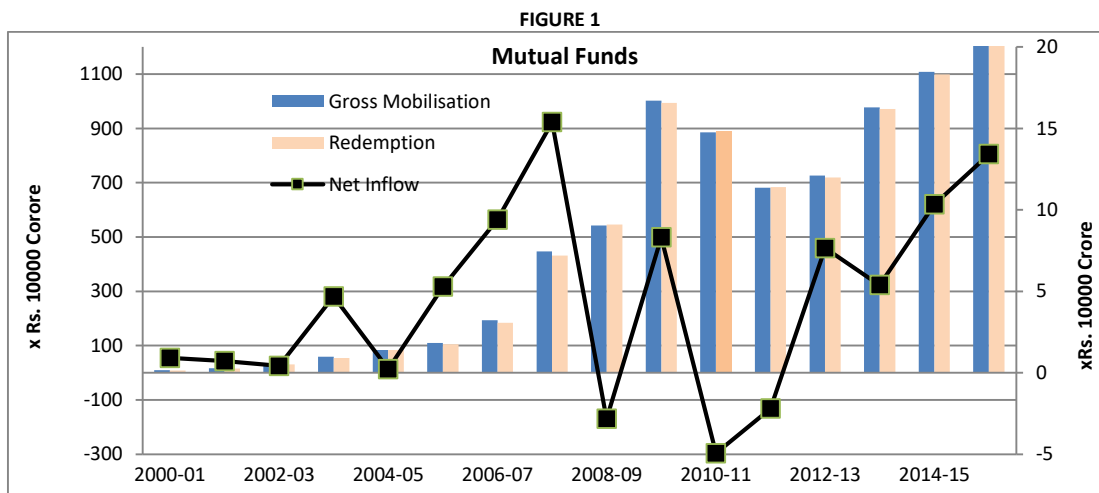
The CAGR of number of schemes existing is 12.86% for 16 years' period, there were 394 schemes operating under various categories in year 2000-01 and increased to 2420 in 2015-16. Total number of investors' folios increased with a CAGR of 10.33% between years 2000 and 2016. However, it may be seen that number of investor's folios was growing with a CAGR 31.52% during the period 2000 to 2008 being about three times of CAGR in 2016. The decline in the number of investors folios of in years after 2009 was mainly due to huge redemptions made in the post 2008 crisis however it is increasing in recent years.

TABLE 3: GROWTH OF INDIAN MUTUAL FUND INDUSTRY

Year	Number of fund houses in operation	No. of schemes	No. of folios	Funds mobilized (₹ in Cr)	Repurchase/Redemption (₹ in Cr)	Re-Net Inflow / Out-flow (₹ in Cr)	AUM on March 31 (₹ in Cr)	AUM as % of GDP
2000-01	35	394	NA	92957	83829	9128	90587	4.177111
2001-02	34	417	NA	164523	157348	7175	100594	4.28364
2002-03	29	406	NA	314706	310510	4196	79464	3.140047
2003-04	29	403	14643324	590190	543381	46809	139616	4.919694
2004-05	29	450	13845292	839708	837508	2200	149600	4.614138
2005-06	29	592	21788215	1098149	1045370	52779	231862	6.277791
2006-07	30	755	30366707	1938493	1844508	93985	326388	7.599775
2007-08	33	956	43796078	4464376	4310575	153802	505152	10.12919
2008-09	35	1001	47964617	5426353	5454650	-28296	417300	7.411995
2009-10	38	882	48174920	10019023	9935942	83080	613979	9.508216
2010-11	41	1131	47233262	8859515	8908921	-49406	592250	7.717469
2011-12	44	1309	46452064	6819679	6841702	-22024	587217	6.630872
2012-13	43	1294	42828315	7267885	7191346	76539	701443	6.93586
2013-14	46	1638	39548410	9768401	9714318	54083	825240	7.267589
2014-15	43	1884	41740203	11086260	10982972	103288	1082757	8.670237
2015-16	42	2420	47663024	13765555	13631375	134180	1232824	9.08085
CAGR00-08	-0.84%	13.50%	31.51%	73.86%	75.57%	49.70%	27.83%	13.56%
CAGR00-16	1.22%	12.86%	10.33%	39.54%	40.41%	19.62%	19.01%	5.34%

Source: Various issues of SEBI Annual Report, RBI database <http://dbie.rbi.org.in/DBIE/dbie.rbi?site=home> (accessed 19-9-2016) and Various issues of AMFI MONTHLY from website <http://www.amfiindia.com/AmfiMonthly.aspx> (accessed 19-9-2016)

The CAGR of total funds mobilized from 2000 to 2016 is 39.54% but the CAGR was 73.86% till 2008. Total redemptions/repurchases had a CAGR of 40.41% in 2016 which was 75.57% much higher in 2008 than its current growth rate. The Net inflows which were growing with CAGR of 49.70% till 2008 have come in the negative segment due to huge redemption in the period after 2008 till 2012. However, overall CAGR has of Net inflows from 2000 to 2016 has been recovered to the level 19.62%. Figure 1 presents the growth of Gross Mobilization, redemption and net inflow as visual diagram.



The AUM was growing from 2000 to 2008 at CAGR 27.83% however in the whole period of 16 years its CAGR is 19.01%. Figure 2 presents the growth of AUM from 2000 to 2016 and a trend line has been fitted with exponential model. The R-square a measure of goodness of fit is 0.944 indicating nice fitting of exponential model. The fitted exponential model also reveals that the AUM is growing with exponential growth of 18.5% yearly in the whole period. We may also see that the AUM also declined due to Global financial crisis and recession. The AUM at the end of the financial year as percent of GDP (Gross domestic product) at current price has been calculated and shown in the last column of Table 3. We find that AUM was always below 10% of the GDP except in 2007-8 when it was 10.13%. Here also the growth of this ratio was remarkable till 2008 with CAGR 13.56% which has declined to 5.34% in 2016 measured from 2000.

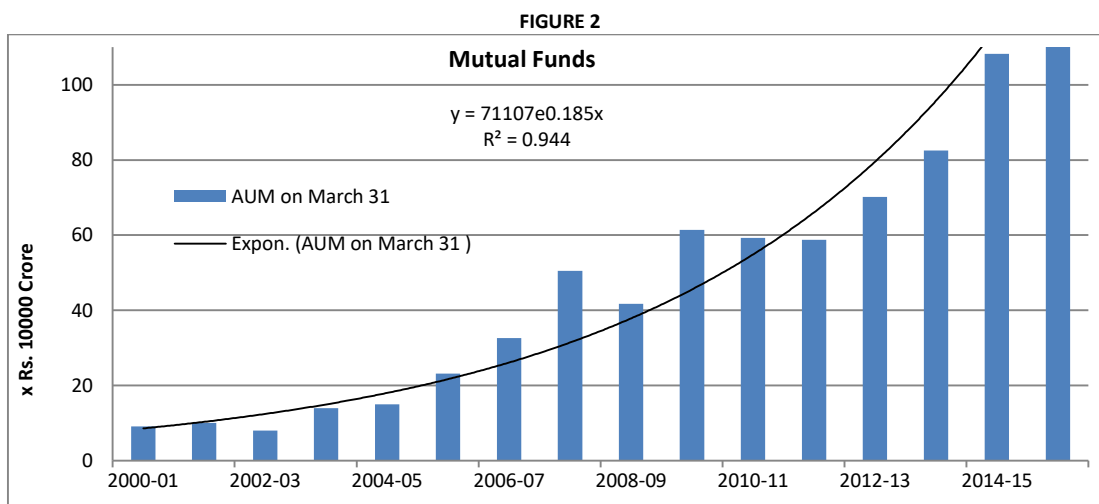


TABLE 4: SECTOR-WISE COMPARISON OF GROWTH OF INDIAN MUTUAL FUND INDUSTRY

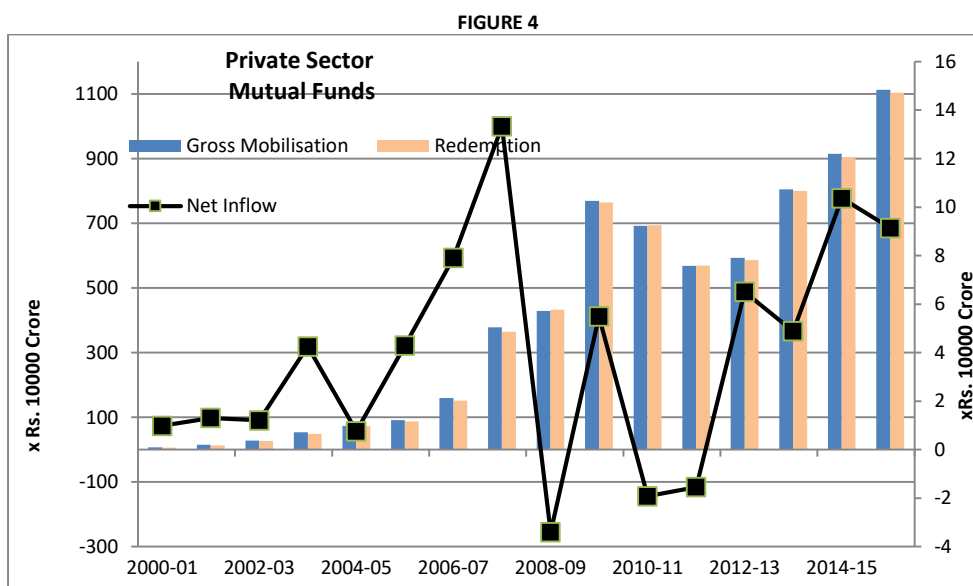
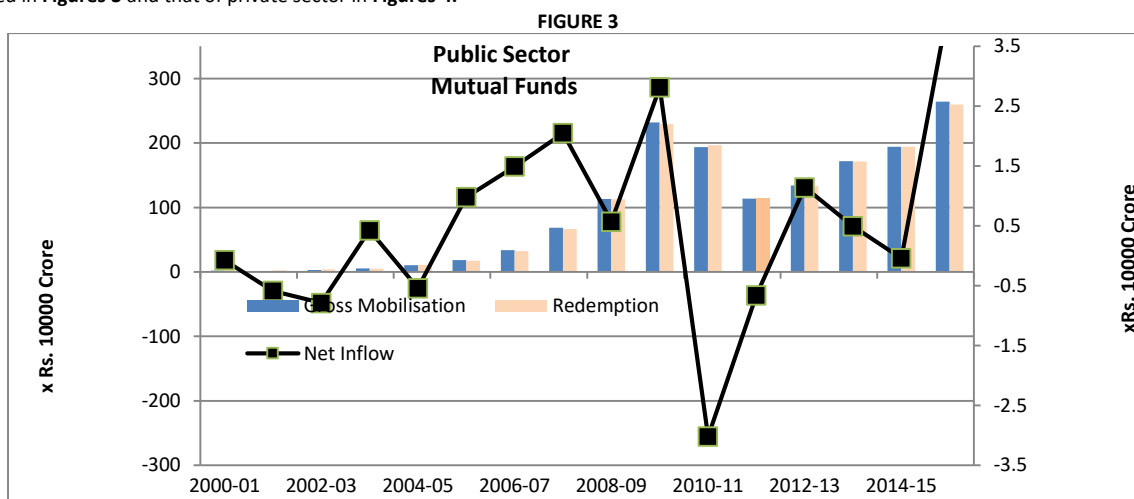
Year	Public Sector ¹			Private Sector		
	Gross Mobilisation (₹ in Cr)	Redemption (₹ in Cr)	Net Inflow (₹ in Cr)	Gross Mobilisation (₹ in Cr)	Redemption (₹ in Cr)	Net Inflow (₹ in Cr)
2000-01	17948	18670	-722	75009	65160	9850
2001-02	16725	22600	-5875	147798	134748	13050
2002-03	30611	38484	-7873	284096	272026	12069
2003-04	55540	51277	4264	534649	492105	42545
2004-05	103245	108644	-5399	736463	728864	7600
2005-06	183446	173644	9803	914703	871727	42977
2006-07	338620	323673	14947	1599873	1520836	79038
2007-08	683624	663126	20497	3780753	3647449	133304
2008-09	1133603	1127882	5722	4292751	4326768	-34018
2009-10	2320539	2292387	28152	7698483	7643555	54928
2010-11	1936591	1966782	-30191	6922924	6942140	-19215
2011-12	1135935	1142514	-6578	5683744	5699189	-15446
2012-13	1339939	1328501	11438	5927947	5862845	65102
2013-14	1718703	1713758	4945	8049397	8000559	48838
2014-15	1942297	1942710	-413	9143962	9040262	103700
2015-16	2639279	2596491	42787	11126277	11034883	91,394
CAGR (2000-08)	68.20%	66.53%	--	75.07%	77.71%	45.09%
CAGR (2000-16)	39.48%	38.96%	---	39.56%	40.79%	16.01%

Source: Various issues of SEBI Annual Report from <http://www.sebi.gov.in/sebiweb/home/list/4/24/0/0/Annual-Reports> accessed on Dated 19-09-2016

Note: 1. Includes units of UTI

From the **Table 4** we may analyze the growth of Mutual Funds sector wise. The CAGR of the funds mobilized in public sector in 2016 is 39.48% but the CAGR till 2008 in this sector was 68.20%. While the CAGR of the funds mobilized in private sector in 2016 is 39.56% but the CAGR till 2008 in this sector was 75.07%. Clearly the growth rate was higher in private sector compared to public sector. The amount mobilized by private sector in 2016 was ₹ 1,11,26,277 Cr. about 4 times higher than ₹ 26,39,279 Cr. mobilized by public sector in this year.

The trend of redemption is found to follow similar pattern as that of funds mobilized. The growth of redemption in public sector had CAGR 66.53% in 2008 and 38.96% in 2016 and in private sector the redemption had CAGR 77.71% in 2008 and 40.79% in 2016. The CAGR of Net inflow in private sector was 45.09% in 2008 and 16.01% in 2016. The effects of Global financial crisis in 2008 and global recession in 2011, is clearly visible in the growth of funds. We may witness from the **Table 4** that huge redemptions were made in 2010 and 2011 in both sectors. The growth of the funds mobilized, redemption and net inflow in public sector have been presented in **Figures 3** and that of private sector in **Figures 4**.



From **Table 3** we find that there is a downtrend in Net funds mobilized, AUM, AUM as percentage of GDP during the years 2002-03, 2008-09 and 2010-11 due to bifurcation in UTI in February 2003, Global financial crisis in 2008 and recession in 2011 respectively. By considering overall trend (except in few years), the performance of Indian Mutual fund Industry is good for the period of 16 years i.e. 2000-01 to 2015-16.

5. CONCLUSIONS AND REMARKS

We have seen that after Global financial crisis and recession, AUM (assets under management) has indicated vibrant growth levels posting a growth of 19.01% in the period 2000-16 compared to 27.83% in 2000-08 measured as CAGR and the aggregate funds mobilized during the period also grew at the rate of 39.54% in 2000-16 compared to 73.86% in 2000-08. Number of schemes was found growing with the CAGR 12.86% and number of folios with CAGR 10.33% in the period 2000-16. The proportion of net assets of retail investors being 46.7% in 2016 has now come to the level of institutional investors which is 48.8%. These statistics testify that the Indian mutual fund industry has weathered the financial crisis well, but it cannot be denied that the industry still requires to effectively overcome the challenges of low retail participation and penetration levels.

Our study has also revealed that private sector has made larger contribution in the growth of mutual fund industry compared to public sector after liberalization. The private sector has mobilized more than four times funds than the public sector. However, another study made to measure the competition in the Indian mutual fund industry for the period March, 2003 to March, 2009 has found that funds within Private Joint Venture Indian Dominated were highly competitive; funds within Private Joint Venture Foreign Dominated were found most of the times moderately competitive and funds within Bank-Institution, Private Sector Indian and Private Sector Foreign were found concentrated. (Khurshid, S.M.Z., Rohit and Singh, G.P., 2009.)

One of the major reasons for relatively low activity of Mutual Funds in India is that of penetration which is negligible especially in the rural areas. Thus, if the sector has to grow fast, it needs to devise appropriate schemes to attract the saving of low-income groups in urban as well as rural areas. This is the only way to ensure participation of all categories of investors in the financial markets, which is crucial for sustained development, both of the financial sector and the economy as a whole. (Gokarn, S., 2011, Purandare J., Mehra G., 2010)

The share of mutual funds as a percentage of GDP in developed countries are quite high mostly above 50% compared to India where we have seen that assets of mutual funds as a percentage of GDP are about 10%. However the mutual fund industry is growing at a much higher rate in India as compared to the other major countries. (Mitra, A., 2009. Rohit, 2012) This shows the tremendous scope and potential for growth of mutual funds in India. However, the industry requires more competition, transparency, penetration and schemes being capable to attract from vast area of common and retail investors.

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COMPARATIVE STUDY OF CROPPING PATTERN IN TRIBAL DISTRICTS OF HIMACHAL PRADESH: A CASE STUDY OF DISTRICT KINNAUR AND LAHAUL & SPITI

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ABSTRACT

Agriculture is a highly dynamic process and the growth and development of agriculture in Himachal Pradesh has crossed several mile stones in different historical periods. The cropping pattern of Himachal Pradesh was based on the traditional system of the subsistence farming without any surplus. With the passage of time, the relationship between commercialisation and cropping pattern emerged complimentary. The State has different variations in the agro-climatic conditions. The agro-climatic variation supports different types of cropping patterns in the State. However, it was the availability or unavailability of marketing facilities which played a key role in determining the cropping structure in the state. The aim of the present paper is to compare the cropping pattern in Kinnaur and Lahaul & Spiti districts of Himachal Pradesh. The percentage method has been used to analyse the data. The study reveals that the commercial crops of both the study regions are main sources of income of the tribal areas. While analyzing the diversification, the Kinnaur district is witnessing a fruits belt as compared to district Lahaul & Spiti. The farmers are gradually diversifying to commercial crops for the sake of higher earnings.

KEYWORDS

cropping pattern, land use, agriculture.

I. INTRODUCTION

India is a country where great majority of population belongs to the rural areas having sufficiency of land holdings for agricultural and horticultural production. Further, the landscape consists of a great disparity having mountainous regions in the Himalayas and plains. The production intensity of the different regions varies widely and the mountainous regions like Kinnaur and Lahaul & Spiti of Himachal Pradesh are known for high level of fertility and good quality of production. In tribal areas, the return of crops is not contributing enough which raises a question to analyze the status of crop intensity and outturn of crops in such area. There is a huge disparity in terms of landscape, climate, irrigation, environmental hazards and preferences of people regarding option of occupation for economic development. All such factors varying production and fertility affect choices of people regarding selection of crops providing optimum outturn and convenient for the producer. The study has been necessitated to be conducted to know about the factors which are affecting choice of crop being produced in the areas under study. Moreover, the study is also an endeavour to examine the dependency of tribal's as per their cropping pattern.

II. LITERATURE REVIEW

Sharma (1987) in his research, "**The Economy of Himachal Pradesh**" has analyzed the changes in the cropping pattern during the period 1950-51 to 1982-83. The author reveals that there is hardly any change in the cropping pattern of Himachal Pradesh during the entire period. According to the author, the share of land allocated to the cereals and non-cereals crops remains by the large unchanged and the share of area under wheat has increased from one third to nearly two fifth of total area sown during the period 1950-51 to 1982-83 as a result of the adoption of new form technology. Further, the author finds a noticeable change in the cropping pattern of Himachal Pradesh, with in the non-cereal category, i.e. the rise in share of area under fruits of all kinds. The study concluded that Himachal Pradesh has a large potential for the production of fruits of different categories, but the fruits crops still enjoy a low weight age in the total area sown.

Sharma et.al (1992), studied "**Impact of irrigation on socio-economic structure of farm families in Himachal Pradesh.**" They focused on the impact of irrigation on the vegetables based and cereal based crops. The authors have found that in vegetable based farming, a net return on per hectare of cultivated land was high as compared to cereals based farming of the State. They have concluded that irrigated land gives more output in terms of vegetables as compared to cereals, and the positive impact of irrigation is found in socio-economic structure of the farm families in the State.

Swamy, (2011), observed in "**Tribal Land Question and Land Reforms in Kerala**", that the exclusion of 'adivasis' in India in terms of land rights remains a reality in contemporary India, and their rights to productive resources have generally been left unattained by the State Government. The author highlighted that Government has not taken any significant effort to grant land rights to landless tribal households and the shift from food to cash crops and from indigenous to hybrid seeds have also undermined the livelihood of these people which must be taken care of by the Government.

Uma et. al (2013) in their study "**Changing Cropping Pattern: A Boon or a Bane to Food Security**" revealed that most of the agricultural labourers are showing less interest in producing food crops and are changing their cropping pattern to commercial crops. The authors also find that all marginal farmers are slowly depending on other sector for higher wages without fully neglecting the agriculture. The authors' reveal that instead of changing the cropping pattern and continued their agriculture activity with other family members and relatives they are changing cropping from food crops to commercial crops. They conclude that changing in cropping pattern has posed a threat to the overall production of food crops and directly adverse effect on countries food production and food security. The authors also suggest that if every farmer thinks that changing the food crops to commercial crop will bring more income, there will be no one to produce needed amount of food crops in the country.

Akhter and Acharya (2015) in their study "**Changes in Cropping Pattern in Jammu and Kashmir**" revealed that the cropping pattern of Jammu and Kashmir was based on the traditional system of the subsistence farming without any surplus. The author's have focused on the changes in the cropping pattern in Jammu and Kashmir. The authors found that with the advent of New Agricultural Strategy, there emerged the complementary relationship between the commercialization and cropping pattern of the state. The authors have applied Regression analysis in order to see causal relationship between area and production. The study also reveals that the crop sector of Jammu and Kashmir agriculture at an aggregate level is gradually diversifying in favour of high-value crops. The authors found while analyzing the diversification, the Jammu division are witnessing a specialization in food-grain crops, while as Kashmir division depicting a trend towards diversification. The farmers are gradually diversifying to commercial crops for the sake of higher earnings.

III. DATA BASE AND METHODOLOGY

The data for the study gathered from a purposeful and well structured field survey. The survey was conducted during June 2015. The sample was based on stratified random sampling and two stage sample design adopted for the purpose.

IV. OBJECTIVES

1. To study the cropping pattern in Kinnaur and Lahaul & Spiti.
2. To analyse the cash crops grown and annual income of the farmers in the study areas.

V. NEED OF THE STUDY

Production of crops is one of the major traditional occupations of the tribal people. The need of the research has been felt to examine the cropping pattern of the tribal communities and its contribution in the living standard of the farmers. Due to the lack of marketing facilities farmers are facing problems there is a need to provide adequate marketing facilities and organised markets for the crops.

VI. ANALYSIS AND INTERPRETATION

1. CROPS GROWN

There are two seasons of crops in Kinnaur region, spread as Kharif crops which is being sown in the month of April-May and the Rabi crops which is sown in the month of November and December in the region and during the kharif season, vegetables are also grown. Table 1 shows the different crops being growing. In Lahaul and Spiti, the climate during spring and summer seasons (April-October) is rather mild during which both *Rabi* and *Kharif* crops are grown simultaneously. The rains are scanty and humidity remains low during this period. However, during winters (November-March), the climate is extremely cold and harsh and mercury drops even up to minus 35°C. During this period, heavy snowfall occurs and this area remains cut-off from rest of the world. Therefore, the area has a single cropping season.

TABLE 1: OPINION REGARDING CROPS AND VEGETABLES GROWN IN KINNAUR AND LAHAUL & SPITI

Crops		Kinnaur	L & S	Total
Kharif crops	Maize, Razmah	36 (17.1)	1 (4.54)	37 (15.94)
	Maize, Razmah, Fafra, Ogla	79 (37.6)	3 (13.66)	82 (35.34)
	Razmah	19 (9)	2 (9.09)	21 (9.05)
	Fafra, Ogla	76 (36.2)	16 (72.72)	92 (39.65)
	Total	210 (100)	22 (100)	232 (100)
Rabi Crops	Wheat	87 (47.54)	8 (11.42)	95 (37.55)
	Barley	48 (26.22)	3 (4.28)	51 (20.16)
	1,2,Both	48 (26.22)	59 (84.28)	107 (42.30)
	Total	183 (100)	70 (100)	253 (100)
Vegetables Grown	Tomato, Cabbage, Beans	51 (25.12)	-	51 (17.52)
	Potato, Peas	45 (22.16)	53 (60.22)	98 (33.67)
	Tomato, Cabbage, Potato	30 (14.77)	2 (2.27)	32 (10.99)
	Potato	27 (13.30)	2 (2.27)	29 (9.96)
	Peas	8 (3.94)	27 (30.68)	35 (12.02)
	All of the Above	42 (20.68)	4 (4.54)	46 (15.80)
	Total	203 (100)	88 (100)	291 (100)
Medicinal plants	Kuth	-	14 (26.92)	14 (26.92)
	Manu	-	8 (15.38)	8 (15.38)
	Hops	-	17 (32.69)	17 (32.69)
	Charma	-	13 (25)	13 (25)
	Total	-	52 (100)	52 (100)

Source: Data collected during field investigation through interview schedule.

In district Kinnaur, 36 (17.1%) respondents are producing Maize and Rajmah, followed by 79(37.6%) growing the combination of Maize, Razmah, Ogla, and Fafra, 19 (9%) informants growing only Rajmah, and 76 (36.2%) have reveals that they are producing the combination of Fafra and Ogla. The table also shows the Rabi Crops grown in the region only 183 respondents are growing Rabi crops. Majority of the respondents 87(47.54 %) are producing Wheat only, followed by Barley 48(26.22%) and overall 48 are producing the combination of both Wheat and Barley in the region. It is also evident from the table that, majority of the informants 51(25.12%) are growing Tomato, Cabbage, and Beans, followed by 45(22.16%) Potato and Peas, 42 are growing combination of all the above vegetables. Only 27(13.30%) are growing single Potato and 8(3.94%) are those who are producing only peas.

It concludes that in Kinnaur region almost all the major vegetables and crops are cultivated either for commercial purpose or self consumption which helps the tribal community either in their living as well as economic development.

In Lahaul & Spiti, out of 22 respondents, 1(4.54%) is producing combination of Maize and Rajmah, followed by 3(13.66%) Maize, Rajmah, Fafra, Oglā, 2(9.09%) are producing Rajmah, 16(72.72%) produce Fafra & Oglā. The table also reveals that 59(84.28%) respondents have produce both Wheat and Barley, followed by 8 producing Wheat, 3 producing barley only, overall 70 respondents are producing Rabi crops in the Lahaul & Spiti region. Majority of the respondents 59(84.28%) are producing both Wheat and Barley.

It is further noted that out of total number of respondents of Kinnaur district majority of the informants 51(25.12%) are growing Tomato, Cabbage, and Beans, followed by 45(22.16%) Potato and Peas, 42 are growing combination of all the above vegetables. Only 27(13.30%) are growing single Potato and 8(3.94%) are those who are producing only peas.

In Lahaul & Spiti out of 88 respondents, 53(60.22%) are producing Potato and Peas, followed by 27(30.68%) producing peas, only 4 are producing Tomato, Cabbage and Potato and 4 respondents are those who are producing all of the above vegetables.

It is further noted that in Lahaul & Spiti out of 90 respondents 52 are engaged in some medicinal plants, 14(26.92%) in Kuth, followed by 8(15.38%) in Manu, 17(36.29%) are producing Hops, and 13(25%) are produce Charma.

It is analysed from the data that peas and potato are the major agricultural crop in both the tribal districts, where as hops, kuth, and manu are produced in Lahaul & Spiti. Further, number of respondents of Kinnaur has admitted that they produce Rajmah in comparison to Lahaul & Spiti. Data further shows that although peoples of Lahaul & Spiti are more engaged in agriculture in comparison to Kinnaur and more agricultural crops are produced in Lahaul & Spiti, yet crops are almost same in both the districts.

2. FRUITS PRODUCED IN THE STUDY REGION

Agricultural diversification towards fruit and vegetable crops in Himachal Pradesh, especially in some areas in the districts of Shimla, Kullu, Solan, Kinnaur and Lahaul & Spiti, started in the late sixties and continued in the seventies and the eighties. The process of crop diversification gained momentum in the nineties and has now encompassed many new areas in the low and mid hill districts. The present study region is famous for cultivation of Apple, Almond, Chilgoza, Walnut, pears, Peach and Plum. In the Kinnaur region Apple is the only fruit which is produced all over the district but in Lahaul & Spiti very less production of fruits as shown in the table 2.

TABLE 2: FRUITS PRODUCED IN THE STUDY REGION

Fruits produced	Kinnaur	L & S	Total
Apple	74 (35.74)	8 (100)	82 (38.13)
Apple, Almond, Chilgoza	24 (11.59)	-	24 (11.16)
Apple, Apricot, Almond, Chilgoza, Walnut	57 (27.54)	-	57 (26.51)
Apple, Pears, Peach, Plum	27 (13.04)	-	27 (12.55)
Any other fruits	25 (12.07)	-	25 (11.62)
Total	207 (100)	8 (100)	215 (100)

Source: Data collected during field investigation through interview schedule.

In Kinnaur out of total respondents (210), 74 (35.2percent) are producing Apple only, followed by 24(11.4percent) are growing the combination of Apple, Almond, Chilgoza, followed by 57 (27.1%) growing Apple, Apricot, Almond, Chilgoza, and Walnut, 27 (12.9%) have produce the combination of Apple, Pears, Peach, and Plum and 25(11.9%) produce other types of local fruits i.e. *Luchi, Grapes, Bemī, chulli* etc. Along with this 3(1.4%) were found not growing any of the fruits. It indicates that Apple is the only fruit which is highly produced in the region.

In Lahaul & Spiti only 8 respondents were found to produce apple. It has been analysed that maximum respondents of Kinnaur region are horticulturists whereas, in Lahaul and Spiti, the number of horticulturists is meager.

3. CASH CROPS GROWN, MARKETING OF CROPS AND ANNUAL INCOME FROM CROPS

The economy of the study regions is based on various crops produced in the regions and commercialisation of crops. Cropping pattern has in majority of instances, changed due to influence of earnings and commercialisation. In Himalayan ranges, marketing of crops has become the major consideration of change in cropping pattern. As the Market facility is not good in the study areas the producers compel to sell their products outside state. In order to know whether cropping pattern of the selected tribal region has been influenced due to commercialisation and preferences of marketing of crops, Focus has been drawn here to examine the cash crops grown, marketing of crops and cropping income of the families of the households of these two districts as shown in the table 3.

TABLE 3: RESPONSE REGARDING CASH CROPS GROWN, MARKETING OF CROPS AND ANNUAL INCOME FROM CROPS

Cash Crops grown	Cash Crops grown			Marketing				Annual income from crops					
	Re-sponses	Yes	No	Total	Lo-cal/within the State	Outside State	Other	Total	Up to 1 lakh	1,00,001-2 lakhs	2,00,001-5 lakhs	5,00,001-10 lakhs	Above 10 lakhs
Kinnaur	200 (95.2) (69.93)	10 (4.8) (71.42)	210 (100) (70)	63 (31.5) (43.75)	136 (68) (96.45)	1 (.5) (100)	200 (100) (69.93)	66 (31.4) (57.89)	51 (24.3) (68.91)	68 (32.4) (86.07)	20 (9.5) (74.07)	5 (2.4) (83.33)	210 (100) (70)
Lahaul & Spiti	86 (95.6) (30.06)	4 (4.4) (28.57)	90 (100) (30)	81 (94.18) (56.25)	5 (5.81) (3.54)	-	86 (100) (30.06)	48 (53.3) (42.10)	23 (25.6) (31.08)	11 (12.2) (13.92)	7 (7.8) (25.92)	1 (1.1) (16.67)	90 (100) (30)
Total	286 (95.33) (100)	14 (4.66) (100)	300 (100) (100)	144 (50.34) (100)	141 (49.30) (100)	1 (.34) (100)	286 (100) (100)	114 (38) (100)	74 (24.66) (100)	79 (26.33) (100)	27 (9) (100)	6 (2) (100)	300 (100) (100)

Source: Data collected during field investigation through interview schedule.

From the table 3, out of total 300 respondents, 286(95.33%) were found to grow cash crops only 14(4.66%) are not growing cash crops. In Kinnaur 95.2 percent are growing cash crops and in Lahaul & Spiti 95.6 percent informants are growing cash crops. It indicates that in both the tribal districts almost all of the respondents have cash crops.

Further, the table shows the nature of market access for food products specifically the cash crops. In Kinnaur, out of 200 respondents, 63(31.5%) are selling their crops in the Local market or in market within the state. And 136(68%) sell outside the State and only 1 (.5%) respondent was found not holding the market access. Usually small growers don't sale their products in the market.

In Lahaul & Spiti majority of the respondents sell their crops locally or within the State. Out of 86 informants 81(94.18%) have sold their crops within the State, and only 5(5.81%) have sold within the State. It concludes that majority of the respondents of Lahaul & Spiti region is selling their crops within the State, on the contrary in Kinnaur majority of the respondents are selling their crops outside the State.

Moreover, data shows that in Kinnaur 31.4 percent respondents have income from cropping up to Rs. 1 lakh, followed by 24.3 percent having Rs. 1 to 2 lakhs, 32.4 percent have Rs. 2 to 5 lakhs, and only 11.9 percent have above Rs. 5 lakhs income per annum. In both the districts the annual income of 114 respondents is up to Rs. 1 lakh, followed by 74 have Rs. 1 to 2 lakhs, 79 have Rs. 2 to 5 lakhs, and 33 have above Rs. 5 lakhs annual cropping income.

The data shows that out of 114 respondents of both the districts up to Rs. 1 lakh income group 57.89 percent are from Kinnaur and 42.10 percent are from Lahaul & Spiti indicating more number of respondents of Kinnaur having the income up to Rs. 1 lakh. Study also reveals that majority of the respondents of Lahaul & Spiti have annual cropping income up to Rs. 2 lakhs whereas, majority of the annual income of the respondents of district Kinnaur lies between Rs. 2 to 5 lakhs.

VII. CONCLUSIONS AND SUGGESTIONS

Here farmers from both the districts provide a generalized picture of cropping pattern. Most important thing revealed that farmers are not changing their cropping pattern neutrally, but certain factors compelled them to shift their traditional cropping pattern to commercial crops. The study revealed that potato and peas are the major agricultural crops produced in both the districts. Whereas, majority of the farmers of Kinnaur region are apple producers and in Lahaul and Spiti, the number of apple producers are meagre. Besides this Lahaul & spiti district is diverse in production of hops, kuth, and manu. As it is evident that commercial crops helps the tribal people to generate income for their livelihood and most of the farmers are dependent on agricultural. The data revealed that in both the tribal districts, farmers have cash crops but due to the adverse geographical condition and lack of marketing facilities farmers are not getting adequate return for their crops. The need of the hour is that there should be organised markets for these crops and government should also organise training camps for farmers at panchayat level. So that farmers have enough knowledge about production and marketing.

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REVIEW OF LITERATURE ON INDIAN DAIRY INDUSTRY

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Research in every field is unending and there is no limit to it. Dairy industry is one of the promising industries of Indian economy, as it is catering to the needs of millions of people. Consumption of Milk is very vital to each and every human being, irrespective of age and any other demographic characteristic. Hence, the market for milk and milk products is evergreen and ever growing. Indian dairy sector is now being dominated by hundreds of dairy units both in cooperative sector and private sector. The present article is an attempt to review the literature available on Indian dairy industry.

KEYWORDS

dairy farmers, dairy cooperatives, marketability, marketable surplus, milchi animals, operational flood.

INTRODUCTION

Milk as a consumption item has no doubt failed to stimulate Indian economy. But it surely was Dr. Kurien who gave it a new impetus to the supply aspect of milk as well. He did this by way of the NDDB (National Dairy Development Board) and the GCMMF (Gujarat Cooperative Milk Manufacturers and marketing Federation). And he created the Indian distinction of the milk cooperative movement which has changed this country.

The outcome is obvious – India is the most desirable producer as well as the largest producer worldwide with a production of 146.3 million tonnes of milk as on 31st March, 2015. That, too, with small farmers – each having between 2-10 heads of cattle as an outdoor dairy farming. More tremendously, this industry grew with almost no subsidy from the Indian government. What makes the Indian dairy sector unique is its ability to pay 80% of the market price to the farmer. Kurien ensured that everything else – milk assortment, processing, packaging, distribution and advertising – used to be managed inside 20% of the advertising fee. That made the farmer earn more, which incentivized him to provide more. Milk therefore provides revenue for farmers, diet for Indians, and rural prosperity for the economy. With Modi's imaginative and prescient of doubling rural incomes, milk is certain to play a greater role.

OBJECTIVE OF THE STUDY

The study is carried out to understand the extent of the research work carried out in the field and understand the uncovered issues, if any that can pave the path for additional research in the field.

RESEARCH METHODOLOGY

The study is based on available literature extracted from different databases. The articles are gathered from different databases like J- gatePlus, Ebsco host.com, Google Scholar and Google. The basic purpose is to understand how an economy like India which once suffered from insufficient of milk has now become not only self sufficient but also a country which got the potential to export milk products to global market. The review is based 50 articles published so far on the subject matter of issues and challenges faced by dairy cooperatives, dairy farmers and other beneficiaries, only some of the significant studies have been highlighted in the present article.

The current survey of literature is exclusively based on review of articles published so far in different national and international journals on dairy industry.

Review of literature is the key to any kind of research. It throws light on the areas of research that has already been taken place in a specific field of knowledge and helps to identify the grey areas in which attention is to be made by prospective researchers.

REVIEW OF ARTICLES IN NATIONAL AND INTERNATIONAL JOURNALS

Balasubramaniam (1960) ^[1] in his article, "Role of processing of agricultural produce in India's rural economy", observed that processing improves the marketability of agro products and reduces the marketing costs and margins, thereby, raising the profitability of farmers. The author opined that the processing of food stuffs reduces perishability of food stuff and thereby helps in enhancing their storage capacity. Deepak Shah's (1993) ^[2] study analyses the state-wise disparities in Milk Production in India. This study provides an insight into the differential values in milk production and brings forth various issues that require some bold initiatives on the part of policy makers. Data used for this study were collected from secondary sources. Time series data for fifteen years (1977/78 – 1991/92) on annual milk production of different states and Union Territories were collected from various issues of the annual publication 'Bulletin on Food Statistics' published by the Directorate of Economics and Statistics, Ministry of Agriculture, New Delhi.

Chaudhuri (1996) ^[3] in his study documented early attempts (1890-1924) towards agricultural development in India such as the Royal Commission on Agriculture, the Bombay plan, the Milk Producers Cooperative at Anand, other post-independence dairy development plans, the intensive cattle development project, the fourth five-year plan, the National Dairy Development Board; canalization of imported dried milk, and milk pricing policy.

Agha iqbal Ali, Mukesh et al (1996) ^[4] in their article presented marketing opportunities of milk cooperatives in India. This article enumerates the marketing performance of dairy cooperatives in India.

Prabhakara Sharma (1997) ^[5] studied the problems of Godavari Co-operative dairy of AP and suggested ways to improve its performance by quoting that the dairy units should reduce its fixed cost burden so as to serve the very purpose of its existence. Krishnan (1997) ^[6] examined different aspects of dairy scheme implemented by a rural bank in Kerala. The study examined the progressive role of Regional rural Banks in granting loans to dairy farmers to buy milchi animals and also studied the loan repayment behavior of beneficiaries of RRBs in Kerala and found that RRBs are playing a constructive role in changing and uplifting the living standards of dairy producers.

Kulkarni et al. (1997) ^[7] presented the review of present laws affecting processed food in India especially milk products in India. The aspects studied under this were milk standards, standards for milk products, tailor-made products, additives, sampling, publicity, quality certificates and licensing. Alagh (1997) ^[8] covered gradual changes that took place in Indian agricultural sector and suggested ways to improve Indian dairy sector

Vyas (1997)^[9] highlighted the policy framework that present for dairy sector both in India and across the world and studied the demographic, socioeconomic, technological and legal aspects of dairy business and also suggested measures to be taken to promote both quantity and quality of milk in India. Bhasin (1998)^[10] identified the Trade Related Intellectual Property Rights (TRIPs) Agreement, set out in the text of the Uruguay Round of GATT and the policies adopted by the World Trade Organization. The study covered the aspects of copy rights, trademarks and other IPRs in relation to Indian dairy sector

Singh and Singh (1998)^[11] studied the post-independence era of dairy development and suggested measures to develop the same in India as well as other developing countries. The rationality of major policy measures to promote dairy development were examined, which includes cross breeding policy, modern technology (milk and cattle feed processing plants), marketing of liquid milk and milk products, producer and consumer prices and price policy, organizational and institutional policies, public investments, grants and subsidies, inter-state variations in dairy development, dairy science education, training and research. The effect of India's New Economic Policy announced in 1991, and the new world-trading regime were also discussed.

Manmohan Munjal (1998)^[12] predicted that the removal of the non-tariff trade barriers from the global dairy trade, taking effect by the year 2000 would result in an increase in the export of Indian dairy products. The implications of ISO 9000, the HACCP system and two European Union Directives, EC 92/46 (regulating the production and marketing of milk products) and EC 93/43 (governing the hygiene of foods) for the Indian dairy industry were discussed. However the author felt that the quality of Indian dairy produce shall be enhanced to avail such benefits.

Katar Singh (1999)^[13] studied the impact of WTO trade agreements on India's dairy industry. The study was discussed in terms of: production, terms of trade, quality standards, product mix, prices and investment. It was felt by the authors that if India reduces subsidies on export of milk products, Indian dairy industry would gain benefit from trade liberalization. The author also felt that continuous technical up gradation is mandatory for Indian dairy industry to sustain competition in the Global market. Brajesh Jha (2000)^[14] has expressed that though India stands high in terms of milk production, it lags behind in global market with respect to quality in dairy products. Hence the author suggested that the quality standards of Indian dairy units shall be raised to improve the position of Indian dairy industry. Kurien (2000)^[15] examined the impact of globalization on agriculture in poorer countries with particular reference to the WTO, the convention on biodiversity, and trade liberalization, which must focus on current techno-economic conditions of the dairy industry. The study examined the phenomenal growth in milk production in India since 1971, the contributory role of research and development in this and possible areas of research to ensure increased productivity of Indian dairy livestock.

Sharma (2001)^[16] studied the effect of Exim policy on dairy sector after the removal Quantitative Restrictions (QRs), tariff rates will be the only instrument for India's trade policy. The impact of removal of quantitative tariff barriers on Indian agricultural sector specially on dairy sector has been examined. Suresha et al (2001)^[17] studied phenomenal growth of Indian dairy industry for the past three decades. The author observed that having entered into a WTO agreement, which includes Technical Barriers to Trade (TBT), Sanitary and Phyto Sanitary (SPS) measures, and Codex Standards, Indian dairy industry is left with no option to produce qualitative milk products in order to withstand competition across the globe.

Surya Muruthi (2001)^[18] has analyzed the ways to improve returns from dairy farming and suggested ways for the same. He expressed that yield of milk production can be improved substantially with lower cost through crossbreeding in case of cows and selective (upgrading) breeding in case of buffaloes, adopting cost-effective feeding practices, prevention and control of diseases among milch animals and other scientific practices to tap higher market for milk. He stated that these measures can help not only in promoting income and employment among rural landless but also help in raising the standard of living of people.

K. Singh and R.S. Pundir (2002)^[19] et al identified Problems and prospects of smallholder dairy production and marketing in South Asia. The authors opined that low productivity of milch animals is a serious constraint to dairy development in all the countries. They felt that professional management of Dairy plants, cattle feed factories along with the usage of technical inputs and services shall be present in order to make dairying business a profitable one in Indian context.

K. Rajendran and Samarendu Mohanty (2004)^[20] et al wrote article on "Dairy Co-operatives and Milk Marketing in India: Constraints and Opportunities." They found that most of the dairy farmers are in unorganized sector and as such they are confronted with some problems such as; low productivity; insufficient and improper animal feeding and health care; lack of an assured year-long remunerative producer price for milk; poor provision of infrastructural facilities for procurement, processing and marketing of milk and milk products.

Sareen (2002)^[21] described export promotion activities like certification procedures, particularly for dairy products in India. Issues concerned to exports as well as some activities of the Export Inspection Council to facilitate exports of food products were highlighted.

Sharma and Sharma (2002)^[22] studied the strengths and global challenges confronted by Indian dairy sector in an open economy environment. The findings of the study indicated that the Indian dairy industry (both production and processing sector) was technically very advanced and the Indian dairy industry had witnessed phenomenal growth during the last three decades despite the restrictions on the imports and exports of dairy products. The study concluded that policy makers should make efforts to protect Indian dairy industry against unfair competition in a liberalized environment. It also pointed out that reduction tariff, domestic support and export subsidies shall be improved in order to make Indian dairy sector as a global leader.

Choudhary (2003)^[23] gave a brief report on the current picture of milk production in India and the policies that persuade the milk producers in this country. The policies for importing and exporting milk and milk products as well as the taxation of these commodities were discussed in the study. A study entitled, "Role of Milk Producers' Co-operative Societies in Tribal Area of Dharni Tahsil," (2007)^[24] by U.N. Autkar, A.B. Gattewar and G.B. Pakhare examines the role of milk producers co-operative societies in the tribal area of Dharni Tahsil. Marketable surplus and self consumption of milk by members worked out to be 94.27 and 5.73 % respectively. A wide disparity between prices by milk societies and private agencies was observed the study.

Amrita Patel (2004)^[25] analyzed the impact of specific measure, on exports of dairy products, which made were distortions in international trade. It's mainly due to the high levels of subsidies and tariffs, apart from other import protection measures. The producer support estimate for milk in OECD countries was estimated to be US\$ 41 billion in 2002-03 as compared to US\$ 48 billion in 1986-88. It indicated only marginal downsizing. Export subsidies continue to be significant factor in world dairy trade with the eligible quantities close to 59 per cent of estimated world trade.

Anand Lodade (2006)^[26] study is a micro-level case study of dairy farming activities in "Dharpudi" village. The study was conducted on two dairy co-operative units, i.e., Shramik Sahakari Dugdh Vyavasaik Sanstha and Vithal Mahila Sahakari Dugdh Vyavasaik Sanstha. The study found out that there was lot of awareness among rural population with regard to the prospective of dairy farming by the usage of hybrid and high-milk yielding cows and buffaloes. However, the study pointed that the rates of interest on loans borrowed for the purpose of buying cattle are very high, most of the farmers are not attracted engage in dairy farming activity in a large scale. The study concluded that there is lack of awareness among dairy farmers with regard to the usage of right kind of fodder and there is a need to enhance their knowledge.

Siddaram Houde, J. S. Sonnad, K. Shivashankar and Basavaraj Banakar et al (2007)^[27], in their article entitled, "Processing and Marketing Management of Milk and Milk Products in North Karnataka", observed that in Dharwad and Belgaum districts of Karnataka both private sector dairy units and cooperative dairy units are using one channel of distribution for marketing their milk i.e., (Processor Distributor/Dealer/Retailer/Consumer) channel. The study pointed out that though private sector dairy units have more capacity than cooperative dairy units, the capacity utilization is higher among the latter. So the authors suggested that private sector dairy units have to emphasize on enhancing their capacity utilization for which the procurement of milk and enlarged marketing efforts are prerequisite. The study also suggested that private sector dairy units shall also widen their product-mix.

Manoj Kumar, et al (2007)^[28] in his article entitled, "lot sizing decisions- a case study of Indian dairy supply chain" focused on developing a mathematical optimization approach for lot sizing decisions with a view to coordinating multiple milk collection centres, and the paper also discussed the strengths, weaknesses, threats and opportunities of Indian dairy supply chain.

N. Rangasamy and J.P. Dhaka et al (2008)^[29] in their article entitled, "Marketing Efficiency of Dairy Products for Co-operative and Private Dairy Plants in Tamil Nadu – A Comparative Analysis", compared the marketing practices of dairy units in both the sectors. The study also compared the prices of flavored and unflavored milk in both the sectors. The study concluded that the marginal returns of marketing dairy products are higher in private sector than in cooperative sector. The study suggested that cooperative societies in dairy industry should focus on customer –driven approach to launch variety of dairy products.

Dr. Santosh Singh Bais, Prof. Ramesh B. Agadi (2008)^[30] et al in their article entitled, "Marketing of Branded Dairy Milk Products in Gulbarga District in Karnataka – A Survey of Consumers and Milk Vendors", conducted a study to analyze the demand and supply of the dairy milk in Gulbarga. 2. To find out the average sales

per day of the various brands of dairy milk. 3. To ascertain the consumers attitude towards the available dairy milk products. 4. To study the factors influencing the respondents to buy a particular dairy milk product. The authors identified that Market for milk was found quality conscious then price sensitive due to this factor loose milk was found developed strong based branded milk manufactures should take note of it.

Shiv Raj Singh and K.K. Datta et al, (2010) ^[31], in their article entitled, "Understanding Value Addition in Indian Dairy Sector: Some Perspectives", has assessed the need for value addition in the dairy sector, and has suggested measures to be taken by policy makers to raise the prospects of Indian dairy sector. The authors identified that the traditional dairy products were mainly manufactured by the unorganized dairy farmers whereas expenditure on milk and milk products is higher in rural areas when compared to urban areas.

Anjani Kumar et al (2010) ^[32] in his article entitled, "Milk Marketing Chains in Bihar: Implications for Dairy Farmers and Traders" highlighted the different kinds of milk chains and their impact on dairy farmers. The data collected through field surveys was used to estimate the costs and returns for different stakeholders in milk supply chain, viz. milk producers, traders and processors. Partial budget analysis was carried out to estimate and compare costs and returns of these stakeholders. Quantities of inputs used and output obtained, marketed and consumed were calculated as the mean of sample households in the survey area. The study observed that the profit margin of those farmers who are marketing milk through modern milk supply chain is more than that of others because of their ability to adopt modern practices to run their farming activity which helped them to reduce cost of producing milk.

Ashraf Imam, M N Zadeh, and Laxmi Rani Dubey et al (2011) ^[33] in their article entitled, "Dairy Marketing Strategies in the Context of Globalization: Issues and Challenges", enumerated the growth of dairy industry both in India and across the world during the past few decades. The authors felt that in order to see India as a global leader in world dairy market, certain problems faced by Indian dairy industry need to be addressed like poor yield of milk, poor quality of dairy products etc. They identified that While village-level milk prices are increasing in quality, two problems limit the power of these incentives. First, villagers are only paid directly for quantity. They suggested that villagers shall receive year-end bonuses if the average village quality is high, but individual incentives are weak.

P. Kalaiselvi, Dr. M. Somasundaram et al, (2011) ^[34], published an article entitled, "World wide dairy development- At a glance", in which they explained in detail about the evolutionary past of dairy development across the globe. The author felt that Indian dairy firms need to be highly competitive in order to sustain in world dairy market where there exists many barriers.

Dr. Vinita P. Mehta et al (2011) ^[35] in her article entitled, challenging customer delight and relationship marketing (a secret to success with local milk products in India). She observed that On one hand the internal customer delight is necessary required for successfully implement as a resource planning. On the other hand a good system can be source of sustainable competitive advantage, higher profits and scalability.

T. Hima Bindu, Dr. S.E.V. Subramanyam et al (2012) ^[36], in their article entitled, "study on financial health of dairy industry in Andhra Pradesh based on z a score analysis", studied the financial health of dairy industry by choosing five dairies in AP namely National Dairy Development Board, Heritage Foods India Limited, Amrit Corporation Limited, Gskch Limited and Ravileela Dairy Products Ltd. To measure the financial health of the select units, Z-score analysis was used.

Vijay Paul Sharma (2012) ^[37] presented the dynamics of structural transformation of the Indian economy and the major drivers of transformation, giving an overview of the past achievements and future challenges of Indian agriculture, finally they identified the key policy issues and strategies to accelerate sustainable broad-based growth in the agriculture sector in the country which is a pre-requisite for the development of food processing industry. Emily breza, Arun g. chandrashankar, Ashish shenoy et al (2012) ^[38], in their article entitled, "skimming off the top: the unintended consequences of market expansion in the Indian dairy industry", stated that milk transportation costs, spoilage of milk are significant barriers to Indian dairy Industry, mainly to Karnataka Milk Federation.

Dr. R. Subramaniya Bharathy et al (2013) ^[39] in an article entitled, "A study on dairy practices and opportunities in dairy industry in India". The article highlighted the overall growth of dairy business in India and stated that this growth in dairy sector is able to generate rural employment, contributes to GDP and is also enhancing income generation among dairy farmers.

N. Gunasegari, Dr. N. Periyasami et al (2013) ^[40], in their article entitled, "operational performance of the pondicherry co-operative milk producers' union limited" enumerated the working of the dairy unit under study and offered suggestions to PCMPUL that it should concentrate on development of dairy products like desserts, puddings, custards, sauces, mousse, stirred yoghurt, nectars and sherbets to capture the dairy market. The authors also suggested that the cooperative dairy unit should also focus on reducing the procurement cost of milk to improve profitability.

A. V. Manjunatha, M.K. Gana Shrutya, V. Ramachandra et al (2013) ^[41], in their article entitled, "Global Marketing systems in the Dairy sector: A comparison of select countries", highlighted the importance of dairy marketing systems, and compared the dairy marketing systems of various developing countries including India.

R. Subramaniya Bharathy and M. Selvakumar et al (2014) ^[42], in an article entitled, "A study on problems encountered in milk production in Salem district of Tamilnadu: An empirical study" Highlighted the problems confronted by dairy firms in India. They identified that Low income and employment, agricultural failure, low procurement cost of milk, high cost of feed, urbanization, lack of medical facility, prevalence of middlemen are some of the problems faced by dairy farmers faced in area.

S Ayyappa Naik Nenavath et al (2014) ^[43] in an article entitled, 'A study on marketing effectiveness of sales promotion strategies on dairy industry a case study, AP'. The study reveals that in two towns of Guntur and Ponnuru, the majority of respondents stated that the leakage problems are higher in packaging. The management of Sangam dairy organization has to identify well in advance areas where leakage is occurring and has to take corrective steps at the production level, quality control level, transportation side and lastly, at the time of delivery of products to the customer.

Mrs. B. Jayalakshmi, Dr. S.Senthil Kumar, et al (2014) ^[44], in their article entitled, "A study on principles and performance of dairy products marketing promotion in India with spl reference to Tamilnadu state", highlighted the milk consumption patterns in India, role of Tamilnadu dairy development department and its functions. The authors concluded that India would definitely be a place for FDIs and other large-scale investments in dairy sector.

Anil Chand, Vivek Swami, Dr. Jaimini Tipnis et al (2015) ^[45], in their article entitled, "structural changes in dairy farming for better margins and local economy development in Indian context", highlighted the strengths, weaknesses and opportunities and threats confronting Indian dairy Industry. The study concluded that most of the smaller dairy farms incur financial losses—the value of their production does not exceed full costs, including the costs of capital and time committed by their owners. Large farms incur much lower costs, on average, than smaller farms, and these advantages accrue across a wide range of sizes. They identified that Primary processing by bulk chilling, better supply chain management, improvement of animal health and breeding services along with extension of existing facility, simplified and specialized finance and credit, with good technological support are need of time.

Vijay Paul Sharma, (2015) ^[46] et al in his article entitled, "Determinants of Small Milk Producers' Participation in Organized Dairy Value Chains: Evidence from India" studied the factors affecting the smallholder milk producers' participation in modern supply chains, the impact of this participation on their growth income, production, and technology choices and concluded that Market infrastructure such as roads, provision of veterinary services, distance from milk collection centre, markets, price risks, etc. are found to have significant effects on farmers' marketing choices.

Nirmal Kumar. B, Sabarninath. P et al (2015) ^[47], in an article entitled, 'Preparation of Safety Manual for Dairy Industry – A Review', enumerated the general hazards present in the industry, safety systems needed in the dairy industry, need for health and safety training, identification of possible dangerous situations in dairy industry and narrated the possible remedies to prevent pollution from dairy units and promote safety of workforce.

Devulapalli Raghava et al, (2015) ^[48], in an article entitled, "Marketing of dairy products in AP: A study of Cooperative and Private dairy units", conducted a sample survey in Guntur district of AP with a view to observe the promotional tools and techniques followed by dairy units, channels of distribution followed by them and concluded that both private and cooperative dairy units have to take rigorous measures to advertise their products and make efforts to improve quality of milk products.

Kaushlendra Vikram Mishra et al, (2015) ^[49], studied the marketing strategies of Small –scale milk producers in Azamgarh district of Uttar Pradesh. He suggested that small scale milk producers have to join hands with cooperative society to improve their marketing efficiency in collective manner.

Dr. P. Amalanathan, Dr. S. Naseer Mohamed Jaffer (2015) ^[50] et al in their article entitled, "Distribution channels of milk and the problems encountered by the members of primary dairy co-operatives in Pondicherry U.T.", studied the problems faced by the Members of Primary Dairy Co-operatives in Pondicherry. Data was collected from the producers of milk residing in the villages of Union Territory of Pondicherry which consists of four regions namely Pondicherry, Karaikal,

Mahe, and Yanam. The study concluded that the Government must initiate steps to manufacture various end products of milk like Padas, pannier, packed curd, quality butter milk which may become sometimes as alternative to other soft drinks in the market in hot countries like ours.

CONCLUSION

From the above review of literature, it is clear that many studies have already been conducted to examine and analyze the issues and challenges pertaining to the different participants in dairy industry viz., milk producers, Dhudiyas, milk chilling units, and packing units. Though Operation flood in Gujarat has led to remarkable progress in dairy sector, still a lot is to be done to uplift the socio-economic conditions of small and marginal milk producers, create and sustain market for milk products like ghee, butter, paneer, cheese and others. Though Indian market offers a larger scope for marketing milk and milk products, the Nation's dairy sector has also got a scope to peep into world market as well. Many research studies conducted so far across India however concentrated more on issues and challenges confronted by cooperative sector dairy units. Since, Indian dairy market is also witnessed by the ever increasing growth of private firms, there is a necessity to study and evaluate the problems and prospects of private sector dairy units in general and also specific issues like supply chain practices of dairy firms and prospects of product-line expansion etc.

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WOMEN ENTREPRENEURSHIP DEVELOPMENT IN INDIA: ISSUES AND CHALLENGES

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ABSTRACT

The study finds out that nature and problems of human resources development in rural area is different from that of urban area. Improved utilization of human resources in rural areas requires expansion of regionally appropriate subsidiary activities and adjunct infrastructure as necessitated by the modern economic growth and trend of modernization. In this context, program aiming at providing employed opportunities, asset building, augmentation of income, formation of skills plays an important role. The problems faced by the women entrepreneurs are not peculiar to it; they are the results of the general socio-economic and political change of the day. Adopting appropriate technology has enabled direct and positive impact, and gives the requisite infrastructure and institutional framework for employment generation. The new program, which are introduced for promoting employment opportunities assume path breaking and ameliorating form. In the absence of this program the situation of the poor would have deteriorated, adequate awareness building and education has not been given due importance. Encouraging women entrepreneurship would empower them to be self-employed. In this, a separate cell specifically intended for the self-employment scheme has to be created not only at the macro level but also at the local levels. This cell will be responsible for appraisal of the projects, inspection and follow up action, technology generation, extension, market surveys and identification of prospective entrepreneurs in the given region. This would guarantee employment for the women.

KEYWORDS

women entrepreneurship development, India.

INTRODUCTION

Occupation and the education level is the major factor determining the socio economic status of women, which is different for those in developed and developing countries. The age composition of the female labour force has changed and there has been a shift from agricultural to industrial occupation and to the service sector, white-collared jobs. The various theoretical explanations for the working women phenomena show that the causes of the changing role of women are the effects of the market. Traditional economic analysis tended to make a large proportion of women's work invisible because economic activity was directly or indirectly associated with the market. Women's economic activities were undervalued as a result of viewing the market as the central criterion for defining 'economics'. The new household economics applied market oriented criteria to time allocation, the division of labour and individual choices regarding labour force participation, thereby underlining the economic significance of household production and women's work together with the gendered views of the proper role of men and women in society resulted also in the traditional undercounting of women's economic activities.

Women constitute half the human resource potential available for economic activity. They perform multiple productive roles. In developing countries large proportion of female participation is seen in agriculture and allied activities. In the industrial sector, women constitute an average of 27 per cent of the industrial task force in developing countries. The role of women in productive activities in our country has been increasing over the years. The female work participation rate was 15.92 per cent in 1971. Women constitute 31 per cent of the adult labour force in India as stated by the Economic Survey (2000-2001), which has further increased in the recent years.

Due to historical reasons women's have been invisible, but it has been realized that they are also equally potentially. Educating and giving opportunities in various fields of activities would empower them. Among the literates, employed in urban sectors, lack of entrepreneurial, managerial, risk-taking skills are constraints to improve competitiveness. Therefore, although women labour force constitutes an important component of human resource, their utilization is constrained by many factors. To achieve the gender equity task, there is a need to treat the problem with various dimensions; some of them can be attended at short time and some other may require long time. There is a need to analyze the following research questions in relation to economic empowerment of women. What is the economic rationality of discussions on gender issues? What is the potential and size of the available women labour force in different sectors in India? What role women play in ISB sector? What is the role of government and civil society organizations in women empowerment? Analysis of these issues will have to be made taking care of regional disparities, sectoral (rural-urban) differences and policies and programs of government and non-government organizations. The discussions on these issues would give a framework for better understanding the role of women in economic development.

OBJECTIVES AND METHOD

Aim of this paper is to analyse the economics of women entrepreneurship and to examine their performances. The specific objectives of the study are,

1. To examine the organisational and motivational factors of women entrepreneur in ISB sector.
2. To analyze the employment and income effects of women enterprises in the grass root level.
3. To evaluate performance of sales, profit, investment capacity, labour and capital productivities through scaling techniques.

Performance of enterprise is evaluated in terms of profitability and productivity ratios. Profitability ratio – profitability in relation to investment and profitability in relation to sales helps to classify measure and assess the performance of an enterprise.

$$\text{Profit Ratio} = \frac{\text{Profit after tax}}{\text{Total sales}}$$

$$\text{Labour Productivity} = \frac{\text{Total product}}{\text{Total number of employees}}$$

$$\text{Capital Productivity} = \frac{\text{Total product}}{\text{Total fixed investment}}$$

Further, performance indicators such as turnover, decision making capacity, risk taking capacity, profits are analysed using appropriate indicators in the study area.

Dakshina Kannada (DK) is an emerging industrial area of Karnataka state of South India which has five nationalised banks emerged and it has listed in smart city scheme for the development wherein the emergence of women entrepreneurs has been further reinforced by the factor that the proportion of female-headed households in the region is very high. A sample of 50 each for urban and rural areas has been selected for the study of D.K district.

RESULTS AND DISCUSSION

The women entrepreneur’s establishment is identified with an individual who has ownership interest and exercises decision-making power and performs entrepreneurial function of risk taking. Risk taking and entrepreneurial capabilities are interlinked and varies according to location and enterprises. Entrepreneurial capabilities are measured in terms of investment, sales, profit and productivity. The factors affecting risk-taking behaviour will have different levels of influence like Investment levels (1 lakh, 1-2 lakhs, etc.) and labour levels (manually related or unskilled, partly technically related and partly manual or unskilled and technically related or skilled including technical and managerial labour.

An attempt is made to evaluate the performance of enterprises run by women as to the degree of entrepreneurship. By way of criteria rating matrix, the above factors are evaluated as high, medium and low entrepreneurial performance of women enterprises in the Industry, Service and Business (ISB) sector both in the urban and rural areas compared with performance indicators.

Improved utilization of human resources in rural areas requires expansion of regionally appropriate subsidiary activities and adjunct infrastructure as necessitated by the modern economic growth and trend of modernization. In this context, program aiming at providing employed opportunities, asset building, augmentation of income, formation of skills plays an important role.

The problems faced by the women entrepreneurs are not peculiar to it; they are the results of the general socio-economic and political change of the day. Adopting appropriate technology has enabled direct and positive impact, and gives the requisite infrastructure and institutional framework for employment generation. The new program, which are introduced for promoting employment opportunities assume path breaking and ameliorating form. The PMRY along with other self-employment programs belong to this category. In the absence of this program the situation of the poor would have deteriorated, adequate awareness building and education has not been given due importance. Encouraging women entrepreneurship would empower them to be self-employed. In this, a separate cell specifically intended for the self-employment scheme has to be created not only at the macro level but also at the local levels. This cell will be responsible for appraisal of the projects, inspection and follow up action, technology generation, extension, market surveys and identification of prospective entrepreneurs in the given region. This would guarantee employment for the women.

The education-wise distribution of the sample women entrepreneurs indicates that majority of them are graduates, accounting for 45.5 per cent. In the urban area, the proportion of graduate level is 49.2 per cent and postgraduate level is 3.0 per cent. Training is one of the determinants of entrepreneurial performance. Large proportions of women entrepreneurs have undergone training before taking up their venture. About 72.5 per cent of the women entrepreneurs in industry, 89.0 per cent in service and 89.1 per cent in business have undergone training and only 10.9 per cent of the women entrepreneurs did not have any training when they started the enterprise.

TABLE 1: AGE-WISE PROFILE OF WOMEN ENTREPRENEURS IN THE ISB SECTOR

Group	Total No. of Units	Average Age in Years	Educational Qualification					Training		Location	
			Secondary Level	Post Secondary Level	Graduate	Post Graduate	Technical Education	Yes	No	Industrial Estate	Non Industrial Estate
Urban < 2 years	5	28.7	-	7.7	69.2	-	23.1	92.3	7.7	-	100.0
2-5 years	30	29.8	25.8	18.2	36.4	6.1	13.5	81.8	18.2	3.0	97.0
> 5 years	15	35.3	12.2	12.2	63.4	-	12.2	75.6	24.4	1.2	87.8
All	50	31.5	18.3	15.0	49.2	3.0	14.2	89.2	10.8	5.8	94.2
Rural < 2 years	5	29.2	25.0	37.5	37.5	-	-	100.0	-	-	100.0
2-5 years	30	31.1	25.0	28.9	34.6	-	11.5	94.2	5.8	-	100.0
> 5 years	15	36.2	15.0	30.0	55.0	-	-	70.0	30.0	-	100.0
All	50	32.2	22.5	27.5	40.0	-	10.0	88.8	11.2	-	100.0
Overall	100	31.8	20.0	20.0	45.5	2.0	12.5	89.0	11.0	3.5	96.5

Achievement motivation has been considered as an urge to improve oneself in relation to a goal. It is the disposition to strive for satisfaction derived from success in competition with some standard of excellence. Ambitions are goal statements concerning future levels of achievement. These can be regarded firstly, as an individuals concept of future prospects and secondly, as a form of self-motivation. Various ambitions are listed in table-2.

For the entire sample, self-realization becomes the major motivational factor at 33.5 per cent followed by expectation of higher standard of living at 29.0 per cent, dissatisfaction with earlier jobs at 13.0 per cent, gaining financial independence at 11.0 per cent, continuing in family business at 7.5 per cent and making a record of successful achievements at 6.0 per cent. In the urban area, self-realization is ranked high at 33.3 per cent followed by expectation of higher standard of living at 26.6 per cent, dissatisfaction with earlier jobs at 14.2 per cent, continuing in family business and gaining financial independence each at 9.2 per cent, and making a record of successful achievements at 7.5 per cent. In the rural area, self-realization is ranked high at 33.7 per cent closely followed by expectation of higher standard of living at 32.5 per cent. Dissatisfaction with earlier jobs at 11.3 per cent, gaining financial independence at 13.0 per cent, continuing in family business at 5.0 per cent and making a record of successful achievements at 3.8 per cent are the other major motivational factors.

TABLE 2: AGE-WISE MOTIVATIONAL FACTORS AMONG WOMEN ENTREPRENEURS

Group	Total No. of Units	Continuation of Family Business	Financial Independence	Self-realization	Expectation of Higher Standard of Living	Dissatisfaction with Earlier Jobs	Record of Successful Achievements
Urban < 2 years	5	15.4	23.0	30.8	30.8	-	-
2-5 years	30	9.1	1.5	36.4	28.8	15.1	9.1
> 5 years	15	7.3	17.1	29.3	21.9	17.1	7.3
All	50	9.2	9.2	33.3	26.6	14.2	7.5
Rural < 2 years	5	-	12.5	25.0	62.5	-	-
2-5 years	30	5.8	11.5	38.5	26.9	13.5	3.8
> 5 years	15	5.0	20.0	25.0	35.0	10.0	5.0
All	50	5.0	13.7	33.7	32.5	11.3	3.8
Overall	100	7.5	11.0	33.5	29.0	13.0	6.0

The cost of the project refers to the capital expenditure incurred in undertaking the proposed investment project. The project cost for industry, service and business sectors have been estimated.

The average project cost for the entire sample is Rs. 1.19 lakhs, which is much higher in the urban area at Rs. 1.35 lakhs and lower in rural area at Rs. 0.95 lakh. In the urban area, the average project cost is high in above 5-year category and is low in the less than 2-year category at Rs. 0.76 lakh. Of the average total project cost, the proportion of institutional loan is Rs. 0.88 lakh and the borrowed funds are Rs. 0.10 lakh. About 74.0 per cent of the average total cost is borrowed from the institutional sources and about 8.4 per cent is borrowed from other sources like relatives and friends. Own funds constitute about 17.6 per cent.

EMPLOYMENT EFFECT

Table-3 presents the employment per unit, percentage of male and female employment and also the percentage of hired and family labourers. In the industrial sector the average employment per unit is 3.8, which is higher in the urban area at 4.08 and in the rural area it is 3.29.

Of the total employment, the share of female labourers is 56.6 per cent and that of male labourers is 43.4 per cent. The proportion of male labourers is higher in the rural area at 54.3 per cent and lower in the urban area at 38.7 per cent, whereas the proportion of female employment is high in the urban area at 61.3 per cent and low in the rural area at 45.7 per cent.

TABLE 3: AGE WISE EMPLOYMENT EFFECT

Group	Total No. of Units	Employment Per Unit	Male	Female	Self	Hired	Family
Urban < 2 years	5	2.46	32.5	67.5	40.7	43.9	15.4
2-5 years	30	2.51	23.9	76.1	39.8	47.0	13.2
> 5 years	15	3.67	37.9	62.1	27.2	63.8	9.0
All	50	2.91	30.9	69.1	34.4	53.9	11.7
Rural < 2 years	5	1.75	22.9	77.1	57.1	42.9	-
2-5 years	30	2.06	34.0	66.0	48.6	39.3	12.1
> 5 years	15	3.00	46.7	53.3	33.3	51.7	15.0
All	50	2.26	39.8	60.2	44.2	43.8	12.0
Overall	100	2.65	34.0	66.0	37.7	50.6	11.7

The share of self-employment in the industrial sector is 26.3 per cent, hired labourers are 59.9 per cent and family member is only 13.8 per cent. Percentage of hired labourers is higher in the urban area at 62.3 per cent than in the rural area at 54.3 per cent while the percentage of family labourers is high in the rural area than in the urban area. In the urban area the employment per unit is high in the above 5-year category and low in the 2-5 year category. In the rural area, the employment per unit is high in the above 5-year category and is low in the below 2-year category. Percentage of female labourers employed is high in the urban area compared to the rural area. In contrast, percentage of male labourers employed is more in the rural area when compared to the urban area. Hired labourers account for 62.3 per cent in the urban area and 54.3 per cent in the rural area.

In the service sector, the average employment per unit is 2.31. In the urban area it is 2.57 and in the rural area it is 1.98. The proportion of female labourers account for 72.4 per cent and male labourers is only 27.6 per cent. The share of self-employment is 43.2 per cent that of hired and family labourers is high in the urban area. The employment per unit is high in the above 5-year category both in urban and rural areas and increasing with the age of the unit.

In the business sector, the average employment per unit of labour is 2.45 in the urban area it is 2.62 and in the rural area it is 2.19. In this sector, the share of male labourers is 32.6 per cent and that of female labourers is 67.4 per cent. The share of male labourers is low in the urban area at 29.2 per cent and high in the rural area at 39.1 per cent, whereas the share of female labourers is high in the urban area at 70.8 per cent and low in the rural area at 60.9 per cent. The share of total hired labourers is about 46.7 per cent, self-employed is 40.7 per cent and employment of family members is 12.6 per cent. The share of hired labourers is higher in urban area at 50.6 per cent and lower in the rural area at 39.1 per cent. Both in urban and rural areas, the average employment per unit is high in above 5-year category and increases with the age of the unit.

In both urban and rural areas, the percentage of female labourers is low in the above 5-year category and the percentage of hired labourers is high in the above 5-year category. The average employment per unit is high in industry at 3.8, followed by business at 2.45 and service sector at 2.31. The share of female labourers is higher in the service sector at 72.4 per cent, followed by business sector at 67.4 per cent and industrial sector at 56.6 per cent. The share of hired labourers is high in the industrial sector at 59.9 per cent, followed by business sector at 46.7 and service sector at 46.5 per cent. Percentage share of self-employed is high in the service sector at 43.2 per cent followed by business sector at 40.7 per cent and industrial sector at 26.3 per cent. This indicates that service and business units hardly employed outside labourers as themselves mostly performed the activities with the help of family members.

The average employment per unit for the entire sample is 2.64. In the urban area it is 2.91 and in the rural area it is 2.26. The share of female employment is 66.0 per cent out of which male labourers form 34.0 per cent. The share of female labourers is high in the urban area at 69.1 per cent and low in the rural area at 60.2 per cent, whereas the share of male labourers is higher in the rural area at 39.8 per cent than in the urban area at 30.9 per cent. The share of hired labourers is 50.6 per cent, self-employed is 37.7 per cent and family labourers is 11.7 per cent. The share of hired labourers is high in the urban area at 53.9 per cent compared to rural area at 43.8 per cent. The share of self-employed is higher in rural area at 44.2 per cent compared to the urban area at 34.4 per cent. In both urban and rural areas the average per unit employment is high in the above 5-year category and increases with the age of the unit.

PERFORMANCE

Profit performance is very essential to run the units in the long run. The effort of an entrepreneur is to earn adequate profit and recover the amount invested in the project. Therefore, profit performance is the life energy, which gives a sustained and prolonged life to the units and encourages growth, development, innovation and total promotion of the unit. It is essential not only from the entrepreneur's point of view but also from the national point of view. Considering the social and economic capabilities of an enterprise, the unit needs to be managed with efficiency and competency so that the capital invested on the project provides reasonable returns to satisfy both the entrepreneur and the financial institution.

The influence of the levels of risk taking on the levels of performance of women enterprises is evaluated with reference to rate of return on investment, profit rate, capital and labour productivities is analyzed in terms of their relative association according to the age of the unit.

Rate of return on investment is an important area of profit performance in small enterprises. Every investment made on the asset needs to produce reasonable returns. Owing to the financial significance of the high investment involved in an enterprise, the emphasis is more on the timely return on investment. This demands high risk taking behavior from the entrepreneur in order to achieve viable results, consequently leading to frequent changes and innovations in the technical arena.

Products are planned and developed to serve markets. Product planning is the process of developing and maintaining a portfolio of products, which will satisfy defined customer needs and wants, maximize profitability and make best use of the skills and resources of an enterprise. Demand for products in the market indicates a positive sign of better profit performance. Normally, in small enterprises, selling price is quoted on the basis of the market demand for the product. Products that have high demand in the market yield high profits than products that have less demand.

Table-4 describes the performance in the industry, service and business sectors. In the industry sector, the rate of return on investment is about 27.89 per cent. The rate of return on investment in the urban area is 28.7 per cent. It is high in the urban area compared to the rural area accounting for 25.35 per cent.

TABLE 4: PERFORMANCE OF WOMEN ENTERPRISES

Sector	Rate of Return on Investment (in percentage)	Profit Rate (in percentage)	Capital Productivity (per rupee)	Labour Productivity (in '000 Rs.)
INDUSTRY (Total)	27.89	18.76	1.49	1.07
Urban	28.71	19.02	1.51	1.11
Rural	25.35	17.94	1.41	0.93
SERVICE (Total)	41.87	28.15	1.49	1.07
Urban	44.44	29.13	1.53	1.13
Rural	35.95	25.82	1.39	0.95
BUSINESS (Total)	25.12	18.06	1.39	0.95
Urban	26.52	18.54	1.43	1.02
Rural	22.09	16.90	1.31	0.78

In the service sector, the rate of return on investment is 41.87 per cent. The rate of return on investment in 43.3 per cent of the units in the urban area is 44.44 per cent. It is high compared to the rate of return on investment in 35.7 per cent cases in the rural area, which 35.95 per cent.

In the business sector, the rate of return on investment is 25.1 per cent. It is high in the urban area accounting for 26.5 per cent in 38.2 per cent of the cases and low in the rural area accounting for 22.1 per cent in 33.3 per cent of the cases.

For all the three sectors, urban units have a high performance ratio in relation rate of return on investment compared to rural units. Among the three sectors, the profit performance in relation to investment in the service sector is high followed by industry and business sectors. The profit performance of the service sector is due to the higher age of the enterprise.

Certain service enterprises show high rate of return and some of them are tailoring; fashion designing and beauty parlors, have low investment and high sales turnover. Hence, their rate of return is at a high level compared to industry and business. In the case of industry sector, due to advance in technology, the capital assets of paint and plastic enterprises are on the increase. These enterprises have less number of labourers, and production capacity is at a moderate level. These enterprises are not able to obtain high sales turnover. Hence their rate of return is at a lower level. In the case of business enterprises, the age of these enterprises is small. Hence, their rate of return is also small. Industry, service and business enterprises in the rural area show a lower rate of return. This is due to the age, low investment and low sales turnover of certain enterprises like food and beverages, tailoring soap manufacture and general stores. Hence, their rate of return is at a lower level compared to the urban area.

Service enterprises show better profit rate when compared to the industry and business enterprises. In all the three sectors, urban units show better performance in terms of profit rate than the rural units. Capital productivity and the labour productivity is also high in industry and service sector than the business sector.

Among the three sectors, service sector has high level of performance in relation to rate on investment, profit rate, capital and labour productivities followed by industry and business enterprises. The higher level of performance of service sector is because the demand for the service is less sensitive to economic fluctuations than the demand for the goods. Service firms have more flexible to device a new product development process that suits their distinctive circumstances. Services are separately identifiable, intangible activities and in recent years the service environment is changing bringing with it a focus on increasing productivity and measuring customer satisfying performance. New techniques have opened new service fields. Technological advances have brought automation and other industrial features to former hand-labour service industries, and hence the higher level of performance.

Major findings of the study can be summarized as,

- The average number of employment per unit for the entire sample is 2.65. The share of female employment is 66.0 per cent. The share of hired labor is 50.6 per cent, self-employed is 37.7 per cent and female labor is 11.7 per cent.
- The overall growth rate of sales turnover per annum is 14.56 per cent. Profit rate is 22.39 per cent and fixed asset is 6.74 per cent.
- In employment generation, income and sales turnover, urban enterprises do slightly better than rural in ISB sector.
- Rate of return in the beginning and now when compared in ISB, in urban area increase is from 22.06 per cent to 32.02 per cent whereas in rural area 16.07 per cent to 26.32 per cent.
- Rural enterprises, in 'beginning and Now' comparison show better perform.
- Among the three sectors, service sector has high level of performance in relation to rate on investment, profit rate, capital and labour productivities followed by industry and business enterprises.
- For guaranteed employment of women, imparting entrepreneurship skills through appropriate training is important.

CONCLUSION

Nature and problems of human resources development in rural area is different from that of urban area. Improved utilization of human resources in rural areas requires expansion of regionally appropriate subsidiary activities and adjunct infrastructure as necessitated by the modern economic growth and trend of modernization. In this context, program aiming at providing employed opportunities, asset building, augmentation of income, formation of skills plays an important role.

The problems faced by the women entrepreneurs are not peculiar to it; they are the results of the general socio-economic and political change of the day. Adopting appropriate technology has enabled direct and positive impact, and gives the requisite infrastructure and institutional framework for employment generation. The new program, which are introduced for promoting employment opportunities assume path breaking and ameliorating form. In the absence of this program the situation of the poor would have deteriorated, adequate awareness building and education has not been given due importance.

Encouraging women entrepreneurship would empower them to be self-employed. In this, a separate cell specifically intended for the self-employment scheme has to be created not only at the macro level but also at the local levels. This cell will be responsible for appraisal of the projects, inspection and follow up action, technology generation, extension, market surveys and identification of prospective entrepreneurs in the given region. This would guarantee employment for the women.

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IMPACT OF BUSINESS RISK, GROWTH, AND LIQUIDITY ON THE CAPITAL STRUCTURES: EMPIRICAL ANALYSIS OF AGRO-BASED COMPANIES IN INDONESIA

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ABSTRACT

The study was conducted using secondary data from audited financial statements of agricultural companies listed on the Indonesian Stock Exchange during the period 2010-2014. Those companies are sub-sectors of food crops, plantations, fisheries, forestry, wood and its processing, pulp & paper, and animal feed. The number of companies used as the objects of this research are 22 companies which is generated 110 observation points. The data processed through analysis of regression statically panel data. Regression model used random effect model. The results of this study indicate that the risk of business and growth has positive effect on the capital structure. In the other hand, the liquidity has negative impact on the capital structure. The result of this study can be used as consideration for investors in making decision before investing on agricultural sector. This research can be used as consideration for agricultural company's management to establish the optimal capital structure.

KEYWORDS

business risk, growth, liquidity, capital structure, panel data.

INTRODUCTION

Capital structure is an arrangement structure of capital sources which comes from equity and debts. Each company has different capital structure, although it is from the same industry (Brigham dan Houston 2014). Business risk is one factor which influences capital structure. In the other hand, the company ability to add capital will affect the company to making decision on capital structure. Each company should deal with operational difficulty so that the investors would like to invest their money.

Agriculture sector is one of the most important for the Indonesia's economy, contributing up to 13,75% of Gross Domestic Product (GDP) as the second largest contributor in 2014. It contributed to export as the main commodities besides manufacturing and mining & energy (OECD, 2015). Employment in agriculture reached 35.76 Million or approximately 30.27% of the total workforce in Indonesia (Ministry of Agriculture 2015). Agricultural companies has business risk that must be overcome to improve the company's performance in dealing with changes in demand and supply of various products. Risks that occur in business activity may affect businesses expenses. Indonesia has a little information about impact of business risk, growth and liquidity to capital structure on a company's agricultural commodities. Therefore, this paper explained the level of impact business risk, growth, and liquidity on the company's capital structure in various agricultural commodities.

REVIEW OF LITERATURE

There are several studies about the factors that affect the capital structure in various industry sectors such as the research have done by (Wu et al. 2014), (Zhao et al.2008), (Hailu et al. 2007), and (Afza and Ahmed 2010). Research on the factors affecting capital structure in the agricultural sector was researched by Aulova and Hlavsa (2013). The results showed that the size of the company, the structure of assets, retained earnings, and liquidity significantly influence the capital structure of agricultural companies. In the short term debt liquidity is a factor that most affects the debt. Meanwhile, the long-term debt, asset structure, non-debt tax shields and retained earnings are the most influential factor. (Foster 1996) examined the relationship between capital structure, business risk and stock returns for investors in the agribusiness sector. The result showed that the risk of the business and capital structure had an important role in stock returns. Bassey et al. (2014) also noted that the agricultural-based company's firm size, asset structure and growth of the company significantly correlated positively to short-term and long-term debt. Pecking order theory dominates the behavior of agricultural-based companies financing in Nigeria.

OBJECTIVES

To analyze impact of business risk, growth and liquidity on the capital structures of agro-based companies in Indonesia (2010-2014).

RESEARCH METHODOLOGY

Research is limited by agricultural company listed on Indonesia Stock Exchange in 2010-2014. There are 22 companies consist of the food crops, plantations, fisheries, forestry, wood and its processing, pulp & paper, and animal feed sub-sectors. Data was obtained from Indonesia Stock Exchange website (www.idx.com). The dependent variable of the study was capital structure defined as the Debt to Equity Ratio (DER) and Debt to Assets Ratio (DAR). Meanwhile, the independent variables are business risk, growth and liquidity. Table 1 shows the definition of variables and the theory of capital structure which are reference to this study.

TABLE 1: VARIABLES DEFINITIONS

Variable	Definition	Pecking Order	Agency
<i>Dependent variables</i>			
Debt to Equity Ratio (DER)	Total liabilities to total equity		
Debt to Asset Ratio (DAR)	Total liabilities to total assets		
<i>Independent variables</i>			
Business Risk	Standard deviation of earnings scaled by total assets	-	+
Growth (%)	Growth rate in total sales	+	-
Liquidity (%)	Current assets / current liabilities	-	-

We used data panel to aggregate the data time series and cross-sectional. This study used data panel model from Baltagi’s research (2001). Data panel analysis is divided into three estimation approaches which are the fixed effect model (FEM), pooled least squares (PLS), and a random effects model (REM). Before using estimated approach, it must be tested. Testing of the first model is the Hausman test to determine the best approach between the FEM and REM. Hausman statistical formula is:

$$H = (\beta_{REM} - \beta_{FEM})'(M_{FEM} - M_{REM})^{-1}(\beta_{REM} - \beta_{FEM}) \sim X^2(k)$$

β_{REM} and β_{FEM} is the coefficient REM and FEM. M is the covariance matrix for the parameter and k is the degree of freedom. If the result shows a model of REM, the data can be analyzed directly but if the result obtained is a model of FEM, it is necessary to do a Chow test. Chow test is used to determine whether the model used is PLS or FEM. Chow statistical formula is:

$$Chow = \frac{(RRSS - URSS)/(N - 1)}{URSS/(NT - N - K)}$$

RRSS (Restricted Residual Sum Square) obtained Sum of Square Residual from panel data estimation using PLS. URSS (Unrestricted Residual Sum Square) obtained Sum of Square Residual from panel data estimation using FEM. N is the number of cross section data. K is the number of explanatory variables and T is the number of time series data. Based on the analysis, the best approach is the approach used in the study REM. Data panel regression model used is as follows:

$$Y_{it} = \alpha + \beta X_{it} + (e_{it} + \mu_{it})$$

Y_{it} is the company's capital structure for n-i and year t. β is the slope coefficient of the independent variable, and X_{it} is the independent variables for the company n-i and year t. REM models do not require testing heteroscedasticity and autocorrelation, because REM models uses generalized least squares (GLS) in the calculation process so it is assumed there is no heteroscedasticity and autocorrelation problem.

RESULTS & DISCUSSION

DESCRIPTIVE STATISTICS AND INTERPRETATION

Food crops sub-sector

TABLE 2: FOOD CROPS SUB-SECTOR

Variable	2010	2011	2012	2013	2014	Mean
DER	0.12	0.19	0.15	0.16	0.17	0.16
DAR	0.11	0.16	0.13	0.14	0.14	0.14
Risk	0.04	0.01	0.01	0.01	0.01	0.01
Growth (%)	14	12	(13)	22	9	9
Liquidity (%)	846	608	808	763	725	750

Food crops sub-sectors is the lowest capital structure of the agricultural sector. Low capital structure caused by the company applied the precautionary principle in terms of funding, relying on positive cash flow to fund business activities. These conditions resulted in the minimum long-term debt, so the company can take advantage of a strong cash position. Capital used to develop new varieties of horticultural seeds, pesticides, fertilizers, and hybrid corn seed products in order to grow in dry and rainy seasons. Business risk consists of the risk of failure on hybrid seed product, product counterfeiting, pests and diseases, climate change, and the risks of labor. The growth has decreased in 2012 because it is influenced by weather conditions that were not conducive to planting corn, other crops and horticulture. High rainfall resulted in a reduction in planting corn and affecting the seed company's product. Then there was a significant increase in growth in 2013 due to an increase of hybrid corn seeds, vegetables and fruits along with rising average selling prices. The high liquidity is due to repayment of short-term bank loans.

Plantation sub-sector

TABLE 3: PLANTATION SUB-SECTOR

Variable	2010	2011	2012	2013	2014	Mean
DER	0.90	0.85	1.03	1.45	1.40	1.13
DAR	0.41	0.40	0.45	0.52	0.51	0.46
Risk	0.02	0.01	0.04	0.04	0.03	0.03
Growth (%)	23	34	(8)	(2)	43	18
Liquidity (%)	152	175	152	102	99	136

Plantation sub-sector needs capital for business expansion activities such as research and development to improve crop productivity. Business risk consists of the risk of fluctuations in the market price of the product, raw material procurement, competition, and the certainty of land tenure, as well as the risk of catastrophe and climate change. Business risk increased in 2012 caused by a decrease in selling prices of crude palm oil (CPO), palm kernel, palm kernel oil (PKO) and palm kernel expeller (PKE). The growth companies declined in 2012 due to the trend of declining CPO prices, causing a decline in margins from product processing company. The decline in total sales was also due to reduction in crop and purchases from third party, and as the consequence, a decrease in total production of crude palm oil and palm kernel. Furthermore, the harvest of rubber plantation also declined, in line with the age profile of the composition of the plant. However, the return of growth in 2014 due to growth in sales volume of crude palm oil and the increase in the average selling price so that profits increased more rapidly as a result of margin expansion. The low liquidity was caused by the failure of payment by consumers, changes in market variables such as interest rate and currency exchange rate, as well as the gap between receipts and payments.

Fisheries sub-sector

TABLE 4: FISHERIES SUB-SECTOR

Variable	2010	2011	2012	2013	2014	Mean
DER	2.89	1.72	0.85	0.75	0.65	1.37 *
DAR	0.52	0.57	0.55	0.49	0.49	0.52
Risk	2	9	9	8	8	7 *
Growth (%)	(1)	(0.1)	37	20	14	14
Liquidity (%)	245	194	214	115	133	180 *

Note: * Data outliers excluded

Fisheries sub-sector needs capital to expand the business to make processed food products. There is a very high DER value and become an outlier in one of the companies. It caused by the company's interest expense and bonds payable denominated in US dollars. Fisheries sub-sector is the highest business risks in the agricultural sector. Business risks due to the risk of fluctuations in the exchange rate, third-party supply of raw materials, importing countries policy, business

competition, disease arising in fish bred in captivity, and water pollution. There is the value of the business risk is very high and become an outlier in one of the companies in the fisheries sub-sector. The company's high business risk is due to the impact of the subprime mortgage crisis in the USA. In addition, mandatory quality standards of seafood imports coming into the USA by the FDA (US Food & Drug Administration) has an impact on export companies, which are now required to keep the processing free of heavy metals, bacteria, and to create a more qualified labor standards. The low growth of fishing company in the year 2010 was due to a decrease in product sales. However, continued growth due to the increased sales of tuna products, fillets, octopus, cuttle fish, and whole in export and local. There is a very high liquidity value and become an outlier in one of the companies. The high liquidity in the company is due to the decrease in short-term liabilities. Decrease in liabilities caused by a decrease in taxes payable because the company has no debt from banks and other financial institutions.

Forestry sub-sector

TABLE 5: FORESTRY SUB-SECTOR

Variable	2010	2011	2012	2013	2014	Mean
DER	0.07	0.20	0.51	3.45	4.63	1.77
DAR	0.06	0.17	0.34	0.78	0.82	0.43
Risk	0.01	0.01	0.04	0.002	0.01	0.02
Growth (%)	108	13	159	(24)	(8)	50
Liquidity (%)	4690	756	6747	14	34	2448

The capital structure increased in 2010-2014 period. Improved capital structure is due to the increase in total long-term liabilities of the company. The increase in total long-term liabilities due to higher finance lease vehicle purchases, companies' debt to third parties for the sale and purchase agreement notes (secured promissory note), liabilities for employee benefits, and advance sales of logs. Business risk is determined by the weather and macroeconomic conditions. The company's business related to the survival of plants depends on the weather conditions that can lead to failure of compliance with production standards. Besides the weather, the decline in economic growth could affect the purchasing power of people and weakened the company's investment so as to reduce the public interest in farming and affect the revenue of the company. Forestry is a sub-sector with average growth and the highest liquidity in the agricultural sector. Average growth due to the high value product sales, which are mainly sales of logs. It is also because Indonesia is a potential market for the development of biotechnology products related to forestry plants. Average liquidity due to the increase in net inventories of logs and debt reduction efforts.

Wood and its processing sub-sector

TABLE 6: WOOD AND ITS PROCESSING SUB-SECTOR

Variable	2010	2011	2012	2013	2014	Mean
DER	3.33	4.02	5.45	11.25	7.69	6.35
DAR	0.77	0.80	0.85	0.92	0.88	0.84
Risk	0.03	0.02	0.04	0.01	0.07	0.03
Growth (%)	(1)	(7)	13	14	10	6
Liquidity (%)	118	145	119	98	110	118

Capital structure in wood and its processing sub-sector is the highest capital structure in the agricultural sector. It is because the company needs more funding in the operations of the company to increase sales volume. The increase in sales volume of the company and its processing timber to maintain cash flow due to a decline in selling prices and lower demand due to weak economic growth in the countries that became market such as Europe, Japan, and America. The types of risks are the supply risk of the log, fluctuations in the exchange rate, operational, the policy of importing countries, and political as well as social and environmental. There is an increased risk in 2014 due to wood products began to compete with the materials of the other buildings that tend to be lightweight and durable. Wood and its processing is a sub-sector with the lowest growth and liquidity. It is caused by fluctuations in selling prices of products because of the slow recovery of the American and European markets. The decline in the selling price of plywood is also caused by the weakening of the Japanese market. The Japanese economy's stagnant progression causes the selling price of the company's products and lower market demand for the company's products. Companies address growth by producing more raw plywood and polyester that is quite expensive so the average selling price of the company is not experiencing a significant decline.

Pulp and paper sub-sector

TABLE 7: PULP AND PAPER SUB-SECTOR

Variable	2010	2011	2012	2013	2014	Mean
DER	1.65	1.79	1.89	1.95	1.84	1.82
DAR	0.61	0.63	0.64	0.65	0.64	0.64
Risk	0.01	0.01	0.01	0.02	0.02	0.01
Growth (%)	14	5	8	10	16	11
Liquidity (%)	216	134	161	139	178	166

Improved capital structure in this sector is used for the purchase of raw materials and paper machine investment. Business risk is the lowest in the agricultural sector, amounting only 0.01. Pulp & paper sub-sector did not experience problems due to the company's ability to manage business risks quite well. The low business risk is also caused by the price of product pulp & paper. Risk management conducted to reduce the business risk is to monitor receivables and payables in foreign currencies, creating a good drainage system, cooperation with various parties related to the raw material, implement the whistleblower program, creating a clear work rules, and perform risk control. A decline in growth in 2011, this is due to rising raw material prices, energy costs, foreign exchange losses and the rising cost of borrowing to improve the company's projects. However, pulp and paper sub-sectors continue to experience growth until 2014 due to the increase in product prices.

Animal feed sub-sector

TABLE 8: ANIMAL FEED SUB-SECTOR

Variable	2010	2011	2012	2013	2014	Mean
DER	1.22	1.21	1.26	1.36	1.58	1.33
DAR	0.49	0.51	0.53	0.55	0.59	0.54
Risk	0.03	0.03	0.02	0.03	0.04	0.03
Growth (%)	6	18	17	14	0.1	11
Liquidity (%)	223	192	184	200	163	192

Improved capital structure in this sector is used for the purchase of raw materials and to increase bond debt. The types of risks are the risk of fluctuations in the availability and price of raw materials, as well as the risk of disease. Growth in this sub-sector has decreased in the period 2012-2014. The company's net sales declined as the outcome of the development of national and global economic issues. In addition, the company's sales decline was also due to the low market price of the DOC (day old chicken) which led to oversupply.

REGRESSION RESULTS AND INTERPRETATION

Based on the results obtained from panel data estimates, independent variables such as business risk, growth and liquidity together give a significant effect on the determination of the company's capital structure in the agricultural sector. The results of the panel data regression using random effects model can be seen in Table 9.

TABLE 9: REGRESSION RESULTS OF THE CAPITAL STRUCTURE MODEL

Variable	DAR	DER
C	-0.86 *	-0009
Std. Error	0.15	0.24
Business risk	1.89 *	4.37 *
Std. Error	0.69	1.13
Growth	12.54 *	12.47 **
Std. Error	0.15	0.24
Liquidity	-0.04 *	-0.05 *
Std. Error	0.15	0008
R ²	0.38	0.34
Adjusted R ²	0.36	0.32
SE of regression	0.32	0.52
F-statistic	21.46 *	17.91 *

Note * Significant at $\alpha = 1\%$ ** Significant at $\alpha = 5\%$

Overall business risk has a positive significant effect on the capital structure at the level of 1% with a coefficient of 1.89 and 4.37. In general, the company will avoid debt when business risks increased, thus increasing the interest rate for the company. Therefore, high business risk is supposed to make the company improve efficiency and avoid debt. However, different things happen in this study. This journal on business risks in the agricultural sector is using the standard deviation of ROA. Despite of the existence of business risk, agricultural companies' ROA tend to increase and give a good interpretation to banks and investors. It makes financial institutions and investors saw their business growth prospects, and provide loans and invest in agricultural companies. The positive effects of business risk variables to capital structure in accordance with agency theory which indicates that the higher risk business, the company's total debt as measured by DAR and DER will also be higher. The results also support the research (Mostarac and Petrovic 2013), (Amidu 2007), and (Ramjee and Gwatidzo 2012).

The company's growth in the agricultural sector as a whole has a positive significant effect with significance level of 5% on the capital structure with a coefficient of 12.54 and 12.47. Business risk coefficients (4.37) sizeable indicates that business risks are among the factors which influenced the capital structure. This is supported by Gitman (2009) which states that the business risk is one of the important things in consideration for the company's capital structure decision making. The positive influence on the growth of variable capital structure in line with the the pecking order theory. Based on the pecking order theory, a rapidly growing company needs to improve long-term operating assets (Malinic et al. 2013).

Liquidity of companies in the agricultural sector as a whole has a negatively significant influence, with the real level amounting 1% on the capital structure with a coefficient of -0.04 and -0.05. The negative relationship between liquidity and capital structure is in accordance with the pecking order theory and agency theory. This is due to high liquidity will make lenders limit the amount of debt financing for the company (Al-Ajmi et al. 2009).

SUGGESTIONS

Investor analysis

Sub sector of pulp and paper is a sub-sector with the lowest level of business risk. Today, Indonesian pulp industry was ranked the 9th and paper industry was ranked 6th in the world. National pulp and paper industry was ranked 3rd in Asia. Investors can invest with low risk and high benefit due to increased exports of pulp annually due to increased volumes and sales prices. Pulp & paper are exported to foreign market in Asia, the Pacific, Australia and will be extended to the EU. Pulp and paper industry continued to make investments, expansion, and construction of the plant in order to national and international demand. Indonesia's tropical regions also support the growth of the wood so that it can produce the raw material only in 5-6 years. Risk-averse Investors are advised to invest in the pulp and paper sub-sectors.

Based on the trend of growth in the agricultural sector, a risk neutral investors are advised to invest in plantation sub-sector. it is a safe and profitable to invest because it has a low level of risk that is 0.03 and growth has increased significantly in 2014 to reach 43%. The positive trend of growth in plantation sub-sector due to an increase in average selling price of the product. At this time, the price of farm products, especially crude palm oil (CPO) to increase due to an increase in demand in line with the increase in consumption in major importing countries such as China and India. The Government committed to make the plantation sector widened main sectors that can encourage local community life. This is because 40% of the total area of oil palm plantations are owned by the people.

Meanwhile, for risk seeker investors are advised to invest in the fisheries sub-sector. Fisheries sub-sector is a sub-sector that has the highest business risks in the agricultural sector. However, the fisheries sub-sector also has a relatively high growth rate. Investors who are risk seekers can choose to invest in the fishing sector because Indonesian territorial waters is a great economic potential for the fishery industry. Food industry growth basing on fisheries, which is included as a priority in the National Industrial Development Master Plan (NRMP) also helped boosting the fishing industry. The government also plans to build a number of export ports and to improve the infrastructure to support the fishing industry. Export port development could boost the market and facilitate business processes.

Companies Management

Based on agency theory, an increased risk of the business will make companies tend to use debt as a source of funding to funding the operational and investment projects. The increase in risk and debt signified that the agricultural companies are optimistic with the available resources to get more profit by increasing investment and production capacity.

Positive relationship between growth and capital structure showed that the high growth would make the company use more external costs or debt due to insufficient internal resources needed. In addition, the debt through external cost is made to expand market opportunities (Sharif et al. 2011). The larger the growth of a company, the bigger chance it will attract the attention of investors to invest and easier for companies to get loans from investor's confidence in company performance. Although there are consequences of an increased risk of additional debt, but investors believe that the management overcome well. Based on research (Bassey et al. 2014) companies with high growth requires a greater long-term debt to finance growth and investment opportunities such as business expansion, acquisitions, as well as meet current expenditures.

Restrictions on the amount of financing makes companies prefer to utilize internal financing sources to fund investments and pay off current debts. it reduced the level of long-term debt of the company. The company's internal financing sources come from retained earnings based on the company's operations.

CONCLUSION

Descriptive analysis showed that the highest debt ratio was in food crops sub-sector. The highest business risk was fishery sub-sector and the lowest was pulp and paper sub-sector. The highest growth was in forestry sub-sector and the lowest was in the wood management sub-sector. The highest liquidity was forestry sub-sector and the lowest was the wood management sub-sector. The regression analysis of panel data showed that business risk and growth in agricultural sector has the significant effect on capital structure. Moreover, the test result of liquidity effect on capital structure showed in agricultural sector has negative significant effect. For further study, is recommended to add variables representing other financial ratios in order to produce a model that is able to explain the company's capital structure in the agricultural-based company better.

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A STUDY OF FARMERS' PROFILE AND PROBLEMS IN NORTH GOA DISTRICT

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ABSTRACT

Goa is a small and beautiful state on the Western Coast of India. It was given statehood on 30th May 1987. The state has population of about 1.45 million and area of 3702 sq. kms. Tourism and mining are the major areas of revenue. Goa has rich history of intimate culture. The State of Goa was ruled by Portuguese for nearly 450 years till it was liberated in 1961. Prior to the formation of the state, Goa was a major district of the former Union Territory of Goa, Daman and Diu. Goa attained the full-fledged statehood on 30th May 1987 under the Goa, Daman and Diu reorganization Act 1987. At the time of liberation, nearly 70 per cent of the population was involved in agriculture as their full time occupation. Paddy was the predominant crop of the State followed by Cashew and Coconut. Goa receives rain from the South - West monsoons. The average rainfall is 3,000 mm. rainy season is spread over four months from June to September. Important Fruits Crops of Goa are Mango, Cashew, Coconut, Banana, Pineapple, Jackfruit and Arecanut and field crops are Paddy, Ragi, Sugarcane and Groundnut. In spite of huge budgetary allocation goan youths are not showing much interest in agriculture activities which is their family occupation. Moreover, educated young generation also not interested to enter in the said occupation. The study revealed that the main reasons for declining interest are these youths get jobs easily in the tourism sector land mining areas. Apart from these causes increasing cultivation costs and shortage of labour are other two factors affecting agriculture activities in Goa.

KEYWORDS

agriculture, crop, farmer, Goa, land.

INTRODUCTION**GOA AT A GLANCE**

 Goa, the 25th youngest state of the Indian Union, located on West Coast of India, spread over in an area of 3702 sq. km. The State is surrounded on the East by Sahyadri Mountains and on the West with Arabian Sea. The Northern tip of Goa border is attached with Maharashtra State while Southern area is bordered by Karnataka State. The State of Goa was ruled by Portuguese for nearly 450 years till it was liberated in 1961. Prior to the formation of the state, Goa was a major district of the former Union Territory of Goa, Daman and Diu. Goa attained the full-fledged statehood on 30th May 1987 under the Goa, Daman and Diu reorganization Act 1987.

AGRICULTURE SCENARIO OF GOA

In the last 54 years after Liberation, the State has made a remarkable progress in agriculture sector besides various other spheres of economic developments. Tourism and mining are at forefront in terms of employment generation and the agriculture has been providing livelihood support to almost 14.50 Lakh population and the three fold tourist visitors to the state. The agriculture along with forests in Goa is instrumental in keeping Goa green and covers nearly 65 per cent of the total area of the State. The records shows that after liberation, nearly 70 per cent of the population was involved in agriculture as their full time occupation. At that time Paddy was the predominant crop of the State followed by Cashew and Coconut. The cropping pattern is changing. At present, Cashewnut is cultivated in nearly 55,000 hectors and Paddy in about 31,000 hectors in the state. The cultivation of horticultural crops is gaining importance due to the better returns, lower risk and part time farming. Important Fruits Crops of Goa are Mango, Cashew, Coconut, Banana, Pineapple, Jackfruit and Arecanut and field crops are Paddy, Ragi, Sugarcane and Groundnut; spices grown are Black Pepper, Nutmeg, Kokum, Turmeric, Cinnamon, etc.

CLIMATIC CONDITIONS IN GOA

Goa receives rain from the South - West monsoons. The average rainfall is 3,000 mm. rainy season is spread over four months from June to September. Occasional thunder showers are experienced in May and October. Goa experiences warm and humid tropical climate. The summer temperature ranges from 24° C to 36° C. In winter, the mercury hovers between 21°C and 30°C. The average relative humidity is 75.90 per cent. About 81per cent of soils of Goa are lateritic, sandy loam to silt-loam in texture, well drained and highly acidic. In Goa traditional sources of irrigation are storage tanks, small ponds, natural springs and wells. After Liberation, the Government of Goa commissioned number of lift irrigation schemes. Irrigation wells were also opened. Further commissioning of Salaulim Irrigation Project at Sanguem and Anjunem Irrigation Project, State has added to irrigate an area of more than 10,000 hectors.

AGRICULTURE PROGRAMME TAKEN UP BY THE GOVERNMENT OF GOA

The Government of Goa is providing assistance to agriculture at all levels to provide substantial returns to rural people. The Department of Agriculture provides assistance for farmers from land preparation to the extent of marketing of the produce. The Department has plant production centres in their agricultural farms; machinery provision centres at the taluka Level and Training Centre at District Level. The Department of Agriculture with its head quarter at Tonca, Panaji implements developmental programme through Zonal Agricultural Offices located in each taluka of Goa and the Soil Testing Laboratories are located at district level. The land holding of farmers of Goa is small and nearly 80 per cent of farmers own less than one hector of land. The smaller machines are preferred and government provides financial assistance for such machines. Cashew kernel processing, Feni extraction are important agro industry in the State. The marketing of the agriculture produce is done in the Govt. market yards, co-operative societies, private dealers and local markets.

REVIEW OF LITERATURE

The research scholars in India have done a sizable quantum of research in the field of agriculture, farmers, land pattern, agro based industry, etc. In order to support research problem and find out the research gap, a few research works done on agriculture farmers have been referred. Two of them are given below.

- (i) H. H. Bharadi, (2013), focused on agriculture farmers and their financial aspects, concluded that how bank play a major role in agriculture.
- (ii) S. Radha Krishna, (2013), analysed the nature and extent of agriculture tenancy.

NEED/IMPORTANCE OF THE STUDY

Goa is heavily depending on neighbouring Maharashtra and Karnataka states for food grains, cereals, vegetables, milk etc., to feed visiting tourists. The Salaulim dam provides irrigation to a command area of 11,749 hectares in south Goa. Anjunem irrigation project provides irrigation facilities to 2,100 hectares. The Tillari dam construction, which is a joint venture between the State of Goa and the State of Maharashtra, is expected to irrigate 16,978 hectares of land in North Goa. In spite of larger fund allocation in budget and efforts, goan people are not showing much interest in agriculture activates. This is an alarming sign to the Government

of Goa to take precautionary step before it goes beyond control. Hence, the need is felt to study the problems of farmers and find out causes for problems, possible solution if needed.

STATEMENT OF THE PROBLEM

The results of the pilot study revealed that young generation, who have studied XIIth and more prefer to go for job though they sufficient land for cultivation. The larger share of revenue comes from tourism and mining, which also generated ample job opportunities, which attract young generation. The farmers in Goa have different problem as compare to entire nation. Here the cost cultivation is very high and shortage of agriculture labour. The Government promotes large scale cultivation of various crops for which assistance for seed, pesticides and manures are provided. Goa is perhaps the only State where the farmers are assured of the price for their produce. The State provides assurance of support price in case of Paddy, Coconut, Arecanut, Oil Palm, Sugarcane, which safeguard the farmers against any losses due to collapse in market price to keep farming at its prime level. With this back ground study, a survey was conducted in the North Goa district of Goa State to find out genuine problems of farmers and to analyse the causes for declining interest in the agriculture activities in the minds of young farmers in agriculture activates.

OBJECTIVES

1. To analyse profiles of farmers of North Goa district.
2. To study the land holding and irrigation pattern of farmers.
3. To study the agriculture related problems of farmers of North Goa district.
4. To analyse the causes for declining interest in the agriculture activities in the minds of young farmers of North Goa district.

HYPOTHESES

After doing pilot study the following hypotheses were recognised and put for test.

1. Young generation in North Goa district prefer to go for any type of salaried or wage earning jobs rather than opting for agriculture.
2. Increasing in cultivation cost and easy availability of jobs are the main causes of neglecting agriculture activities in North Goa.

RESEARCH METHODOLOGY

Present study is based on primary data collected through pre-tested questionnaires, issued to the farmers of North Goa district and also taken views of agriculture department. The secondary data is collected from books and web site of Government of Goa, to give introduction to research study.

RESULTS & DISCUSSION

(i) AGE WISE DISTRIBUTION OF FARMERS

In order to find out the age distribution of farmers and to segregate them according to their age groups the farmers have been classified into three groups *viz.*, the farmers below 35 years have been categorised as (young), in between 36 to 50 years (middle aged) above 51 years (old). The survey revealed that 49 per cent of the farmers observed to have completed half of their life span falls under the category of old farmers, 42 per cent of the farmers are in the middle age and rest 9 per cent farmers are young. Generally old farmers follow age old tradition of agriculture. Another observation is young farmers are very less in percentage, may be due to attraction towards salaried jobs.

(ii) FARMERS' FAMILY SIZE

The survey report revealed that 55 per cent of the farmers had 5 to 8 members and 34 per cent of the farmers have a small family of 4 members or less and just 11 per cent have larger families consist of 9 to 12 members or more.

(iii) FARMERS' EDUCATIONAL PROFILE

The educational qualification of farmers and there family member certainly has its own influence on the quality of agriculture activity. The educated farmers generally gather more information relating to the crops that they grow and about the market where they sell their agriculture produce. The survey revealed that 20 per cent of the farmers were illiterate, 35 per cent of them have completed their primary education, 32 per cent of them have finished their secondary education, just 8 per cent of them cleared pre-university courses and 5 per cent of them particularly young once were observed to have gone college and completed their graduation.

(iv) FARMERS' OCCUPATIONAL PROFILE

In order to ascertain whether the farmers have taken agriculture as their main occupation or also involve in other profession, a question regarding this asked to farmers. About 50 per cent of the farmers do only with agriculture and the rest 50 per cent farmers have taken up agriculture as a profession side by side also have other business and the family members also go for jobs.

(v) NUMBER OF FAMILY MEMBERS ENGAGED IN AGRICULTURE ACTIVITY

It is observed that 70 per cent of the families have deputed less than 3 members for agriculture and rest 30 per cent of the family have deputed 4 to 8 members towards the agriculture activity.

(vi) LAND HOLDING BY FARMERS

In order to ascertain the farmers' land holding status, the farmers were grouped into four convenient categories for study, *viz.*, Marginal (less than 1000 sq. mts.), Small (more than 1001 and less than 2000 sq. mts.), Average (more than 2001 and less than 5000 sq. mts.) and others (5000 and above sq. mts.). The survey revealed that 50 per cent of the farmers observed to have fallen under marginal, 40 per cent were small, 5 per cent of them fall under category of average land holders and 5 per cent of the farmers holding more than 5000 sq. mts. or more. Looking at this one can say that land holdings status of farmers in Goa is very poor as compared to other states.

(vii) AREA UNDER IRRIGATION

It is evident that all the farmers, who have less than 1000 sq. mts. of land were observed to have irrigation facilities in the form of well, tube wells, ponds, etc., 97 per cent of them, who have more than 1000 and less than 2000 sq. mts. of land have irrigation facilities and 98 per cent of the farmers, who have more than 2001 and less than 5000 sq. mts. of land have irrigation facility. One can judge that almost all of them have irrigation facility but some of them are not going for second crop since the water is not sufficient during summer season.

(viii) CROP PATTERN

It is found that 61 per cent of the farmers preferred to grow paddy in their fields especially during monsoon by making use of rain water which is available in coastal belt. It is also found that 15 per cent of the farmers were preferred to grow vegetable which has a good demand in the local market. These vegetable grows throughout the year, other crops include red small chilly, cashew nuts, coconuts etc., which are grown by 12 per cent of the farmers in the North District. It is also observed that just 3 per cent of farmers in each category have shown interest in grains, sugar cane, oil seeds and fruits.

(ix) REASONS FOR NOT UTILISING THE AGRICULTURE LAND IN TOTAL

It is observed that 3 per cent of the farmers told that land is not suitable for agriculture due to slope, big stones, and 20 per cent of the farmers total that due to poor economic back ground they do not have capacity to invest in agriculture. 33 per cent of them have faced labour shortage problem, 7 per cent of them facing water problem and 37 per cent of the farmers observed to have faced other problems other than the stated main problems such as investment, labour problem and personal problems

(x) CAUSE FOR DECLINING INTEREST IN AGRICULTURE ACTIVITY

About one third of the total numbers of farmers have given other reasons other than the specified reasons. About 23 per cent of the farmers felt that government did not give them support in terms of support price, subsidies etc. 20 per cent of the farmers felt that jobs provides them better benefit rather than wasting their time in small field. Farmers nearby beaches prefer to give their agriculture land for commercial purpose and the earning from rent is more than the earning from the agriculture activity, 7 per cent of the farmers felt increasing cultivation cost made them not to venture in agriculture activities and the same percentage farmers also felt increasing cultivation cost is one of the cause of declining their interest in agriculture activity and concentrate on some other business activities.

FINDINGS

1. Large number farmers in North Goa district are old and level of education is also low. The educated famers generally gather more information relating to the crops that they grow and about the market where they can sell their agricultural products. It is observed that whenever more number of members in a family, such family members directly involved in cultivation activity.
2. An equal numbers of farmers in the district purely opted agriculture as their main occupation and the rest half, agriculture as occupation as well as other business and jobs
3. More than half of the farmers observed to have earned less than Rs. 30,000 p.a. from their agriculture activities, all together 85 per cent of the farmers observed to have earned less than Rs. 50,000 p.a., rest of the farmers earned in between Rs. 50,000 to Rs. 2,50,000 p.a. It indicates that earning of farmers in North Goa is not commercially viable so far earning from agriculture is concerned. It may be due to increasing cost of labour, cultivation etc.
4. Land holding of farmers in the district is very poor as compared to rest of India. Poor holdings of land indicate less income and not worth for agriculture cultivation.
5. Almost all farmers in in the district observed to have irrigation facility.
6. Increasing cost of cultivation, reduction in the government support and easy availability of jobs for young generation, these are the three main causes for declining interest in agriculture activity.

RECOMMENDATIONS / SUGGESTIONS

1. Since a large number of farmers told that they did not receive guidance from agriculture officers. It is suggested this stake holder should make note of it.
2. The Government of Goa must look into the various factors affecting farmers declining interest in agriculture activates, especially in minds of young generation.

CONCLUSIONS

The set hypotheses put for test proved positively.

1. Young generation in North Goa district prefer to go for any type of salaried or wage earning jobs rather than opting for agriculture proved positively.
2. Increasing in cultivation cost and easy availability of jobs are the main causes of neglecting agriculture activities in North Goa also proved positively.

LIMITATIONS

1. Since the study is conducted with limited sample size, the opinions of farmers cannot be generalised.
2. Since the sample size is selected at random and area covered is limited, the conclusions arrived cannot be considered as the opinions of the farmers of the entire North Goa district.

SCOPE FOR FURTHER RESEARCH

Further research can be taken up at state level with a sizable quantum of data and covering large number of farmers in the state of Goa, which may give concrete conclusions so that the Government Goa can make policy decisions on them.

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A STUDY ON SOCIO-ECONOMIC CONDITIONS OF WIDOWS AND INVISIBLE WIDOWS TO ERODE DISTRICT**DR. N. MANI****HEAD****DEPARTMENT OF ECONOMICS****ERODE ARTS & SCIENCE COLLEGE (AUTONOMOUS)****ERODE****R. RAJALAKSHMI****PH.D. RESEARCH SCHOLAR****DEPARTMENT OF ECONOMICS****ERODE ARTS & SCIENCE COLLEGE (AUTONOMOUS)****ERODE****ABSTRACT**

The word widow in the Indian cultural context is referred to women whose husband is dead and who are not permitted for remarriage. The plight of widow is indeed miserable for, almost inevitably, it carries with it problems of ill health, insufficiency of money, unemployment and strained social relations with one's children and one's friends for both men and women. In all cultures widowhood is a crisis in a woman's life because of the economic misery it attributes and cultural seclusion, it forces upon the individual. Women lost their husbands due to diverse or separations from husband with children or without children also facing the same type of socio economic and cultural problems like widows in India.

KEYWORDS

socio-economic conditions, widows and invisible widows in erode district.

INTRODUCTION

 Our country suffers from two greatest evils, the oppression of women and the exploitation of a particular section of the people in the name of caste. Indian woman faces various types of suppression and oppression. Among the women, widows are facing innumerable problems and many challenges in their family and public life.

Widows came to be regarded as inauspicious and had to suffer great disabilities. Many widows committed 'Sati' (community suicide) voluntarily to avoid inhuman sufferings at the hands of their relations including sons. They did not receive any sympathy from society. The greatest danger that can overtake a woman is widowhood. Within twelve days of widowhood, the *sindoor* and *bindi* in her forehead are smudged; her bangles, nose-ring, the coloured sari and *mangalashtra* were removed. Her long black tresses are cropped short. Among the orthodox Brahmin widows, in the south, they must shave their hair in the heads. A white saree will replaced instead of her coloured one. A widow is ill-women. She is not allowed to attend in any auspicious functions like marriages in the South, but a prostitute is given a higher status in our society than a widow.

Broadly speaking, the widows in the North suffer greater discrimination and marginalization than widows in the South. A widow from a relatively well-up family may be subject to greater cruelty and abuse by her in-laws than a lower caste widow who free enough to work outside in the public space and to remarry. Widow neither gets socio-economic support nor do they get counseling and emotional support in distress from family and society. Indian widows are often invisible, not least in relation to their economic contribution and unpaid family work in household. In our country widows are deprived of getting pension schemes benefits due to corruption. In India, widows are facing number of problems in their life. Women who lost their husbands suffer a great loss, but they remain vital contributors to their families and societies.

OBJECTIVES OF THE STUDY

The following are the objectives of the study.

1. To study the theoretical framework of marriage, widows and invisible widows.
2. To study the socio-economic conditions of the widows and invisible widows in Erode District of Tamil Nadu.

REVIEW OF LITERATURE

Egitim and Bilim (2010)¹ assessed the life orientation among 427 students (214 females and 213 males) and found that faculty, age and academic achievement did not predict the life orientation.

Yadav (2010)² examined the depression in advanced age. It was a comparative study of ashram and family life of aged person. The results indicated that the aged people who were living in families were found to be more depressed than their counterparts. Depression has been found to be greater in 70+ people as compared to group of 60 to 65 years.

Girija Vyas (2010)³ provided the detail analysis of information received it emerges that the destitute women who call Vrindavan 'home' largely belong to 5 categories, namely, Widows Women whose spouses have died, Married Women who have husbands that are unable to earn a living to support their family, Deserted Women whose husbands have married a second time, Divorced & Separated Women who have been legally separated from their spouses, Unmarried Single Women who have chosen devotion or and due to poverty were unable to marry. Amongst those interviewed 78% women were widows, 17% married (inclusive of deserted), 5% unmarried & single and only 2 cases where the separation was legal in nature.

Galhardo, et.al. (2010)⁴ evaluated health related quality of life and depression in older patient with pressure ulcers who were living at home and found a high rate of depression with lower health related quality of life.

¹ Bilim, E; & Fridel, S. C. (2010). Life orientations among university student. Journal of Education and Science, 35, 157.

² Yadav, I. v. (2010). Depression in advanced age. Indian Psychological Review, Agra, 74, 3, 175-180.

³ Girija Vyas (2010) "Study on Widows at Vrindavan" National Commission for Women" 2009-10.

⁴ Galhardo, V. A; magalhaes, M. G; Blanes, L; Juliano, Y; & Ferreira, L. M. (2010). Health related quality of life and depression in older patients with pressure ulcers. Wounds, Health Management Publications Inc.

Zenger, et.al. (2011)⁵ investigated the predictive value of optimism / pessimism for anxiety, depression and health-related quality of life in female cancer patients. They found that the degree of self-assessed pessimism was significantly associated with anxiety, depression and health-related quality of life. Especially, women with a high level of pessimism are at risk for higher levels of anxiety and depression in addition to lowered health-related quality of life in the course of the disease. Brett, et.al. (2011)⁶ investigated the determinants of differences in quality of life in old age and to include a wide range of possible predictors. The present study investigated the determinants of quality of life in two groups of older adults for whom there was an unusually informative set of possible predictor variables. Linear regression analyses revealed that HADS depression had the greatest influence on quality of life. Personality traits, most notably Emotional Stability, also predicted quality of life to varying degrees, along with factors reflecting current life circumstances. Personality traits and minor depressive symptoms have an important influence on self-reported quality of life in old age.

Zia, Ather (2013)⁷ studied that a woman sits in protest at one the busiest intersections in the capital city of Srinagar in the Indian controlled Kashmir. A voluminous scarf covers her hair, body and face, revealing only her eyes. The study gaze is downcast and tearful. In one hand she holds a photograph of a man with a name and date written across it, and in another, she has a placard which says, "Half-widow: Return my disappeared husband". The first time one beholds this spectacle, a lot of questions come to mind. Who is this woman, why does she mourn publicly and yet remains hidden? It is also important to ask, what she makes visible and invisible at the same time. What are the political and social circumstances that enable this spectacle? What becomes visible about gender and agency against the backdrop of patriarchy and state violence?

Gopang and Saeed, et.al. (2014)⁸ the research study analyzed the socio-economic and cultural status of widows in University of Sindh, Jamshoro Residential colony. Information was collected from the 39 widows living in the said colony on structured self-administered questionnaire. As there was no secondary data available on the widows in the colony, the research started with overall household survey in order to ascertain the number of the target population. The study aimed at comprehensive analysis of situation of the widows in the area and major problems faced by them. It also offers a set of suggestions and solutions to help these women out of various problems based on the findings of the research study.

WIDOWS - AN OVERVIEW

According to the Global report data 2015 the number of widows at the global level, broken down by region and country, are presented. These include measures of extreme poverty, which confirms the accepted view that the majority of widows in severe poverty are to be found in developing countries. However, as the Loomba Foundation survey conducted by WPO indicates, and other evidence presented in this report shows, there are important aspects of poverty that persist in developed countries, which have had important negative consequences for widows well being.

Poverty in developed country is not often covered in the mainstream international development literature, leading to a biased global picture of poverty and deprivation. This report covers both developed and developing countries to provide the first systematic quantitative overview of widows' deprivation in developed countries. The detailed results are given in the following sections.

The following Table 1 shows all countries with one million or more widows in their female populations as of 2015. The data presented in the following table is produced by using the most recent data on the percentage of widowed females in the female population of marital age for each country. Countries use different lower age limits for marital status in their census and survey data, the ranges used are: 10+, 12+, 14+, 15+, 16+, and 18+. A standard age of 15+ is being adopted more and more and represents a statistical convention only, not social practice on marriage or legal minimum age of marriage: population data are ordered by five year age cohorts from 0-4, 5-9, 10-14, 15-19, 20-24 etc.

TABLE 1: COUNTRIES WITH ONE MILLION WIDOWS OR MORE - WIDOWS ESTIMATES 2015

Country	Widows	Marital Age Female Population	Country	Widows	Marital Age Female Population
1 India	46,457,516	504,973,000	21 Korea, South	2,787,174	21,606,000
2 China	44,590,560	557,382,000	22 Philippines	2,636,634	34,242,000
3 USA	12,883,200	134,200,000	23 Ethiopia	2,560,680	35,565,000
4 Russia	11,607,558	65,211,000	24 Spain	2,437,560	20,313,000
5 Indonesia	9,550,980	103,815,000	25 Myanmar	2,391,424	21,352,000
6 Japan	7,838,318	57,214,000	26 Afghanistan	2,350,881	11,037,000
7 Brazil	6,937,554	88,943,000	27 Nigeria	2,145,605	61,303,000
8 Germany	4,856,808	36,794,000	28 Congo, Dem.Rep.	2,083,435	24,511,000
9 Bangladesh	4,194,125	64,525,000	29 Argentina	1,690,520	16,905,200
10 Pakistan	4,051,845	71,085,000	30 Korea, North	1,599,156	10,251,000
11 Ukraine	4,000,128	20,834,000	31 South Africa	1,485,993	22,179,000
12 Vietnam	3,943,518	37,203,000	32 Romania	1,479,348	9,483,000
13 Italy	3,895,177	27,239,000	33 Kenya	1,424,689	12,281,800
14 France	3,385,134	27,747,000	34 Canada	1,397,112	15,186,000
15 Mexico	3,226,766	48,890,400	35 Colombia	1,331,648	20,807,000
16 Turkey	3,144,914	29,669,000	36 Morocco	1,263,712	12,512,000
17 Egypt	3,065,400	28,648,600	37 Uzbekistan	1,202,463	10,833,000
18 Thailand	3,039,901	29,513,600	38 Algeria	1,011,990	14,457,000
19 Iran	2,894,496	32,892,000	39 Iraq	1,006,060	12,121,200
20 United Kingdom	2,819,670	26,854,000			

Source: Global Widows Report - 2015

Table 1 shows the countries with the highest numbers widow population. It is clear from the above table that, India is the country with the highest number of widows in the world followed by China, the highest populous country, and other developed and developing countries. Among the 39 countries listed in the above table, the top two nations having share of more than 41 per cent widows and India alone have 21 per cent widows. There were a total of 39 countries with one million widows or more in 2015 among them there were only five Sub-Saharan African countries. In 2015, the USA, Russia and Indonesia composed the rest of the top five countries with the highest numbers of widows. There were a total of 39 countries with one million widows or more in 2015; there were only five Sub-Saharan African countries in this group of countries.

⁵ Zenger, M; Glaesmer, H; Hockel, M; & Hinz, A. (2011). Pessimism predicts anxiety, depression and quality of life in female cancer patients. Japanese Journal of Clinical Oncology, 41, 1, 87-94.

⁶ Brett, E. C; Gow, J. A; Corley, J; Pattie, A; Starr, M. J; & Deary, J. I. (2011). Psychosocial factors and health as determinants of quality of life in community-dwelling older adults. Springer Science+Business Media B. V.

⁷ Zia, Ather (2013) "The Spectacle of a Good-Half Widow: Performing Agency in the Human Rights Movement in Kashmir" Thinking Gender Papers, Publication dt. 02-01-2013.

⁸ Najma Gopang, Ali Gul Khushik, Shamshad Begum and Sadaf Saeed (2014). "An Analysis of Socio-Economic Conditions of Widows Living in Sindh University Colony Jamshoro, Sindh" The Women - Annual Research Journal Vol.4.

CONSEQUENCES OF WIDOWHOOD – DEVELOPING COUNTRIES

The negative effects of becoming a widow have far reaching consequences for societies at large. These range from the mass poverty of pension-age women, to severe destitution, as well as outcomes not dissimilar to more serious types of war crimes in some developing countries. Ultimately, each of the consequences represents a deprivation that requires immediate action, because if left unaddressed, the negative ethical and economic costs, both of which are interlinked, will be felt with increasing intensity by societies around the world. As a result, there are implications for the world's ability to achieve the Millennium Development Goals (MDGs), due to the cross-cutting themes widows' deprivation involves, such as gender equality and the link between widows' deprivation and girls' deprivation.

The basic themes examined are the consequences for widows and women who have lost partners of: 1) moving into poverty and the intensification of existing poverty, 2) health risks and outcomes, 3) threats and outcomes for widows' children, 4) widows' social marginalization, and 5) the impact on widows' deprivation of social norms. These themes run and overlap throughout the consequences of widowhood, which are presented individually and are also do not change when looking at widows' deprivation in developed countries. The only exception is the impact of social norms, which have far less practical direct impact on the well-being of widows in developed countries.

TABLE 2: COUNTRY'S WIDOWS ESTIMATES - 2015

South Asia Estimates	Number of Widows per Country	Female Population (follows marital status ages)	Widows Age Range (marital status ages)	Percent of widows of marital age females	Date of data source for widows percent
Afghanistan	2,350,881	11,037,000	10+	21.3%	2007
Bangladesh	4,194,125	64,525,000	10+	6.5%	2011
Bhutan	15,132	291,000	10+	5.2%	2005
India	46,457,516	504,973,000	10+	9.2%	2011
Maldives	2,210	130,000	15+	1.7%	2006
Nepal	218,040	4,740,000	10+	4.6%	2011
Pakistan	4,051,845	71,085,000	10+	5.7%	2007
Sri Lanka	554,334	8,399,000	15+	6.6%	2012
TOTAL	57,844,083	665,180,000			

Source: Global Widows Report - 2015

The available comprehensive data that give a clear global results of individual country tables for widows estimates 2015 is shown in table 2: The Female population in 2015 by marital status age range refers to all females (girls and women) at and above a specified age range of marital status (10+, 12+, 13+, 14+, 15+, 16+ and 18+), this group covers all females for the following categories: 1: Single, 2: Married, 3: Divorced; 4: Separated; 5: Widowed. It is noted that some countries use different categories specifications, however, these five are the essential marital status categories. Therefore, widows are a percentage of the total of this group of five categories. We do not use widows as a percentage of the total female population (0+ years) because it is assumed very few children under a certain age are married, and we do not use the whole country population (males and females) because this as well does not make sense for understanding trends in female circumstances in married life (marriage practices and how they affect the female population eligible for marriage). In India, it is observed that 9.2 percentage of widows of marital age females and widows age range with 10+ (marital status ages).

RESULT AND DISCUSSION**Chi-Square Analysis****Relationship between Age of the Respondents and Monthly Income**

With a view to find the association between age of the respondents and the income earned per month by the widows a two way table was prepared and is exhibited in table 4.3.

TABLE 3: AGE OF THE RESPONDENTS AND MONTHLY INCOME

Age of the Respondents	Monthly Income			Total
	Low (Rs. 3000 and below)	Medium (Rs. 3001 - Rs. 6000)	High (Above Rs. 6000)	
Young (Below 36 Years)	12 (13.5)	16 (27.1)	28 (36.4)	56 (24.9)
Middle (36 to 50 Years)	24 (27.0)	25 (42.4)	34 (44.2)	83 (36.9)
Old (Above 50 Years)	53 (59.6)	18 (30.5)	15 (19.5)	86 (38.2)
Total	89 (100.0)	59 (100.0)	77 (100.0)	225 (100.0)

Note: Figures in the Parentheses indicate percentage

It is highlighted from the above table that the percentage of high amount of income earned by the widows' was the highest (44.2%) among the respondents belonged to 36 to 50 years age group and the same was the lowest (19.5%) among the respondents of above 50 years age group. The percentage of medium income earned by the widows was the highest (42.4%) among the middle aged category of widow respondents and the same was the lowest (27.1%) among the young category of respondents. On the other hand, the percentage of low level amount of income (Rs. 3000 and below) earned by the widow's was the highest (59.6%) among the above old (50 years) aged category of respondents and same was the lowest (13.5%) among the (below young 36 years) aged category.

In order to find the relationship between age of the widows and their amount of income earned per month, a chi-square test was employed to test the following hypothesis and the result of the test is shown in table 4.4.

HYPOTHESIS

Null Hypothesis (H₀): There is no close relationship between age of the respondents and the amount of income earned per month.

Alternative Hypothesis (H₁): There is a close relationship between the age of the respondents and the amount of income earned per month.

TABLE 4.4: CHI-SQUARE TESTS

Chi-Square Value	DF	Table Value	Remarks
31.389	4	9.488	Significant at 1% level

It is divulged from the above table that the calculated chi-square value is greater than the table value and the result is significant at 1% level. Hence, the Null Hypothesis (H₀) is rejected and the alternative Hypothesis (H₁) is accepted. The hypothesis, "age of the widows and the amount of the income earned per month" are associated, holds good. From the analysis, it is concluded that there is close relationship between age of the widows and their amount of income earned per month.

TABLE 4.5: PLACE OF LIVING AND MONTHLY INCOME

Place of Living	Monthly Income			Total
	Low (Rs. 3000 and below)	Medium (Rs. 3001 - Rs. 6000)	High (Above Rs. 6000)	
Village	47 (52.8)	28 (47.5)	30 (39.0)	105 (46.7)
Town	42 (47.2)	31 (52.5)	47 (61.0)	120 (53.3)
Total	89 (100.0)	59 (100.0)	77 (100.0)	225 (100.0)

Note: Figures in the Parentheses indicate percentage

It is highlighted from the above table that the percentage of high amount of income earned was the highest (61.0%) among the respondents living in town and the same was the lowest (39.0%) among the respondents living in villages. The percentage of medium amount of income earned was the highest (52.5%) among the respondents living in the town and the same was the lowest (47.5%) among the respondents living in villages. On the other hand, the percentage of low amount of income earned by the widows was the highest (52.8%) among the respondents living in village and the same was the lowest (47.2%) among the respondents living in town locality.

In order to find the relationship between the respondent's place of living and the income earned per month, a chi-square test was employed to test the hypothesis and the result of the test is shown in the following table 4.6.

Hypothesis

Null Hypothesis (H₀): There is no significant relationship between respondents' place of living and the income earned per month.

Alternative Hypothesis (H₁): There is significant relationship between respondents' place of living and the income earned per month.

TABLE 4.6: CHI-SQUARE TESTS

Chi-Square Value	DF	Table Value	Remarks
3.201	2	5.991	Not Significant

It was learnt from the above table that the calculated chi-square value is much less than the table value and the result is not significant at 1% level and 5% level. Hence, the Null Hypothesis (H₀) is accepted and the Alternative Hypothesis (H₁) is rejected. The hypothesis, "Respondents place of living and the amount of income earned" are associated, does not hold good. From the analysis, it is concluded that there no close relationship between place of living of the widows and income earned by them.

RELATIONSHIP BETWEEN RELIGION AND MONTHLY INCOME

TABLE 4.7: RELIGION AND MONTHLY INCOME

Religion	Monthly Income			Total
	Low (Rs. 3000 and below)	Medium (Rs. 3001 - Rs. 6000)	High (Above Rs. 6000)	
Hindu	78 (87.6)	43 (72.9)	66 (85.7)	187 (83.1)
Other Religion (Muslims and Christian)	11 (12.4)	16 (27.1)	11 (14.3)	38 (16.9)
Total	89 (100.0)	59 (100.0)	77 (100.0)	225 (100.0)

Note: Figures in the Parentheses indicate percentage

It is highlighted from the above table that the percentage of high amount of income earned by the widows was the highest (85.7%) among the respondents belonged to Hindu religion and the same was the lowest (14.3%) among the other religions such as Muslims and Christian religion. The percentage of medium amount of income earned was highest (72.9%) among the respondents of Hindu. Religion and the same was the lowest (27.1%) among the other religions. On the other hand, the percentage of low amount of income earned by the widows was the highest (87.6%) among the respondents belonged to Hindu religion and the same was the lowest (12.4%) among the respondents belonged to other religion.

In order to find the relationship between religion of the respondents and the amount of income earned, a chi-square test was employed to test the hypothesis and the result of the test is shown in the following table.

Hypothesis

Null Hypothesis (H₀): There is no significant relationship between religion of the respondents and the income earned.

Alternative Hypothesis (H₁): There is significant relationship between religion of the respondents and the income earned.

TABLE 4.8: CHI-SQUARE TESTS

Chi-Square Value	DF	Table Value	Remarks
6.071	2	5.991	Significant at 1% level

It is found from the above table that the calculated chi-square value is greater than the table value and the result is significant at 5% level. Hence, the Null Hypothesis (H₀) is rejected and the Alternative Hypothesis (H₁) is accepted. The hypothesis, "religion of the respondents and the amount of income earned" are associated, holds good. From the analysis, it is concluded that there is close relationship between religion of the respondents and the amount earned by them.

MULTIPLE REGRESSION ANALYSIS

A regression is a statistical tool used to find out the relationship between two or more variables. One variable is caused by the behavior of another one. The widows' socio-economic data are chosen as independent and the later variables is defined as the dependent (amount of income earned) when there are two or more independent variables, the analysis that desirables the relationship between the two is called multiple regression analysis. The main objective of using these techniques is to predict the variability of the dependent variables based on its co-variable with all the independent variables. It is useful to predict the level of dependent phenomenon through multiple regression analysis, if the levels of independent variables are given.

It was found that among the 9 variables; only 2 variables were closely related with the socio-economic conditions of widows. In order to measure the interdependent of independent factors and dependent factor and their total contribution to the socio-economic conditions of widows, the result of the analysis were put in to multiple regression analysis and the detail results are shown in the following table.

TABLE 4.9: REGRESSION RESULTS

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	10928.878	3568.134		3.063	0.0025
Age of the Respondent	-34.677	46.039	-0.065	-0.753	0.4522
Educational Qualification	1318.026	409.262	0.233	3.220	0.0015
Years of Living Separately	-96.814	69.180	-0.104	-1.399	0.1631
Marital Status	-253.858	862.901	-0.019	-0.294	0.7689
Place of Living	-513.715	1205.288	-0.029	-0.426	0.6704
Size of the Family	-455.212	522.962	-0.058	-0.870	0.3850
Type of Family	-562.896	692.629	-0.054	-0.813	0.4173
Religion	-2965.018	1060.419	-0.184	-2.796	0.0056
Community	1301.978	1003.580	0.095	1.297	0.1959
N	225				
F	5.715				
R ²	0.439				
Adjusted R ²	0.411				

Dependent Variable: Monthly Income earned by the respondents.

Predictors : (Constant), respondent's age, education, years of living separately, marital status, place of living, size of family, type of family, religion and community. The multiple linear regression components is a statistically a good fit. The R² value is 0.439 indicated that 43.9 per cent of variation in the dependent variable is explained by the independent variables. Even though the R² value is low (0.439), the overall regression is significant, which is indicated by the F-Statistics (F=5.715, Significant at 1 per cent level).

It shows the two independent variables contribute on the variation in the amount of income earned per annum, which is the most important economic indicator of widows this is statistically significant at 1 % level.

The table indicates that the co-efficient of respondents education qualification and religion of the family were significant at 1% level. It is also noted that the variables such as age of the respondents, Marital Status and community are positively associated with the income earned by widows. Further, it indicates that these variables that contribute to the income earning capacity of widows are statistically not significant.

The rate of increasing the income earned per month by the widows shows better result of the independent variables such as respondents capacity based on education qualification with 3.220 units change and 1.297 changes in community.

From the analysis, it is concluded that out of 9 variables only 2 variables namely education qualification of the respondents and the religions are positive and significantly influences to generate income among the selected sample of widows in the study area.

FINDINGS

- There is close relationship between age of the widows and their amount of income earned per month.
- There no close relationship between place of living of the widows and income earned by them.
- There is close relationship between religion of the respondents and the amount earned by them.
- It is concluded that out of 9 variables only 2 variables namely education qualification of the respondents and the religions are positive and significantly influences to generate income among the selected sample of widows in the study area.

SUGGESTIONS

- To concentrate on capacity building so that single women would be better equipped to manage their lives and their families.
- To recognize the importance of psycho-social counseling, emotional support and empowerment.
- To enact adequate national legislation to protect and assist widows, in particular be establishing, or ensuring respect for, their rights to land and inheritance.
- Plan and implement location specific programmes / projects for the overall development of the widows with the active involvement of the local Non Governmental Organizations.
- Provide financial assistance for establishing community based aid centers and rehabilitation centers for the widows.
- Introduce special loans and schemes for widows and popularize them through banks and Panchayat.
- Establish vocational training centres for the widows.
- Establish an association for widows and provide a platform for sharing their problems.
- Sensitization programmes to bring out an attitudinal change of the society towards the widows.
- Form more self-help groups and organize special programmes for widows through Kudumbasree Mission.

CONCLUSION

The status of women in India tells the story of a fall in the status of women to an abysmally low position from a relatively high status and nobility of the Vedic times. The fall in status has led to a socio-economic and religion-cultural deprivation of women. From the womb to tomb women are victims of violence and deprivations. The vulnerability of women in rural status is worse compared to the all India levels. Of course, there are certain initiatives in the country, especially after the Independence towards raising the status of women. However, there are miles to go in order to reach the goal of gender equality.

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IMPACT OF INDUSTRIAL RELATIONS ON ORGANISATIONAL PERFORMANCE: A STUDY AT SELECT ORGANISATIONS IN BENGALURU

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ABSTRACT

The workplace environment impacts employee morale, productivity and commitment - both positively and negatively. The work place environment in majority of industries is unsafe and unhealthy. These includes poorly designed workstations, unsuitable furniture, lack of ventilation, inappropriate lighting, excessive noise, insufficient safety measures in fire emergencies and lack of personal protective equipment. People working in such environment are prone to occupational disease and it impacts on employee's performance. Thus productivity is decreased due to the workplace environment. It is the quality of the employee's workplace environment that most impacts on their level of motivation and subsequent performance. How well they engage with the organization, especially with their immediate superior, influences to a great extent on their error rate, level of innovation and collaboration with other employees, absenteeism and ultimately, how long they stay in the job. That employees in organizations demonstrate a high interest in participation in the decision making process within their respective work places. There is significant relationship between education and employees' involvement in decision making, and as well as between frequency of employees' consultation and organizational commitment. Majority of the employees informed that decisions taken at the committee meetings are implemented, has the positive opinion about the councils working and performance, the organization has been considering the pre-requisites of successful workers participation and feels that shop council and plant council benefit the organization to a great extent.

KEYWORDS

workers' participation, workplace environment, commitment, motivation, performance, employee voice.

INTRODUCTION

In today's dynamic business environment, every organization wants to be a successful organization. This is not possible without Human Resource (HR). The most important asset i.e. Human Resource (man power) is known as life blood of any organization. The success of any organization depends upon the performance of their Human Resource. If question arises to find out the most important difference between ordinary organization and successful organization, the answer would be their HR. The organization also wants quality people. **The greatest challenge before every organization is to recruit right people in right place.** Employee and Employer both are important. They are the two sides of the same coin. One cannot operate without the services of the other.

In today's competitive business environment, organizations can no longer afford to waste the potential of their workforce. There are key factors in the employee's workplace environment that impact greatly on their level of motivation and performance. The workplace environment that is set in place impacts employee morale, productivity and engagement - both positively and negatively.

On the belief that the organizational goals of high productivity and harmonious industrial relations are best achieved when the higher level needs of the human elements (workers) are satisfied. Worker participation implies arrangements designed to involve workers in the enterprises decision making process. This allows for workers' involvement in the initiation, formulation and implementation of decisions within the enterprise.

In an effort to **motivate workers**, firms have implemented a number of practices such as performance based pay, employment security agreements, practices to help balance work and family, as well as various forms of information sharing. In addition to motivation, workers need the skills and ability to do their job effectively. And for many firms, training the worker has become a necessary input into the production process.

Collective bargaining and other forms of worker representation (i.e. work councils, joint labor-management committees) prevail at most firms. Meanwhile, the diffusion of lean production has promoted the widespread (though unevenly distributed) adoption of more direct forms of employee voice and input such as work teams, off-line problem-solving groups, and suggestion programs. We can choose team voice as the proxy for direct participation. While direct participation can occur through a variety of mechanisms (e.g. two-way briefing groups), work teams represent the most significant commitment of managerial and financial resources to eliciting direct employee voice. Most studies to date measure only the presence of teams or the percentage of employees in teams. In contrast, we choose to measure direct employee voice in terms of teams' influence on multiple work-related issues, building on literature that identifies team-level voice as both conceptually distinct from individual-level voice and also predictive of performance outcomes.

Giving employees greater influence over how they undertake their work and encouraging their input in decision-making is believed to be beneficial for both employees and employers. Studies focused on employee involvement have emphasized employees' discretion in carrying out job tasks and making workplace decisions through a variety of work organization innovations including teams and quality circles. We find that neither type of voice bears a significant relationship to labor productivity when examined solely but that **team voice significantly contributes to enhance worker efficiency** when considered in conjunction with representative voice. In examining the interaction of the two types of voice, we find that a combination of low team and low representative voice leads to inferior labor efficiency compared to other conditions. This interest in non-union forms of employee voice coincides with the decline in unionism in a number of industries and countries.

Workers Participation in Management has assumed great importance these days because it reduces industrial unrest and helps in dispelling employees' misunderstanding about the outlook of management in industry. The organization is giving utmost importance to the workers' Participation in Management. The organization has been seen to practice sound participative mechanism. There exist a healthy sign of team spirit and co-operation among the employees in the organization. The employees seem to understand and co-operate with each other in the organization. **Workers Participation in Management may reduce alienation or increase personal fulfillment of workers. It also influences efficiency in various direct and indirect ways.**

Workers Participation in Management is respectable at BHEL. And employees believed that they will definitely get benefit hence, participation is confined to all the members in the organization and considers them at different levels of decision making. Employees acquiesce that committee members share the information with their colleagues after the meetings, the workers participation in management improves understanding between managers and workers and informed that joint management councils is the method of WPM which is used mostly in the organization.

The **workplace environment impacts employee morale, productivity and engagement - both positively and negatively.** The work place environment in a majority of industry is unsafe and unhealthy. These include:

- Poorly designed workstations.
- Unsuitable furniture.
- Lack of ventilation.
- Inappropriate lighting.
- Excessive noise.
- Insufficient safety measures in fire emergencies and
- Lack of personal protective equipment.

People working in such environment are prone to occupational disease and it impacts on employee's performance. Thus productivity is decreased due to the workplace environment. It is the quality of the employee's workplace environment that most impacts on their level of motivation and subsequent performance. How well they engage with the organization, especially with their immediate environment, influences to a great extent their error rate, level of innovation and collaboration with other employees, absenteeism and ultimately, how long they stay in the job. Creating a work environment in which employees are productive is essential to increased profits for your organization, corporation or small business. The relationship between work, the workplace and the tools of work, workplace becomes an integral part of work itself. The management that dictate how, exactly, to maximize employee productivity center around two major areas of focus: personal motivation and the infrastructure of the work environment.

Good industrial relation reduces the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, Lockouts, Go-slow tactics, gherao and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace.

THE PROBLEM STATEMENT

The work place environment in a majority of industry is unsafe and unhealthy. These includes poorly designed workstations, unsuitable furniture, lack of ventilation, inappropriate lighting, excessive noise, insufficient safety measures in fire emergencies and lack of personal protective equipment. People working in such environment are prone to occupational disease and it impacts on employee's performance. Thus productivity is decreased due to the workplace environment. It is a wide industrial area where the employees are facing a serious problem in their work place like environmental and physical factors. So it is difficult to provide facilities to increase their performance level. A combination of low team and low representative voice leads to inferior labor efficiency compared to other conditions. Employee involvement have emphasized employees' discretion in carrying out job tasks and making workplace decisions through a variety of work organization innovations including teams and quality circles.

SCOPE OF THE STUDY

This research paper aims at suggesting few interactions to provide better work environment, workers' participation in decision making and team voice which contributes to enhance workers' efficiency and organizational performance at Public Sector Organizations and others which is the outcome of the in depth analysis of the work environment.

The paper presents the analysis of the working environment at different public sector organizations and others, the research done to understand the performance level of the employees due to the work environment. Also attempt has been made to identify the motivational factors to attain the target. The study has been carried out in select firms of in and around Bengaluru like BHEL, BRFL AND TOYOTA KIRLOSKAR MOTORS PVT. LTD. The organizations selected for the study employs more than 1000 employees and, is known to practice all statutory and employee welfare measures within its environment

OBJECTIVES OF THE STUDY

1. To understand relationship between the employees and their work environment.
2. To analyze workplace factors affecting the employee's performance.
3. To suggest the measures to improve the working conditions for better performance.

HYPOTHESIS

1. Workers Participation in Management may reduce alienation or increase personal fulfillment of workers, influences efficiency in various direct and indirect ways.
2. The quality of the employee's workplace environment that most impacts on their level of motivation and subsequent performance.
3. The success of any organization depends upon the performance of their Human Resource.
4. Team voice significantly contributes to enhance worker efficiency when considered in conjunction with representative voice.
5. Lack of good working facility leads to strained relationship between employer and employees.

METHODOLOGY

The data was collected through primary & secondary sources. The information collected through primary sources includes the informal interview & discussions with the employees, managerial staff of the company, and offices of the State Labour Department & office bearers of the Karnataka Employers' Association on the key issues relating to this study which was designed & developed before data collection in the field. The secondary sources include notices/circulars of the company, articles of different professional bodies, circulars pertaining to industrial relations of the industry issued by the KEA, Bengaluru.

LITERATURE REVIEW

Dr. K. Chandrasekar, states that the workplace environment impacts employee morale, productivity and engagement - both positively and negatively. The work place environment in a majority of industry is unsafe and unhealthy. These includes poorly designed workstations, unsuitable furniture, lack of ventilation, inappropriate lighting, excessive noise, insufficient safety measures in fire emergencies and lack of personal protective equipment. People working in such environment are prone to occupational disease and it impacts on employee's performance. Thus productivity is decreased due to the workplace environment. It is the quality of the employee's workplace environment that most impacts on their level of motivation and subsequent performance. Dr. Subhakanta Nayak, DGM (HRD), Bhwalka Group of Companies, Bangalore, states that, Industrial Relations in the industries is the consequential effect of the interactions among the employer, employees and the government which are regulated by the state framed Industrial Disputes Act, 1947. The present study is an attempt to investigate into the prevailing industrial relation situation in the manufacturing industries at Bangalore giving a special focus on the existing Industrial conflicts of Toyota Kirloskar Motor Pvt. Ltd. Further, the study aims at assessing the role & effectiveness of state Industrial Relation Mechanism for settlement of industrial disputes & promotion of industrial peace in the said industry. According to Jaewon Kim, John Paul MacDuffie, Frits K Pijl, the type of voice bears a significant relationship to labor productivity when examined solely but that team voice significantly contributes to enhance workers' efficiency when considered in conjunction with representative voice. In examining the interaction of the two types of voice, they find that a combination of low team and low representative voice leads to inferior labor efficiency compared to other conditions. They also find a negative interaction between team voice and worker representative voice, supporting an interpretation that these types of voice do not complement each other with respect to worker productivity. The positive impact of each type of voice is significantly stronger at low levels of the other type of voice.

According to Osamwonyi Ifuero Osad, Dept. of Banking & Finance Ugiagbe Ernest Osas, Dept. Sociology & Anthropology University of Benin Benin-City Nigeria, organizational ailments and failures are common in Nigeria, and poor management style has contributed significantly to these failures. The paper is aimed at studying whether harmonious industrial relations can be used as a panacea for organizational ailments especially that relating to human resources management. The method and techniques employed in collecting data and information for this study include critical summary of some existing literature and data collection (questionnaire and oral interview). Our conclusion inter alia is that a harmonious industrial relation is indeed a most potent panacea for organization suffering from poor management, and that the support framework exists for the internalization as a management culture. The pivot is transaction theory and the theme is that collaboration will ensure positive change and team effort. Dr. Patrick J. Akhaukwa, Dr. Loice Maru, and Prof. John Byaruhanga opined that the Collective bargaining is central to any industrial relations system since it is a tool through which regulated flexibility is achieved (Godfrey *et al.*, 2007). A number of studies show that where workers had their terms and conditions of employment determined through collective bargaining and where management supported unions, there was an improved industrial relations environment (Edwards, 2002; Beardwell *et al.*, 2004). Adewole *et al.* (2010) asserted that frequent eruption of industrial conflicts between employers and employees in general can be effectively managed through collective negotiation and consultation with the workers' representatives. Collective bargaining has been noted to help promote cooperation and mutual understanding between workers and management by providing a framework for dealing with industrial relations issues without resort to strike and lockouts. Therefore, fair and legal process will result in successful collective bargaining, hence maintenance of industrial discipline and peace and vice-versa. David Peetz, said that there is some evidence that policies that enhance fairness enhance economic performance. But the effects are conditional; they are neither consistent nor universal. Government policies to encourage or discourage unions, to restrict the extent or scope of collective bargaining or related action, or to encourage or discourage non-unionism or individual contracting, will not do a great deal in net terms to improve economic performance. However, in any specific workplace, industrial relations and the decisions management makes can have a notable effect on productivity. While welfare and industrial relations systems do not make a large inherent difference to economic efficiency, they make a very large difference to social outcomes.

INDUSTRIAL CONFLICTS

Good industrial relation reduces the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, Lockouts, Go-slow tactics, gherao and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace. However, a brief industrial relation situation as exists in different manufacturing industries of Bangalore is depicted below to arrive at the base line of the present study.

As understood from various media and other secondary sources, several industries in manufacturing sector at Bangalore (Karnataka) are passing through difficult & violent industrial relations scenario.

INDUSTRIAL CONFLICTS AT TOYOTA-KIRLOSKAR MOTORS PVT. LTD.

Toyota-Kirloskar Motor Private Limited is a joint venture of Toyota Motor corporation of Japan & Kirloskar Group which is engaged in manufacturing & sales of Toyota cars in India According to its mission statement of Toyota-Kirloskar Motor Private Limited (TKMPL), the company aims to play a major role in the development of the automotive industry and the creation of employment opportunities, not only through its dealers network, but also through ancillary industries with a business philosophy of "putting customers first" (Wikipedia).

TKMPL'S Car manufacturing plant is situated at Bidadi about 35 km from Bangalore (Karnataka) which is spread about 342 acres of land. It is currently the 4th largest car maker in India after Maruti Suzuki, Hyundai and Mahindra.

On 16th March 2014, Toyota-Kirloskar Motor Pvt Ltd declared lock out of two of its assembly plants in Bidadi (Karnataka) whose production capacity was 310, 00 units annually & employees' strength of 6,400. Reason for said lockout was failure to reach an agreement with workers' Union over the issue of wages, deliberate stoppage of the production line by creation section of employees & exhibiting violent behavior towards supervisor/management staff there by disrupting the production for the month(s) together. After intervention of the state Government, the company announced on dt.21.03.2014 to lift the lockout with effect from dt.24.03.2014 on condition that the workers sign a good conduct undertaking before returning to work.

It appeared from above narrated situations of different manufacturing industrial concerns at Bangalore the main cause for industrial conflicts resulted in huge production loss exorbitant demand of the workmen/Union for wage hike & the failure of dispute settling machineries promote for a bi-partite/tri-partite settlement of the issues/disputes under the provision of the existing industrial relation laws.

INDUSTRIAL CONFLICTS AT BRFL, BANGALORE

The Company's garment manufacturing facilities as well as the Expansion Project are located in or around Bangalore. Bangalore has become a hub for information technology companies and garment manufacturing companies. The increased number of companies setting up offices and manufacturing facilities in Bangalore may put pressure on the area's infrastructure. Increased industrial growth may also put pressure on the availability of labor, which could affect the garment manufacturing industry. As well, the Company's existing facilities for manufacturing woven fabric are located in three different cities, which leads to increased administrative work for the Company and can lead to logistical difficulties for the Company.

- **The loss of key management personnel could have an adverse effect on the business.**
- **The Company's success depends on its ability to attract and retain talented professionals.**
- **Changes in the textile industry may adversely affect the Company.**
- **The Company may face challenges in employing skilled personnel due to the potential of increasing wages.**
- **Labor disturbances at the Company's facilities could negatively affect operations.**

WORKPLACE FACTORS AFFECTING EMPLOYEE PERFORMANCE

- ❖ **Goal-setting:** Employees are involved in setting meaningful goals and performance measures for their work. This can be done informally between the employee and their immediate supervisor or as part of an organization's formal performance management process.
- ❖ **Performance feedback:** Information on how the employee is performing is feedback regularly to employees. This consists of both positive feedback on what the employee is doing right as well as feedback on what requires improvement.
- ❖ **Role congruity:** The role that the employee is required to perform is consistent with their expectations on joining the organization and any subsequent training. The organization's role expectations are consistent with tasks allocated by the employee's immediate supervisor.
- ❖ **Defined processes:** The organization constrains the variability of how work is actually performed through documenting processes and communicating such expectations to employees.
- ❖ **Workplace incentives:** The organization determines what motivates its employees and sets up formal and informal structures for rewarding employees behaving in the way required.
- ❖ **Supervisor support:** Immediate supervisors act as advocates for employees, gathering and distributing the resources needed by the employees for them to be able to do a good job and providing positive encouragement for a job well done.
- ❖ **Mentoring/coaching:** Skilled and respected people are available to employees to help them to perform better in their current role and to assist them develop further into a future role.
- ❖ **Opportunity to apply:** Individual workloads and organizational systems and processes do not hinder employees from applying established skills or from practicing newly learned skills.

- ❖ **Job aids:** Their work is to be made easier and help minimize error rates and customer dissatisfaction by supplying job aids. These can include templates, guides, models and checklists.
- ❖ **Environmental factors:** Environmental factors such as temperature, lighting and ventilation can have a direct impact on health - for example very high temperatures can lead to heat stress and heat exhaustion.
- ❖ **Physical factors:** Physical factors in the workplace such as poor layout or overcrowding can lead to common types of accident such as tripping or striking against objects.

APPRAISING WORKPLACE ENVIRONMENT FACTORS

A. Space and Facilities Required doing the Job

The actual physical layout of an office is extremely important when it comes to maximizing productivity.

B. Relationship with Superiors at the Workplace

Superiors act as advocates for employees, gathering and distributing the resources needed by the employees in order to do a good job and providing positive encouragement for a job well done.

C. Equality of Treatment at the Work Place

Treating employees equally at their workplace motivates employees to do their work with full interest in their work environment.

D. Communication System at the Workplace

A formal communication system at the workplace promotes trust and loyalty among the employees and encourages better team work and relationship shows that communication system at the workplace.

E. Environmental Factors are Conducive to Work

Companies have to provide a friendly and comfortable workplace to work. Most of the employees agree that environmental factors such as temperature, lighting and ventilation will not impact on health.

Procedures to Identify and Control Hazards

There are several procedures followed to identify and control hazards. Majority of employees agree that the procedures are followed strictly to identify and control hazards at the workplace which helps to improve working area.

F. Factors affecting Employee's Attitude at Workplace

Employee's attitude at the workplace is affected by factors (Table 7) like interpersonal relationships, control over environment, shift, emotional factors, job assignment, overtime duty, extended work, etc. **Hence employee's attitude at the workplace is affected highly by emotional factors and lowest by overtime duty.**

G. Physical Aspects influencing Employee's Performance at the Workplace

Office space is one of the leading physical aspects that influence the employee's performance at the workplace with mean value 3.06. Majority of the employees ensures that a poor arrangement of office space, wastes time and energy by failing to provide the means for effective work habits. Since sufficient space is not provided by the company for the assigned job.

H. Job Factors motivating Employees Performance to Attain the Target

Interesting work, opportunity to develop special abilities, adequate information, enough authority, sufficient help and equipment, friendly and helpful co-workers, opportunity to see results of work, competent supervision, clearly defined responsibilities and good pay are considered to be the job factors that motivates employees performance to attain the target.

STRATEGIC INITIATIVES TO IMPROVE WORKPLACE ENVIRONMENT

The following recommendations may be taken as the strategic initiatives to take forward the organizations in line with the competitive advantage.

- ✚ Make your workspace look attractive to you. Try new furniture, photos, posters, mirrors, flowers, knick knacks, toys, statues, rugs, artwork, crystals, etc.
- ✚ Clear out the clutter. Many people notice a dramatic improvement to their productivity when they try this.
- ✚ Bring yourself back to nature by adding some plants to your workspace, and you will find yourself enjoying the environment much more.
- ✚ Even with good air conditioning, you might have periods where you just want to feel a little cooler, or maybe you'd like a bit of air circulation. Use a small portable fan to keep your comfort level right where you want it to be.
- ✚ Simply stating a few words of thanks or sincere admiration for a job well done will help increase morale among employees.
- ✚ Offer bonuses, whether financial incentives, company cars, or other prizes. This gives employees a goal to work towards and can create enthusiasm which is often contagious among employees.
- ✚ Open the lines of communication with employees to find out what kind of things or programs would get them motivated. This will also help them feel like they are an important, contributing factor of the company.
- ✚ Understand that the work environment can greatly affect employee morale. A dreary office lacking light and color can cause depression and a lack of motivation. Brighten up the space with a soothing paint job, green plants, and tasteful artwork.
- ✚ Encourage communication between employees and management. Doing so will allow employees to feel comfortable to voice their opinions and make suggestions to improve conditions and work.
- ✚ Revise the company mission statement to include all employees and departments to ensure each employee feels as though they are an integral part of the company's future.
- ✚ Make sure the values and ethics of the company are of those employees can take pride in. Most employees in the work force want to work for a company they can trust and believe in.
- ✚ Find ways to make life more pleasant in general for employees. Offer flexible schedules, work-from home schedules, gym memberships, etc.
- ✚ Provide personal counseling for the employees affected by domestic problems.
- ✚ Have fun! You don't have to dress in a clown's costume, but you can promote a feeling of happiness and satisfaction in the workplace. Go out and talk to your employees. Smile. Recognize what they do, for without them, you wouldn't have a business to start with.

SUGGESTIONS

1. The management must take an active role in not only defining the physical environment of the workplace and making it conducive for workers but also alter the management style to suit the employees. This refers to changing aspects like ethics, behaviour, commitment, professionalism, drive and interpersonal relations in employees for the better.
2. Creating a work environment in which employees are productive is essential to increased profits for your organization, corporation or small business. Principles of management that dictate how, exactly, to maximize employee productivity center around two major areas of focus: personal motivation and the infrastructure of the work environment.
3. Motivation is present in every life function. A common place that we see the need to apply motivation is in the work place. In the work force, we can see motivation play a key role in leadership success. A person unable to grasp motivation and apply it will not become or stay a leader. While the most obvious incentive for increasing employee productivity is often thought to be based on salary and promotions, this is not always the case. In fact, recent thought on the true nature of optimal human resource management has concluded that in a large number of cases, salary has to do with motivation than do other important factors.

4. In addition, a motivating work environment must be the one in which employees are treated fairly. No matter what level of input a particular worker has in relation to the business processes as a whole, it is essential for a manager to give each employee a sense of playing a dynamic, integral role in something much larger. Indeed, engendering loyalty is a key element of motivating workers and thereby increasing the overall productivity of operations.
5. **One important tool for motivating employees is praise.** Effective project managers must learn how to cultivate this powerful method of worker motivation.
6. Whenever a group of people is put into a work situation, there's potential for conflict. People bring to the job differing work habits, ethics, and modes of expression, and differences of opinion are bound to arise. It's not possible to eliminate conflict from a workplace, but establishing clear guidelines for work responsibilities, promotion practices, and scheduling issues can go a long way toward creating a harmonious environment. Periodically reviewing employee responsibilities is necessary to make sure that one or a few employees don't end up doing a disproportionate share of the work.
7. The following **four steps** are an excellent start in implementing a workplace environment that has the best chance of satisfying technical and professional employees.
 - Do an audit of your company's control system.
 - Decide what characteristics to adopt.
 - Train technical workers and managers for the new culture.
 - Monitor success and provide feedback.

CONCLUSION AND RECOMMENDATIONS

Workers Participation in Management has assumed great importance these days because it reduces industrial unrest and helps in dispelling employees' misunderstanding about the outlook of management in industry. The organization is giving utmost importance to the workers' Participation in Management. The organization has been seen to practice sound participative mechanism. There exist a healthy sign of team spirit and co-operation among the employees in the organization. The employees seem to understand and co-operate with each other in the organization. Workers Participation in Management may reduce alienation or increase personal fulfillment of workers. It also influences efficiency in various direct and indirect ways. Careful measurement and calculation are required to assess the net effect of participation upon efficiency and organizational performance.

Since money is not a sufficient motivator in encouraging the workplace performance required in today's competitive business environment. Managers and supervisors will need to be comfortable with working with the whole gamut of workplace factors that influence employee motivation. Skills required include the ability to engage employees in mutual goal setting clarify role expectations and provide regular performance back. Time and energy will also need to be given to providing relevant performance incentives, managing processes, providing adequate resources and workplace coaching.

Last but not least, to drive their organizations to peak performance managers and supervisors must put out front the human face of their organization. Paramount here is the human-to-human interaction through providing individualized support and encouragement to each and every employee.

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CHALLENGES IN AGRO ENTREPRENEURSHIP IN TAMILNADU, INDIA

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ABSTRACT

The world of business has become an extremely competitive and dynamic in which the only constant is change. This situation is obliging the various stakeholders to enhance their skill for the development of society through entrepreneurship. The individual or group has the capacity to develop sustainable enterprises is an important focus of research that is making it possible to undertake concrete actions in aid of the productivity that is playing in the overall improvement of our hemisphere. It also considers ways of promoting enterprise development as part of the strategies for agro product oriented food chains. Entrepreneurship plays a vital role in the growth and existence of small scale and medium scale farming in a very dynamic and competitive globalised environment. Farmer entrepreneurs consider their work as a business activity. Like every other entrepreneur agro entrepreneurs by engaging themselves in agro business, would like to serve the society and in the process wish to earn a profit for their living. They are very much passionate about their farm business. Farmer-entrepreneurs operate in a multifaceted and self-motivated environment particularly in Salem District of Tamil Nadu. The major concern of the any project that looks after the transformation is to focus on those factors that hinder their development at the grass root level. The major factors are the social, economic, political and cultural factors that have to be changed through inculcating entrepreneurial skills for farmers. At the same time, one should also need to look at educating the entrepreneurs to identify the profitable opportunities in the agricultural sector. Besides recommendations, a diagnostic tool has to be elaborated for the farmers through which the farmers in Tamilnadu can leverage their entrepreneurial skills.

KEYWORDS

India, Tamilnadu, agriculture, entrepreneurship, farmers.

INTRODUCTION**UNDERSTANDING ENTREPRENEURSHIP**

An Entrepreneur is someone who is basically an innovator who brings his new ideas in the market by organizing and managing the resources required and at the same time assuming the risks of a business or enterprise (Yoganandan & Saravanan, Export performance of Indian Textile industry during post reform period (1991 to 2010), 2011). Entrepreneurship is the process of discovering new ways of combining resources. Successful entrepreneurs expand the size of the economic pie for everyone. But what is entrepreneurship in agriculture? A Farmer can cultivate agriculture that increases human productivity, expanded our ability to generate output (and income), resulting in a higher standard of living for all (McClelland, 1987). How does entrepreneurship relate to small-scale farmers who operate on the edges of the economy? Entrepreneurship is a key factor for the survival of small scale and medium scale agricultural activity in a dynamic and very highly competitive global environment. (David, 2013).

Entrepreneurial education is recognized worldwide as being critical in facilitating economic growth which in turn is essential for addressing unemployment (Drucker, 2006). Investing in entrepreneurial development can create jobs and stimulate productivity. Entrepreneurial education requires lot of investments in the forms of not only capital but also in the form of time and effort. (Yoganandan & Radha, 2016). The entrepreneurial leadership development occurs in a process of transforming the knowledge acquired from experience and social interaction to identify the opportunities for personal development and business creation (Bagheri & Pihie, 2009). Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilise human, financial and material resources necessary to bring a project to fruition" (Khanka, 1990). According to A.H. Cole, "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandise profit by production or distribution of economic goods and services" (Arthur, 1959). According to Schumpeter, "Entrepreneurship is based on purposeful and systematic innovation. It included not only the independent businessman but also company directors and managers who actually carry out innovative functions" (Schumpeter, 2007).

THE EVOLUTION OF ENTREPRENEURSHIP

The origin of the basic word "entrepreneurship" is from a French words "Entree" which can be translated as to enter and another word "Prendre" which means to take (Shanta, 2008). The dictionary meaning for this word is to undertake (Dictionary). An entrepreneur is an opportunist who searches for new opportunities, and exploits those opportunities. An entrepreneur is not only just a person with new ideas but also a risk taker (Robert & Ronstadt, 1984). The entrepreneur is an individual or group of people who form an organization for serving the society. She/he is proprietary capitalist, a supplier of capital and at the same time a manager who intervenes between the labor and the consumer. Entrepreneur is an innovator, risk taker, employer, manager, leader but usually assumed as a capitalist" (Yoganandan & Vetriseelan, Entrepreneurship development in India, 2016).

FARMERS AS ENTREPRENEURS

Farmer-entrepreneurs see their farms as a business. They see their farms as a means of earning profits. They are passionate about their farm business and are willing to take calculated risks to make their farms profitable and their businesses grow (Luyayi, Karanja, Ngocho, Oduol, Muriuki, & Mowo, 2014). They also need to respect each other and work together to make the whole system work better and be more profitable (David, 2013). The successful agro entrepreneurs are technically competent, innovative and a good planner. However, there are many challenges that these farmers face social barriers, economic barriers, regulations, access to finance and information, and their own managerial capacity to cope with risks and changes and to seize opportunities (Federico, 2010). The type of business enterprise also has an impact on the entrepreneurs' skills and characteristics (Tagrafa & Akin, 2009). Entrepreneurs face gender discrimination in getting business orders especially while getting the first order (Vasan, 2016). Infrastructural problems hinder the small scale and agro entrepreneurs (Yoganandan, The strategies and expectations of apparel exporters in Tirupur, India, 2015). These relatively less educated entrepreneurs need some sort of guidance and mentoring. Managing the business enterprise is an upheaval for those who even otherwise called as leaders (Vasan, Owners' Attitude Towards the Performance of Powerloom Sector in Tamilnadu - A Case of Erode District, 2011). It is not necessary to have a specific type of experience or skill to be a good agricultural entrepreneurship coach. Effective coaches come from varied walks of life they may be successful retired farmers, Economic growth professional, Extension educator, Small Business

Development Consultants, etc., but with all coaches should have one thing in common a passion for working with agricultural producers to see visions of sustainable, profitable ventures become reality (McElwee, 2005). Keep in mind, though, that farms in different parts of the country may operate very differently, and check with other coaches on your team to make sure that interesting enterprises that you can find would translate well to farming in Maryland (Timmons, 1987). The organic farming option often appears to be "too time consuming in relation to the anticipated profit margin," for farmers who already have a long-term agricultural venture underway (Vries, 1985). However, as you approach smaller and start-up farms, the growing trend of consumer interest in how and where food is produced will signal that organic production might be a valuable market niche for your client to consider. Organic production is to explore and decide to grow, produce, and add value to, direct market, etc. with you as a sounding board for this process (Verma, 1978). For all coaches, life-long learning – in, and beyond, the scope of agricultural entrepreneurship – is a must! Reading books about communication skills, productive meetings, and such topics as local foods, direct marketing and small business development will increase your mental resources, enabling you to respond to what you hear, with the appropriate questions and observations to make your teaching experience successful for together you and your clients. (McGee Winifred W., 2008)

AGRO ENTREPRENEURSHIP: WHAT ARE THE SKILLS SETS REQUIRED?

The skills can be learnt through guidance which focuses on providing requisite information, experience, knowledge to provide a base for better decision making (Kousalya Devi & Rajendhiran, March 2015). The entrepreneurs should have the characteristics like knowledge of the business, honesty, having a good character, willingness to work hard and pleasing personality (Hoenaday & Aboud, 1971). Also, the qualities like moderate risk taking, creative tendency, need for achievement, drive and determination helps the entrepreneurs to be successful in their business venture (Bulsara, Gandhi, & Porey, 2010) (Yoganandan, Life of and Challenges Faced by African Students in Tamil Nadu India, 2015). Farmers need to succeed in the business shall have the qualities like professional skills (technical and production), management skills (economic and administrative), opportunity skills (recognizing and realizing business opportunities), strategic skills (developing and evaluating a business considered as a real entrepreneurial skills for running an enterprise i.e food processing unit run by farmers in India (Geeta, 2013). A study conducted by Nimalathasan (2006) highlights that Sri Lankan entrepreneurs have characteristics such as seeking opportunity, persistence, commitment to work contract, demand for work quality and efficiency, risk taking, visionary, similarly Bangladeshi entrepreneurs also have above characteristics except visionary. (Nimalathasan, 2006). Some cultures include the qualities like religious duty/honesty factor as the most significant factor affecting entrepreneurial success, followed by communication skills and strong will of the entrepreneurs (Makhbul, 2011).

CHALLENGES FACED BY AGRO ENTREPRENEURS

Lack of funds: Lack of finance available to rural entrepreneurs is one of the biggest problems which entrepreneurs are bearing now days especially due to global recession. Major difficulties faced by rural entrepreneurs includes low level of purchasing power of rural consumers so sales volume is insufficient, lack of finance to start business, reduced profits due to competition, pricing of goods and services (Vetrivel & Manivannan, 2011; Yoganandan, Jaganathan, Saravanan, & Senthil kumar, 2013; Anuradha, 2016). Many farmers in the rural areas raise money in the form of loans from regional rural banks or from zamindars but their rate of interest are usually very high. Industrial Finance Corporation of India (IFCI), Industrial development bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI), Small Scale Industry development bank of India (SIDBI) are some of the national level (SFC) institutions that are helping out rural entrepreneurs. Some state level institutions are also working like state financial corporation and state Industrial Development Corporation (SIDC). These institutions are providing assistance for setting up of new ventures and side for modernization and expansion of existing ones but usually the rural and textile entrepreneurs are unable to access these funds due to lengthy and cumbersome procedures involved in the institutional financing. (Yoganandan, Saravanan, & Senthil Kumar, Problems Faced by Small Knitwear Exporters in Tirupur Tamil Nadu, 2013).

Lack of infrastructure: The development of rural entrepreneurs is not very healthy in spite of efforts made by government due to lack of proper and not enough infrastructure facilities. The rural areas do not have proper road facilities, poor power supply, in adequate drinking water supply, poor communication network are among the many infrastructural bottlenecks faced by the rural entrepreneurs (Yoganandan, An overview of Tirupur: The Textile city in India, 2015; Shanta, 2008; Vetrivel & Manivannan, 2011).

Risk: Rural entrepreneurs are generally risk averse. They are not willing to take risk because of their risk bearing capacity and due to lack of financial resources and external support (Yoganandan & Vetrivel, Growth of textile industry in India, 2016; Bulsara, Gandhi, & Porey, 2010).

Marketing problems and competition: Rural entrepreneurs face severe competition from large sized organizations and urban entrepreneurs. Major problems faced by marketers are the problem of standardization and competition from large scale units. They face the problem in fixing the standards and sticking to them (Baumgartener, Schulz, & Seidl, 2013; Federico, 2010).

Management problems: Rural entrepreneurs find it extremely difficult in complying with various legal formalities in obtaining licenses due to illiteracy and ignorance in farmers. They may end up with poor quality raw materials, may ignorance in farmers. Also, they suffer a severe problem of lack of technical knowledge (Vasan, Prudent Debt Management for Business Development, 2015). Lack of training facilities and extension services create a difficulty in the development of rural entrepreneurship (Anuradha, Performance appraisal of private sector sugar companies in Tamilnadu, 2013; Jency & Siniya, 2016). Quality Control is another important problem in the growth of rural entrepreneurship as inferior quality of products are produced due to lack of availability of standard tools, techniques and equipment, lack of quality materials (Yoganandan, Textile Export Promotion in India-Salient Features, 2015).

Most of the entrepreneurs of rural areas are unable to find workers with high skills. Turnover rate are also high. They have to be provided with in the job training and their training is generally a serious problem for entrepreneur as they are uneducated and they have to be taught in local language which they understand easily (Mohanapriya & Senthilkumar, 2016).

SUGGESTED INTERVENTION MEASURES

1. **Establishment of finance cells:** The financial institutions and banks which provide to entrepreneurs must create special cells for providing easy finance to rural entrepreneurs.
2. **Concessional rates of interest:** The rural entrepreneurs should be provided finance at concessional rates of interest and on easy payment basis. The burdensome formalities should be avoided in sanctioning the loans to rural entrepreneurs.
3. **A suitable supply of raw materials:** Rural entrepreneurs should be ensured of proper supply of scarce raw materials on priority basis. A subsidy may also be offered to make the products manufactured by rural entrepreneurs cost competitive and reasonable.
4. **Offering training facilities:** Training is essential for the development of entrepreneurships. It enables the rural entrepreneurs to undertake the venture successfully as it imparts required skills to run the enterprise. Presently the economically weaker entrepreneurs of the society are offered such training facility under Prime Minister's Rozgar Yojna. (PMRY) Programmed FICCI, (NGOs) Lion Clubs, Rotary Clubs and voluntary organizations can also arrange such training programmes for rural entrepreneurs to provide them stimulation counselling and assistance.
5. **Setting up marketing co-operatives:** Proper encouragement and assistance should be provided to rural entrepreneurs for setting up marketing cooperatives. These co-operatives shall help in getting the inputs at reasonable rate and they are helpful in selling their products at remuneration prices. Hence, middlemen can be avoided and rural entrepreneurs derive the benefits of enterprise.

CONCLUSION

There is a need for efficient support organisations to monitor the activities of agro entrepreneurs. Prediction of the future demand, introduction of modern technologies, cost control and business expansion is the important areas, where agro entrepreneurs need regular support. Suitable legal support may also be required to protect the trader's engaged in unfair trade practices. It is better to promote agro based enterprises in rural areas, as the local people have the required skills and most of the businesses help the entrepreneurs to ensure food security. The outputs of such business have ready demand even in rural areas and hence the market opportunities are better. With a strong agro- based programme, non-farm activities can also be initiated when the entrepreneurs are more experienced

and capable of taking risk and can manage the programme better. Promotion of direct marketing by establishing close interaction between producers and consumers will further enhance the benefits, while encouraging a large number of unemployed rural youth to turn into micro entrepreneurs and traders.

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IMPACT ON CORPORATE GOVERNANCE WITH TACTIC TO IMPROVE THE ENTREPRENEURSHIP

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ABSTRACT

This chapter addresses the question of how corporate governance interact with and influence entrepreneurship and how this ultimately affects economic development. The study empirically examined the mutual link between Corporate Governance and Entrepreneurship. The purpose of this paper is to identify the extent to which the corporate governance framework can be applied to Entrepreneurship. The present study is a sample survey of selected respondents. The respondents were selected from Kanyakumari district. In this research questionnaire were analyzed and interpreted using simple percentage table for tabular analysis and formulated hypotheses so as to know more about the topic understudy. It was proved in the research carried out that, effective Entrepreneurship and good corporate governance determines the success of an organization. In the analysis, corporate governance policy has really helped entrepreneur to grow financially. Therefore, recommend that, effective and good corporate governance remains a solution tool for global financial crises, organizational problems and the right policy that enhances increased productivity that brings about economic growth and development globally.

KEYWORDS

corporate governance, entrepreneurship.

INTRODUCTION

Governance is considered as that organ of small or big organization or even the larger society, which is charged with the responsibility for controlling resources, of all types, within the spheres of its influences, and also having power of ruler ship over the human and material resources, of the organization or community (Ogundele, Alaka and Balogun, 2005). Omonzejie (2005) considers governance as an act, fact, and manner of controlling, ruling and directing the public affairs of a city, country, etc. He notes further that, governance as a process or the art of governing is a body vested with the power and authority to maintain security, peace and stability by making and enforcing conventional and fundamental law in a given state or society.

LITERATURE REVIEW

A lot of research has been done in this area. Different researchers have set different criteria's for the determination corporate governance and entrepreneurship. Different researcher use different variables or tools for searching in this field.

CORPORATE GOVERNANCE

Traditional economists view a firm as a production function (Coase 1937). This view lends itself to theorizing that leads to the structure of corporations we see today, i.e. capital and managerial effort are merely factors of production, without reference to property rights. Thus, managers allocate resources as they see fit without proper accountability for their decisions. This classical production function does not include the influence of public policy, family dynamics, and network exigencies common in some emerging economies such as Asian corporations. Simply put, this view says little about the contractual relationship between stakeholders, boards, and managers.

Adam Smith (Smith 1937) makes a caustic remark about the agency problem: *"The directors of such companies, however, being the managers of other people's money than their own, it cannot well be expected, that they should watch over it with the same anxious vigilance with which the partners in a private co-partnership frequently watch over them...Negligence and profusion, therefore, must always prevail more or less, in the management of the affairs of such a company."*

La Porta et al. (2000) view corporate governance as a set of mechanisms through which outside investors protect themselves against expropriation by insiders, i.e. the managers and controlling shareholders. They then give specific examples of the different forms of expropriation. The insiders may simply steal the profits; sell the output, the assets or securities in the firm they control to another firm they own at below market prices; divert corporate opportunities from firms; put unqualified family members in managerial positions; or overpay managers. This expropriation is central to the agency problem described by Jensen and Meckling (1976).

Becht et al. (2002) identify several reasons for this. There are the world-wide wave of privatization of the past two decades, the pension fund reform and the growth of private savings, the takeover wave of the 1980s, the deregulation and integration of capital markets, the 1997 East Asia Crisis, and the series of recent corporate scandals in the U.S. and elsewhere.

Yoshikawa & Phan (2001) note intensifying global competition and rapid technological changes result in lower price/cost margins which in turn force firms to focus on maximizing asset efficiency and shareholder value if they want to access funds to fuel growth opportunities. Also technological advances reduce transaction costs and the costs of information research, rendering global capital markets more accessible to investors. This has fueled global competition between capital markets and the evolution of corporate governance around the world.

In Asia, Young et al. (2001) find that the resource dependence function of the boards of overseas Chinese firms in Hong Kong and Taiwan is more pronounced than control and service functions, which they attribute to the social norms and institutional environments facing these firms. Further empirical research to contrast the impact on firm performance of the different functions of the boards will be interesting.

Vafeas (1999) finds that the annual number of board meeting increases following share price declines and operating performance of firms improves following years of increased board meetings. This suggests meeting frequency is an important dimension of an effective board. Lipton & Lorsch (1992) find that the most widely shared problem directors face is lack of time to carry out their duties, and that (Conger et al. 1998) board meeting time is an important resource in improving the effectiveness of a board.

ENTREPRENEURSHIP

The economic potential of the portfolio entrepreneurship among the farmers in Cambridgeshire of United Kingdom made a substantial contribution to enterprise and employment. Sara Carter conducted a survey among 300 farmers to analyze the performance of the portfolio entrepreneurs and the result revealed that the farmers were having multiple business interest which has contributed to the success of enterprise and employment (Sara Carter, 1998).

The importance of corporate entrepreneurship is to create wealth for organisation and individual. Bostijan and Robert recognized the importance of entrepreneurship and wanted to know the relationship between corporate entrepreneurship and wealth creation. Data were collected from 477 Slovenian entrepreneurial firms. They found that the corporate entrepreneurship makes the difference in organisation wealth creation thus leveraging the growth and profitability (Bostijan Antonic and Robert D Hisrich 2004).

Social scientists believe that to combat poverty, entrepreneurship development within low income communities is a viable strategy. Kenneth and co-researcher uses the framework by Oldsman and Hallbey (2002) to examine the entrepreneurial outreach initiative, which has spurred economic growth. The result disclosed that entrepreneurial activities in low-income communities have indeed reduced poverty (Kenneth L.R. et al, 2004).

Self Employment has been contributing to economic growth among the counties as stated in OECD Report (Organisation for Economic Co-operation and Development). Hector S examined the relationship on entrepreneurship and economic growth on the selected counties mentioned in OECD report. The investigator has used cross-sectional analysis to check on the variables. The result disclosed that entrepreneurship and economic growth were interrelated (Hector Salgado B, 2005).

The Global Entrepreneurship Monitor (GEM) monitors the entrepreneurial activities of Asian countries and the role that entrepreneurs play in economic development in rural area. Cross-sectional analysis was used in examining the data from GEM revealing the role of governments and international organisations in supporting the enterprises thus contributing to economic growth (James Richardson, 2004).

Development of entrepreneurship among the rural women in Bangladesh has significant relationship with the micro credit system. Multivariate Analysis technique has been used in identifying the factors relating to finance management among the rural women. A model of micro credit program was developed to examine the factors that lead to the success of the rural woman in managing their credit and sustaining the business as well. The outcome was that the family members and spouses have given the support for the borrowers to maintain the financial commitment (Sharmina Afin et al, 2008).

Entrepreneurs with rural origins prefer to start their businesses in rural areas and half of entrepreneurs migrate back to their home in particular to take local comparative advantages. Li Yu and Artz investigated on entrepreneurship activities and drew a connection between migration and economic development, especially the role of business formation in rural development. They found that the rural entrepreneurs start business within their vicinity because they were able to obtain financial support from family members, friends and local banks to start a business (Li Yu and Artz, 2009).

OBJECTIVES OF STUDY

1. To analysis importance of corporate governance.
2. To critically examine types of problems & issues in entrepreneurship.
3. To study on how to support corporate governance to entrepreneurship.
4. To evaluated good corporate governance support for micro small medium enterprises

NEED OF THE STUDY

Since the present study has been designed to study impact of corporate governance with tactic to improve the entrepreneurship. The main focus is to improve entrepreneurship quality, growth and successful in enterprises.

RESEARCH METHODOLOGY

RESEARCH DESIGN

The present study is a sample survey of selected respondents. The respondents were selected from Kanyakumari district. In this research questionnaire were analyzed and interpreted using simple percentage table for tabular analysis and formulated hypotheses so as to know more about the topic understudy.

SOURCE OF DATA

The investigator convenience sampling to collect data from the respondents. The respondents were selected from the population as per the convenience of researcher.

HYPOTHESIS

This research is based on the following hypothesis that clearly defines the research measure. The Three alternative hypotheses are;

1. H01: Organizational success or otherwise does not largely depend on the type or quality of Entrepreneur ship
2. H02: There exist no significant relationship between corporate governance and entrepreneurship.
3. H03: Ineffective and poor corporate governance does not affect the development of small and medium scale entrepreneurs negatively.

THE CONCEPT OF CORPORATE GOVERNANCE

There have been several major corporate governance initiatives launched in India since the mid-1990s. The first was by the Confederation of Indian Industry (CII), India's largest industry and business association, which came up with the first voluntary code of corporate governance in 1998. The second was by the SEBI, now enshrined as Clause 49 of the listing agreement. The third was the Naresh Chandra Committee, which submitted its report in 2002. The fourth was again by SEBI — the Narayana Murthy Committee, which also submitted its report in 2002. Based on some of the recommendation of this committee, SEBI revised Clause 49 of the listing agreement in August 2003.

Corporate governance according to Clarke (2004) concerns the exercise of corporate entities. The Organization for Economic Cooperation and Development (OECD) (1991) provides a functional definition of corporate government as the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of right and responsibilities among different participants in the corporations, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and means of attaining those objectives and monitoring performance.

However, corporate governance has wider implications and is critical to economic and social well-being first, in providing the incentives and performance measures to achieve business success, and second, in providing the accountability and transparency to ensure the equitable distribution of resulting wealth.

IMPORTANCE OF CORPORATE GOVERNANCE

Corporate governance is a process that aims to allocate corporate resources in a manner that maximizes value for all stakeholders – shareholders, investors, employees, customers, suppliers, environment and the community at large and holds those at the helms to account by evaluating their decisions on transparency, inclusively, equity and responsibility. The World Bank defines governance as *the exercise of political authority and the use of institutional resources to manage society's problems and affairs*. Corporate governance is the set of processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered or controlled.

Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. In contemporary business corporations, the main external stakeholder groups are shareholders, debt holders, trade creditors, suppliers, customers and communities affected by the corporation's activities. Internal stakeholders are the board of directors, executives, and other employees. This paper display how to corporate governance help to entrepreneurship.

CONCEPT OF ENTREPRENEURSHIP

The basic concepts and characteristics of entrepreneurship are concerned with developing a vision of what a company should be, and then executing that vision by translating it into concrete steps and following through. Entrepreneurs tend to be personally involved in building and shaping their companies, but business success also depends on understanding personal limits, and developing strategies and systems to transcend these limits. Although many business magazines publish long lists of entrepreneurial traits, entrepreneurship is more a way of thinking and behaving than a set of specific, sharply defined character traits

Entrepreneurship as a process involves recognizing opportunities in the environment, mobilizing resources to take advantage of such opportunities, in providing improved goods and services to the ultimate consumers and making profit as a reward of risk taking. As a consequent, an entrepreneur is regarded as the individual who perceives opportunities and takes action to obtain required resources for the provision of new and or improved goods and services.

(Timmous, 1994 and Smilor, 1997) Kuratko and Hodgetts (2001) see entrepreneurship as the is regarded as the individual who perceives opportunities and take action to obtain required resources for the provision of new and or improved goods and services, the dynamic process of creating incremental wealth. This wealth

is created by individuals who assume the major risk in terms of equity, time and or career commitment of providing value for some product of service. The product or service itself may not be new or unique but the entrepreneur must somehow infuse value by securing and allocating the necessary skills and resources.

PROBLEMS OF ENTREPRENEURSHIP

Problems Faced by Entrepreneurship While Starting Business in India are

1. Bureaucracy,
2. Corruption,
3. Labour,
4. Regional Sentiments,
5. Grey Market and Counterfeit Goods
6. Social Capitals!

DATA PRESENTATION AND ANALYSIS

This section deals with the presentation and analysis of the data collected for this research work. The data were presented and analyzed with regards to response to the research questions. All the data were presented in tables

DATA ANALYSIS

The data collected are presented and analyzed below so as to have a better understanding of the impacts of corporate governance on entrepreneurship the industry development.

1. EFFECTIVE ENTREPRENEURSHIP AND GOOD CORPORATE GOVERNANCE CREATE THE RIGHT CLIMATE FOR EFFECTIVE PRODUCTION AND JOB SATISFACTION

Respondent	No of respondents	% of respondents
Strongly Agreed	40	40
Agreed	43	43
Undecided	3	3
Strongly Disagreed	5	5
Disagreed	9	9
Total	100	100

Source: Primary data

According to the respondents in table no 1 above, it was revealed that 40 or 40% of the total population sampled strongly agreed, 43 or 43% which represents the majority agreed, 3 or 3% undecided, 5 or 5% strongly disagreed while 9 or 9% disagreed.

2. CORPORATE GOVERNANCE AS A POLICY, STRATEGY, INSTRUMENT OR SYSTEM HELPS EVERY ORGANIZATION TO ACHIEVE HER GOALS

Respondent	No of respondents	% of respondents
Strongly Agreed	43	43
Agreed	40	40
Undecided	3	3
Strongly Disagreed	9	9
Disagreed	5	5
Total	100	100

Source: Primary data

Table 2 above revealed that, a total of 43 or 43% of the respondents which stands as the major strongly agreed that, corporate governance helps every organization to achieve her goals, 40 or 40% agreed, 3 undecided, 9 or 9% strongly disagreed while 5 or 5% disagreed.

3. GLOBAL FINANCIAL CRISIS IS ONE OF THE MAJOR REASONS FOR THE GENERAL ACCEPTANCE OF CORPORATE GOVERNANCE POLICY

Respondent	No of respondents	% of respondents
Strongly Agreed	49	49
Agreed	40	40
Undecided	0	0
Strongly Disagreed	3	3
Disagreed	8	8
Total	100	100

Source: Primary data

Table 3 above, shows that, majority of the respondent were of the opinion that, global financial crises is one of the reasons for the general acceptance of corporate governance with a total number of 49 or 49%, 40 agreed, none was undecided, 3 or 3% strongly disagreed, while 8 or 8% disagreed.

4. EFFECTIVE ENTREPRENEURSHIP AND GOOD CORPORATE GOVERNANCE HAS BEEN A SOLUTION TOOLS FOR GLOBAL FINANCIAL CRISES

Respondents	No of respondent	% of respondent
Strongly Agreed	54	54
Agreed	40	40
Undecided	2	2
Strongly Disagreed	0	0
Disagreed	4	4
Total	100	100

Source: Primary data

Table no 4 above shows that, out of the total population sampled, 54 or 54% of the respondents was strongly agreed that, effective leadership and good corporate governance has been a solution tools for global financial crises, 40 or 40% agreed, 2 or 2% undecided no respondents was strongly disagreed, while 4 or 4% disagreed.

5. THE SMALL SCALE ENTREPRENEUR NEEDS GOOD CORPORATE GOVERNANCE FOR THEIR GROWTH

TABLE 5

Respondents	No of respondent	% of respondent
Strongly Agreed	44	44
Agreed	48	48
Undecided	6	6
Strongly Disagreed	1	1
Disagreed	1	1
Total	100	100

Source: Primary data

In respect of table 5 above, 34 or 34% respondents strongly agreed 48 or 48% agreed, 6 or 6% undecided, 2 or 2% strongly disagreed none disagreed. This shows that, for the small scale entrepreneurs to grow steadily there is need for good leadership and corporate governance to be put in place.

6. GOOD ENTREPRENEURSHIP AND CORPORATE GOVERNANCE BRINGS ABOUT PROPER MANAGEMENT OF SMALL SCALE ENTREPRENEURS' RESOURCES AND ENHANCEMENT OF ECONOMIC GROWTH

TABLE 6

Respondents	No of respondent	% of Percentage
Strongly Agreed	60	60
Agreed	38	38
Undecided	2	2
Strongly Disagreed	0	0
Disagreed	0	0
Total	100	100

Source: Primary data

The analysis of table 6 above reveals that, a total number 60 or 60% strongly agreed that corporate governance and good leadership brings about proper management of small scale entrepreneurs' resources and enhancement of economic growth. Entrepreneurs 38 or 38% agreed, 2 or 2% undecided, while none was strongly disagreed or disagreed.

7. THE SUCCESS OF SMALL AND MEDIUM SCALE ENTREPRENEURS LARGELY DEPENDS ON THE EFFICIENT ALLOCATION OF HER SCARE RESOURCES BY ITS MANAGEMENT

TABLE 7

Respondent	No of respondents	% of respondents
Strongly Agreed	58	58
Agreed	40	40
Undecided	0	0
Strongly Disagreed	1	1
Disagreed	1	1
Total	100	100

Source: Primary data

Table 7 above revealed that, a total of 58 or 58% strongly agreed that the success of small and medium scale entrepreneurs largely depend on the efficient allocation of their scare resources by its management, majority with a total number of 40 or 40% agreed, none undecided, 1 or 1% strongly disagreed, while 11 or 11% disagreed.

8. CORPORATE GOVERNANCE AIDS THE ACHIEVEMENT OF AN ORGANIZATION'S BUDGET THROUGH ADEQUATE IMPLEMENT AND MONITORING

TABLE 8

Respondents	No of respondent	% of respondent
Strongly Agreed	41	41
Agreed	46	46
Undecided	6	6
Strongly Disagreed	2	2
Disagreed	5	5
Total	100	100

Source: Primary data

The available figures in table 8 above reveals that, 41 or 41% of the respondents strongly agreed 46 or 46% agreed, 6 or 6% undecided, 2 or 2% strongly disagreed, while 5 or 5% disagreed. As the largest populations of the respondents were in support of the above question, it means that, corporate governance has been of tremendous assistance in the achievement of the organizations goals.

PRESENTATION AND ANALYSIS OF DATA ACCORDING TO TESTS OF HYPOTHESES

HYPOTHESIS ONE

H0: Organizational success or otherwise does not largely depend on the type or quality of Entrepreneur ship

Decision Rule: Since the computed value of (15.37) is greater than the tabular value of (12.6), null hypothesis shall be rejected. This show that Organizational success or otherwise largely depend on the type or quality of Entrepreneur ship

HYPOTHESIS TWO

H0: There exist no significant relationship between corporate governance and entrepreneurship

Decision Rule: Since the computed value of (26.45) is greater than the tabulated value of (21.0), H0 (null) hypothesis shall be rejected This shows that corporate governance policy has really helped to company Also, corporate government as a policy, strategy, instrument or system helps every organization to achieve her goals.

HYPOTHESIS THREE

H0: Ineffective and poor corporate governance does not affect the development of small and medium scale entrepreneurs negatively.

Decision Rule: Since the computed value of (28.54) is greater than the tabular, value of (21.0), null hypothesis (H0) shall be rejected. This reveals that ineffective leadership and poor corporate governance has been an obstacle to the development of small and medium scale entrepreneurs. Having tested the formulated hypothesis, it was proved from every angle that good leadership and corporate governance in every organization and the world at large remains one and only major alternative way to restore accountability, honesty fairness, etc which will in turn bring about increased production economic growth and development.

SUMMARY AND CONCLUSION

The data obtained in this research work through questionnaire were analyzed and interpreted using simple percentage table for tabular analysis and formulated hypotheses so as to know more about the topic under study. It was proved in the research carried out that, effective and good corporate governance determines the success of an organization. In the analysis, corporate governance policy has really helped entrepreneur to grow financially. Organizational problems and the right policy that enhances increased productivity that brings about economic growth and development globally.

RECOMMENDATIONS

In the course of carrying out this research work, many factors were found responsible for ineffective and poor corporate governance in the small and medium scale entrepreneurs, and global financial crises. For this reason, the following recommendations were made to help the small and medium scale entrepreneurs to grow and wax stronger.

1. There is need for more awareness on the importance of corporate governance to embrace corporate governance being a system that encourages efficient use of available scarce resources in order to achieve organizational objectives in the small and medium scale enterprises (SME) and other sectors of the economy.
2. The top management staff of every organization should do away with fraudulent acts and unethical behaviours.
3. There should be more severe punishment for the leaders or top manager that involved in any fraudulent acts.
4. The anti-corruption agencies more serious campaign against unethical behavior and social vices and the penalty therein.
5. As it was proved that, ineffective and poor corporate governance hinders the development of small and medium scale entrepreneurs, government should encourage and educate them by organizing seminars, workshops, public lectures, etc about the dangers of ineffectiveness and mismanagement.
6. It was found that corporate governance aids the achievement of an organization's budget through adequate implementation and monitoring, every organization is hereby advice not to handle corporate governance system with levity but with all seriousness to achieve greater result.
7. Training as one of the means of introducing and embracing any system or policy should be made mandatory for the leaders and subordinates of every organization are it small or big where corporate governance and good entrepreneurship would be learned.
8. Entrepreneurship and corporate governance should be introduced as a core course in all our institutions of higher learning, even as a subject or a topic in our secondary schools for every student.
9. All hands must be on desk to combat financial, political and all forms of crime in our society to encourage efficient management and effective utilization of our resources to boost our economy so as to overcome economic meltdown in order to live behind a good legacy for the unborn generations.

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FACTORS BEHIND INFANT MORTALITY: A COMPARATIVE DISCUSSION IN THE CONTEXT OF INDIA

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ABSTRACT

Infant Mortality Rate (IMR) is regarded as an important and sensitive indicator of the health status of a community. It also reflects the general standard of living of the people and effectiveness of interventions for improving maternal and child health in a country. Compared to other indicators like crude birth rate, maternal mortality rate and under-five mortality rate etc, this indicator has always been accorded greater importance by the public health specialists because infant mortality is the single, largest category of mortality. It is not a result of any one or two particular diseases rather it is the result of some socio-economic syndrome of the nation. To tackle this problem we have to locate the actual factors behind it. In this paper I have tried to find the relative impact of its various factors. For this purpose I have used some secondary data of 20 districts in India.

KEYWORDS

infant mortality, fertility, literacy, first marriage age, per-capita income.

INTRODUCTION

Infant mortality is an indicator of the health status not only of infants, but also of the whole population and of their poverty ridden social and economic status in the country. They face excessive vulnerability, as underprivileged, to a hostile environment and suffer malnutrition and serious health problems; all this leads to high rates of infant mortality and morbidity. Infant mortality i.e. deaths under one year of age in a year per 1000 live births, is an important indicator of child health and development. The reduction in infant and child mortality was declared as the major goal of our official strategy to achieve 'Health for All' by 2000. One of the main objectives of the Government of India's Population Policy 2000 was to reduce the present level of high infant mortality and bring it down to less than 30 per 1000 live births by the year 2010. *A Report of Planning Commission of India 2006.*

REVIEW OF LITERATURE

Children are important assets of a nation, therefore reduction in infant and child mortality is likely the most important objective of the Millennium Development Goals (MDG). Infant and child mortality rates reflect a country's level of socio-economic development and quality of life and are used for monitoring and evaluating population, health programs and policies. It is an outcome rather than a cause and hence directly measures results of the distribution and use of resources, Haines (1995). While countries like Australia and Canada have IMRs well below 10 per 1,000 live births, most of the African countries are struggling with mortality levels over 50 and in some cases 100 deaths per 1,000 live births. According to the United Nations estimate, 10 million infant deaths occur annually in the world. India accounts for a quarter of those. Thus any study of Indian infant mortality has global significance.

India has experienced an impressive decline in infant mortality since the 1970s. From 130-140 deaths per 1,000 live births in the early 1970's, mortality levels have declined to as low as 60 deaths per 1,000 live births in 2000. This represents an annual rate of decline of around 2.6 percent. John C (1990). However the absolute levels of infant and child mortality are still too high (about 68 infant and 95 child deaths per 1,000 live births in 1998-99). According to the Registrar General of India, the IMR for the country as a whole is 57 infant deaths for every 1,000 live births in the year 2006. The National Population Policy 2000 aims at achieving IMR of 30 by the year 2010, Government of India (2000). The MDG is to reduce infant and child mortality by two-thirds between 1990 and 2015. In the case of India this would imply a reduction of the IMR to 27 and of the under-five mortality rate to 32 by 2015, The World Bank (2007). The latest data from the sample registration system shows that the infant mortality rates of India is 44 for every 1,000 live births in the year 2011, Data book for PC: 2nd December, 2014.

India is demographically a very diverse country. India is administratively divided into 28 states. There are variations in basic demographic indicators across states. At one end of the spectrum, Kerala, Delhi, Haryana Maharashtra etc. has demographic features which are similar to those of middle income countries like Bulgaria, Russia and Ukraine: Infant mortality rate is 12 per thousand live births; total fertility rate is 1.9 births per women. At the other end we have the large north Indian states like Uttar Pradesh, Madhya Pradesh, Odisha, Assam, Rajasthan etc. are the states of low income group, which have relatively higher IMR.

While there has been a significant decline in IMR in India over the last three decades, its performance with respect to other countries in Southeast Asia is not that impressive. India is not only described by heterogeneity across states but also by large demographic variations within states. While a number of studies have looked at the factors of infant mortality like mother's education, Fertility, Marriage age of the female etc. Such estimates miss an important point for policy makers: A comparative impact of such variables including family income. This paper seeks to address this shortcoming in the existing literature.

OBJECTIVES

The objectives of my study are:

1. To see the present condition of IMR in different states of India.
2. To see the relative impact of various socio-economic factors upon IMR.

RESEARCH QUESTIONS

1. Which factor is most important for IMR in the context of India?
2. Is there any difference in factor intensities among various economic conditions?

In this respect my Null Hypotheses against four independent factors (Female Literacy, Fertility Rate, First Marriage age of female and Annual per-capita income of the family) are that:

1. H₀1: Female Literacy has no impact on IMR.
2. H₀2: Fertility rate do not affect IMR.
3. H₀3: Marriage age has no impact on IMR.
4. H₀4: Annual per-capita has no impact on IMR.

This analysis will help the researchers to discover impacts of independent variables on the dependent variable (Infant Mortality Rate).

METHODOLOGY

Using a unique dataset (at the state level) from India, I have made the linear regressions (separately on each factors) to analyze the relative effect of factors on IMR. It is tried to correlate the demographic, socio-economic and other factors as the relevant causes of infant mortality. Here I have not done the multivariate regression of IMR on all factors together in order to avoid the multi-co-linearity problem. Note that, my pilot study revealed the fact that each factors of IMR are highly interrelated to others. For factor analysis, first I have sub-divided the data set in to two clubs; Club 1; which consists of relatively high per-capita income states and club 2; consists of relatively low per-capita income states. After that I have run linear regression (OLS) on each group separately in order to get the

relative impact of different factors in different economic conditions. After that, I have made Linear Regression on overall data to get the relative impact different factors.

There may have a large number of factors behind IMR, but for the analytical simplicity we have consider only four important factors. These four factors (Female Literacy, Fertility, First Marriage age and Per-capita income) however may influence other norms of society. In that sense these are playing a representative role of any other probable factors of IMR.

TABLE 1: DATA SET OF CLUB 1(H)

Name of the states (according to per-capita income)	Female Literacy (2011)	Fertility Rate (2011)	Infant Mortality (2011)	First Marriage age of Women (2009)	Annual Per-capita income of the family in Lakh (2011-12)*
Delhi	86.34	1.90	2.80	22.40	1.67
Haryana	76.64	2.40	4.40	20.60	1.06
Maharashtra	82.91	1.90	2.50	20.50	0.94
Tamil Nadu	80.33	1.70	2.20	22.40	0.89
Gujarat	79.31	2.60	4.10	20.90	0.87
Kerala	93.91	1.90	1.20	22.70	0.78
Punjab	76.68	1.80	3.00	22.10	0.77
Himachal Pradesh	83.78	1.80	3.80	22.20	0.75
Andhra Pradesh	67.66	1.90	4.30	19.90	0.70
Karnataka	75.60	2.00	3.50	20.60	0.68

Source: Data book for PC 2nd December 2014, * Directorate of Economics and Statics of respective State Govt.

TABLE 2: DATA SET OF CLUB 2(L)

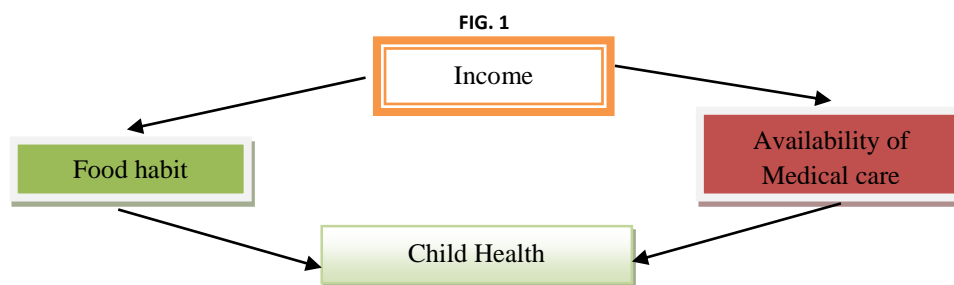
Name of the states (according to per-capita income)	Female Literacy (2011)	Fertility Rate (2011)	Infant Mortality (2011)	First Marriage age of Women (2009)	Annual Per-capita income of the family (2011-12)*
West-Bengal	77.08	1.90	3.20	19.90	0.53
Rajasthan	67.06	3.20	5.20	19.80	0.53
Chhattrisgar	71.04	2.90	4.80	20.90	0.48
Jambu&Kasmir	68.74	2.10	4.10	23.60	0.47
Odisha	73.45	2.30	5.70	21.40	0.42
Madhya-Pradesh	70.63	3.30	5.90	21.00	0.38
Jharkhand	67.63	3.20	3.90	20.00	0.37
Assam	73.18	2.60	5.50	21.10	0.36
Uttar Prasesh	69.72	3.60	5.70	20.20	0.30
Bihar	63.82	3.70	4.40	20.10	0.23

Source: Data book for PC 2nd December 2014, * Directorate of Economics and Statics of respective State Govt.

FACTORS OF INFANT MORTALITY

1. ECONOMIC FACTOR

Economic factors influence infant mortality in a gigantic way. Child survival depends on the ability of the parents to offer good care. If they are in the BPL category, their capacity for child care is minimal. The general standard of living and life style of people, the persisting poverty in every household, the feeble capacity of the head of the household to provide food for all the members and women and girl children of the family, and allied environmental and social factors do influence adversely the infant mortality in a community. Factors which are remote to the existing life styles, e.g. the availability and utilization of medical health facilities, also fall under socio-economic imperatives. Economic factors too or thus important indicators to assess and understand the cause and determinant of infant mortality. We may easily understand such relationship between family income and infant mortality with the help of following diagram.



Moreover, at different levels, income may have the different intensity to affect Mortality. For example, a certain (socially and economically desired) level of income can realize the basic medical and nutritional requirements of mother and her baby. After such level, the incremental income may have less use for health purpose, result of which less impact on mortality. But it is not right to think that, at this level of income infant mortality is nil. Rather, still infant may die because of other than income factors. Therefore there will be a downward slopping trend of infant mortality rate in accordance with the rise in income up to a certain point. After that the curve starts to become flatter and ultimately it tends to be horizontally straight line. Our data shows that the club of ten relatively high per-capita income states in India has less β co-efficient in compare with less per-capita income states. The regression equations of two clubs are –

$IMR^{(H)} = 3.501 - 0.353(I)$,(1), where I = per capita income

Here, R = .099^s, stn. Err. = 1.248, AnnovaSig.(F) = .019

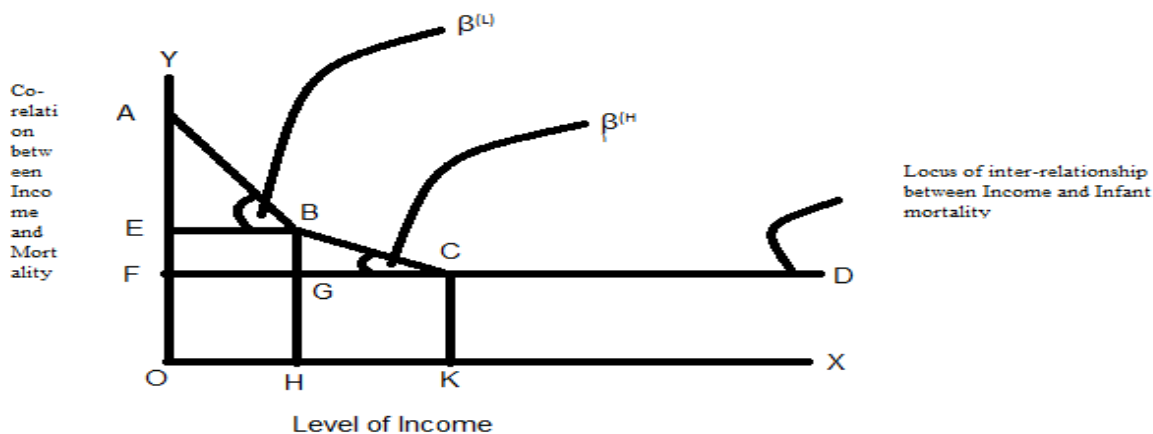
$IMR^{(L)} = 5.941 - 2.705(I)$ (2)

Here, R = 0.291, Stn. Err. = 1.311, AnnovaSig.(F) = .002

Since in equation (2) the mod value of β is much greater than in equation (1) then we may say that income is much more co-related with IMR in less per-capita income states than that of relatively high per-capita income states. Here the value of the β indicates the intensity of relationship. Let us consider the following figure –

Income – IMR relation:

FIG. 2



Here, ABCD is the locus of inter-relationship between Income and infant mortality. Up to a certain range the slope of this curve is negative after which it becomes horizontal. From the data we see that which state has low per-capita income their βI is high. In figure at OH level of income the Mortality – Income locus is much steeper. Such steepness has decreases along with the rise in per-capita income. After OK level of income the Mortality-Income locus become horizontal. At this level incremental income do not affect infant mortality at all. At this level if we need to curb IMR below FO, then we must have to nurture the social factors of it.

2. SOCIAL FACTORS

(A) Education: The education of the mother is considered as another important factor for the health outcome of children. The empirical evidence and health statistics do show that the educated mothers are usually healthier and give birth to healthier babies. They also provide healthier environment to children and their own health care. Even the illiterate but informed women can take better care of the child. Here the “Akshar Gyan” a symbol of education is not essential rather the awareness about healthy behavior and self-confidence are more essential particularly for a developing society.

The effect of education on infant mortality has been analyzed separately on two clubs. In club 1 and 2 the regression equations are;

$IMR^{(H)} = 11.975 - 0.110(L), \dots(1)$, Where L stands for female literacy rate.

Here, $R = .750^{\circ}$, st. Er. = .724, Anova Sig.(F) = .013

$IMR^{(L)} = 5.579 - 0.011(L) \dots\dots(2)$

Here, $R = .043^{\circ}$, st. Er. = .966, Anova Sig(F) = .905

Here the β coefficient in both groups is negative. This means education is inversely related with IMR. But the Mod value of β is greater in group 1 than in group 2. Therefore, the result shows that the effect of education on infant mortality is more powerful in relatively high income states than that of low income states.

(B) Higher rate of fertility: The higher rate of fertility may causes of higher infant mortality. The fertility and Mortality are related in two ways – i) more fertility results more health hazards of mother which creates less care of child. ii) More fertility demands more family expenditure consequently less medical expenditure of both mother and baby. Therefore, there is somehow positive relationship between fertility and infant mortality.

The regression equation shows;

$IMR^{(H)} = -0.745 + 1.973(F), \dots\dots(1)$ where F stands for Fertility rate,

Here, $R = .544^{\circ}$, st. Er. = .919, Anova Sig.(F) = .104

$IMR^{(L)} = 3.206 + .567(F) \dots\dots(2)$

Here, $R = .391$, st. Er. = .890, Anova Sig.(F) = .264

Here the β coefficients of both cases are positive. This implies, In both group of states Fertility is directly related with IMR. But the value of β is much higher in group 1 than group 2. Therefore other thing remaining same the Fertility rate affect more adversely to IMR in high income states than in low income one.

(C) Marriage age: It is also an important factor of infant mortality. Many research in medical science proved that the early marriage is unhealthy both for baby and mother. Our statistical observation gives us the following equations;

$IMR^{(H)} = 17.59 - 0.673(M), \dots(1)$ where M stands for first marriage age,

Here, $R = .666^{\circ}$, st. Er. = .817, Anova Sig.(F) = .036

$IMR^{(L)} = 3.929 + .044(M) \dots(2)$

Here, $R = .055^{\circ}$, st. Er. = .965, Anova Sig.(F) = .881

Here we have got a peculiar result that, though the marriage age is inversely related in group 1 states but it is directly related in club 2. Such peculiarity of low income states may arise due to the nutritional deficiency of girls’ child. Due to the financial crisis they suffer from negligence of their family. The socio-economic culture and attitude to girls’ child create a deficiency in their physical fitness. In such a situation let marriage may cause of more IMR.

Now I shall try to compare the impact of various factors in both groups of states separately. First I shall consider the club 1:

TABLE 3 (CLUB-1)

Factors	Mod value of β Coefficient	Rank
Education	$ \beta = 0.110$	4
Fertility	$ \beta = 1.973$	1
Marriage age	$ \beta = 0.673$	2
Per-capita income	$ \beta = 0.353$	3

Source: Calculated by the researcher from secondary data.

The table 3 shows that, in relatively high income states the most powerful factor of IMR is higher fertility of women. It follows by Marriage age. Here the impact of per-capita income is on the third position. It should be noted here, fertility and Marriage age are strongly controlled by social customs and values rather formal education. Therefore, in such states (with relatively high per-capita income) social factors are dominating than economic factors in the context of infant mortality. Now we shall draw our attention to relatively low income states (club 2).

TABLE 4 (CLUB-2)

Factors	Mod value of β Coefficient	Rank
Education	$ \beta = 0.011$	4
Fertility	$ \beta = 0.567$	2
Marriage age	$ \beta = 0.044$	3
Per-capita income	$ \beta = 2.705$	1

Source: Calculated by the researcher from secondary data.

The table 4 shows that the per-capita income is most powerful factor for influencing the condition of IMR in low income states. It is followed by fertility rate of the state. Here also we see that the formal education is not important factor at all. But the result shows something different also. In such group, economic factor dominates on other social factors in the context of IMR.

ANALYSIS OF OVERALL DATA (HYPOTHESIS TESTING)

This section assesses the available data with respect to the predetermined four hypotheses. Hypotheses No.1:H0: There is no significant relation between Education and IMR, Hypotheses No.2:H0: There is no significant relation between Fertility and IMR, Hypotheses No.3:H0: There is no significant relation between Marriage age and IMR. Hypotheses No.4: H0: There is no significant relation between Per-capita income and IMR. This analysis will help the researchers to discover impacts of independent variables on the dependent variable (IMR). Accordingly the result will be discussed against existing literature. The table 5, gives the simple linear regression results. The table 5 shows the R Square (for Education) =.538 means that more than 53% of the variation in Y (dependent variable, IMR) is explained by X (Literacy rate). Also, ANOVA shows that P value is.000 and the level of significant is 0.05, $P < 0.05$. So, the null hypothesis is rejected and the alternative hypothesis is accepted. **There is a significant relation between Education and IMR.** $\beta = -.124$, $P < 0.05$, where there is opposite impact on Education and IMR. For variable 'Fertility', table shows that, the R Square=.462 means 46% of the variation in Y (IMR) is explaining by X (Fertility). Also, ANOVA shows, P value is.001 and the level of significant is 0.05 $P < 0.05$. So, **there is significant relation between Fertility and IMR.** The null hypothesis is rejected and alternative hypothesis is accepted. Also, $\beta = 0.742$, $P < 0.05$, where is a positive impact on awareness and IMR. For variable 'Marriage age' table shows that the R Square =.172 means that 17.2% of the variation in Y (IMR) is explaining by X (Marriage age). Also, ANOVA shows P value is.069 and the level of significant 0.05, $P > 0.05$, so the null hypothesis is accepted and the alternative hypothesis is rejected. So **there is no significant impact of Marriage age on IMR.** Also, $\beta = -.480$, $P > 0.05$, where there is an opposite relation between Marriage age and IMR. For variable 'Per-capita income' table shows that the R Square =.336 means that 33.6% of the variation in Y (IMR) is explaining by X (Per-capita income). Also, ANOVA shows P value is.007 and the level of significant is 0.05, $P < 0.05$. So the null hypothesis is rejected and alternative hypothesis is accepted. **There is a significant relation between Per-capita income and IMR.** $\beta = -2.212$, $P < 0.05$, where the relation is of opposite direction. Therefore, among 4 factors only three i.e., Education, Fertility, and Per-capita income have significant impact on IMR. The 'Marriage age' has no or very little impact on Infant Mortality rate in the context of Indian Economy.

TABLE 5: REGRESSION ANALYSIS: (FOR COMBINED DATA)

Variable	R square	Anova (sig.) / P-value	Coefficient	
			β	Sig.
Education	.538	.000	-.124	.000
Fertility	.462	.001	1.315	.001
Marriage age	.172	.069	-.480	.069
Per-capita income	.336	.007	-2.212	.007

Source: Calculated by the researcher from secondary data.

CONCLUSION AND RECOMMENDATION

From the study we find that, the dominating factors behind the infant mortality are different in different socio-economic conditions of the states. Where economic condition is good, IMR is dominated by social factors like Education, Fertility and Marriage age which are indirectly influenced by existing social customs, values, norms etc. On the other hand, in an economically backward state, per-capita income is the primal cause of IMR.

Therefore as a policy measures against high IMR we have to take different decisions in different economic conditions of various regions. In case of a less developed economy like India we should take care about the creation of income opportunity particularly for female, so as they become vocal about their own problems. In opposite side, an economically advanced state can curb its infant mortality related problems by changing socio-cultural and religious attitude of the people. Therefore, to eliminate the problems related with IMR in the development process, first we should improve the financial condition of the people and then other social superstructures of the society. Lack of food is the primal cause of IMR rather than lack of knowledge.

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EMPLOYEE ENGAGEMENT: AN OVERVIEW**DR. P. REVATHI****ASST. PROFESSOR****DEPARTMENT OF COMMERCE BANKING & INSURANCE****DR. N. G. P. ARTS & SCIENCE COLLEGE****KALAPATTI****ABSTRACT**

Employee engagement is based on trust, integrity, two-way commitment and communication between an organisation and its members. It is an approach that increases the chances of business success, contributing to organisational and individual performance, productivity and well-being. It can be measured. It varies from poor to great. It can be nurtured and dramatically; it can lose and thrown away. Real change occurs at the local workgroup level, but it happens only when company leaders set the tone from the top. Companies realize the most benefit from engagement initiatives when leaders weave employee engagement into performance expectations for managers and enable them to execute on those expectations. Managers and employees must feel empowered to make a significant difference in their immediate identify barriers to engagement and opportunities to effect positive change. Employees are familiar with the company's processes, systems, products, and customers. They are also experts on themselves and their teams. So it makes sense that they will have the best ideas to maximize these elements and deliver improved performance, business innovation, and better workplace experiences.

KEYWORDS

employee engagement, great managers, best managers.

INTRODUCTION

 Employee engagement is a workplace approach resulting in the right conditions for all members of an organisation to give of their best each day, committed to their organisation's goals and values, motivated to contribute to organisational success, with an enhanced sense of their own well-being. David Macleod says Employee engagement as "This is about how we create the conditions in which employees offer more of their capability and potential". Employee engagement is based on trust, integrity, two way commitment and communication between an organisation and its members. It is an approach that increases the chances of business success, contributing to organisational and individual performance, productivity and well-being. It can be measured. It varies from poor to great. It can be nurtured and dramatically increased; it can lose and thrown away.

Employee Engagement in the point of view of Employees:

- Employee engagement is getting up in the morning thinking, "Great, I'm going to work. I know what I'm going to do today. I've got some great ideas about how to do it really well. I'm looking forward to seeing the team and helping them work well today".
- Employee engagement is about understanding one's role in an organisation, and being sighted and energised on where it fits in the organisation's purpose and objectives.
- Employee engagement is about having a clear understanding of how an organisation is fulfilling its purpose and objectives, how it is changing to fulfil those better, and being given a voice in its journey to offer ideas and express views that are taken account of as decisions are made.
- Employee engagement is about being included fully as a member of the team, focussed on clear goals, trusted and empowered, receiving regular and constructive feedback, supported in developing new skills, thanked and recognised for achievement.
- Engaged organisations have strong and authentic values, with clear evidence of trust and fairness based on mutual respect, where two-way promises and commitments – between employers and employees – are understood and fulfilled.

Employee Engagement in the point of view of Employers:

- Employee engagement is about positive attitudes and behaviours leading to improved business outcomes, in a way that they trigger and reinforce one another.
- Employee engagement is about our employees feeling pride and loyalty working for our organisation, being a great advocate of the organisation to our clients, users and customers, going the extra mile to finish a piece of work.
- Employee engagement is about drawing on our employees' knowledge and ideas to improve our products and services, and be innovative about how we work.
- Employee engagement is about drawing out a deeper commitment from our employees so fewer leave, sick absence reduces, accident rates decline, conflicts and grievances go down, productivity increases.
- Employee engagement is about organisation actions that are consistent with the organisation's values. It is about kept promises, or an explanation why they cannot be kept.

10 C's OF EMPLOYEE ENGAGEMENT

1. **Connect:** Employee engagement is often a direct reflection of how employees feel about their immediate supervisor and senior management. Employees can easily tell if their organizations and their leaders are sincere when they say 'our employees are our greatest asset.'
2. **Career:** Organizations should provide meaningful work with opportunities for either career advancement or, at the very least, career enhancement. Employees need to acquire the knowledge and tools to do their work successfully and to see that they have a future within the organization. If they don't, they will feel stressed and frustrated and this will ultimately lead to a lack of engagement.
3. **Clarity:** All organizations need to have a clear vision of their goals, objectives, values and principles, including why these are important and how they will be attained. Just stating them, though, is not enough -- they must be effectively communicated to the entire workforce. Employees who do not know what their organization stands for cannot work together to achieve common goals.
4. **Convey:** Positive and constructive feedback on a regular basis is essential in the pursuit of greatness. Good leaders know that they need to improve the skills of their people to help the organization perform at its best.
5. **Congratulate:** Our 4Cs surveys often show that employees get immediate feedback when they make mistakes or perform below expectations while giving praise and recognition is much less common. Exceptional leaders give recognition frequently, in a genuine spirit and at the time it is deserved.
6. **Contribute:** Most employees want to work hard, to make a difference and to see that their input matters. Good leaders clearly demonstrate and acknowledge how others are contributing to the organization's success, whether at a corporate or at an individual level.
7. **Control:** Leaders can and should create opportunities for employees to exercise control over the flow and pace of their jobs. Employees who have a say in setting goals and decision-making processes feel less stress and enjoy working in a healthy culture where everyone is accountable for their actions and willing to take ownership of problems and solutions.
8. **Collaborate:** Teamwork is most powerful when there is a strong sense of trust among team members -- these teams will achieve a greater sense of cooperation that allows them to out-perform teams that lack good inter-personal relationships.

9. **Credibility:** Organizations that strive to demonstrate high ethical standards and maintain their reputations give their employees reasons to be proud of their jobs, their performance and their organization. Conversely, leaders who behave unethically, such as "playing favourites," erode trust and risk embarrassing employees to the extent they may be ashamed of their affiliation with their organization.
10. **Confidence:** Good leaders help create confidence in an organization and its future by openly sharing information with employees, listening and responding to their suggestions and concerns, giving them strong direction and establishing the priorities of the organization. In turn, employees are clear on where to focus their efforts and energy.

MANAGING EMPLOYEE BEHAVIOUR AND PERFORMANCE WITH EMPLOYEE ENGAGEMENT

For many retail managers, the most baffling part of their job is the people part. The same leaders who can easily manage their inventory, manage their facilities, manage their books, and manage their profit margin are often the same ones who find themselves at a loss when it comes to managing the behaviour and performance of their employees. "Why can't they just do what I tell them to do?" is the management cry heard around the retail world.

Let's remove the mystery about employee engagement once and for all. If your employees aren't performing with excellence in every way, every day, with no exceptions, there are only two reasons why:

- 1) They can't.
- 2) They don't want to.

There's no mystery really, no psychological complexities, and no complicated management theories. There are just two simple root causes. Either your employees lack something essential which prevents them from performing with excellence, or they don't achieve excellence because they simply don't want to. Managers need to think of these two root causes as separate disorders which require accurate diagnosis and appropriate treatment. Just as band-aids won't fix a broken bone, a how-to training class won't fix a broken spirit. Successful retail leadership requires more doctoring and less managing in order to keep the people part of the operation healthy.

i. Employees Don't Because They Can't

No matter how much you request, demand, cajole or beg your employees for a certain level of performance, sometimes they don't give it to you because they can't. If you've been a manager for more than a week, you know there are some employees who put no creativity into their work except when it comes to excuse-making. These are the masters of "can't." It is a huge mistake, though, to assume that every "can't" you hear is nothing more than a justification for laziness. There are some (usually many) legitimate barriers in every operation that make it difficult or impossible for employees to complete their tasks, make their deadlines, and generally meet your expectations.

ii. Identify Barriers to Excellence

You can separate legitimate barriers from unfounded whining by asking your employees one simple question: "What makes it difficult or impossible for you to do your job with excellence every day, in every way, with no exceptions?" The legitimate barriers that your employees identify will fall into four categories:

- Physical Barriers
- Time Barriers
- Wherewithal Barriers
- Know-how Barriers

Identifying these barriers is an extremely easy task. Your employees think about them, get frustrated with them, and talk about them behind your back quite frequently! If given the opportunity to communicate without fear of recrimination, your employees will help you compile an extensive barriers list with ease.

iii. Eliminate Barriers to Excellence

Eliminating "can't" excuses from your operation is then simply a matter of eliminating the legitimate barriers. This is usually a much easier undertaking than most managers would expect. Why? Because your employees have already formulated solutions in their heads which usually sound something like, "If I was running this place I would..." Ask your employees for their ideas, and empower them to implement the solutions. Give them a second chance if the solution fails, and praise them in public when they succeed.

iv. Some Employees Just Don't Want To

The best thing about supporting excellence by eliminating barriers is that it leaves nothing for the slackers to hide behind. When you remove the "can't's," all that's left in your operation are employees who excel and employees who obviously need to be replaced.

Replacing employees is not a pleasant task, but don't procrastinate. High-performing employees have no tolerance for just-get-by co-workers and neither should you. Cutting slackers loose is a necessary part of managing excellence. It raises the bar of performance for everyone, and it's a surprisingly tangible way to reward those who have been picking up the slack for the slackers.

v. Supporting Success is Managing Excellence

The people part of a retail operation is not as puzzling as it sometimes seems. When you set your employees up for success by listening to their challenges and eliminating their barriers, the work you receive from them in return will take away most of the mystery of human resources management.

FIVE STRATEGIES ORGANIZATIONS CAN USE TO HELP BUILD THEIR CONSTITUENCY OF ENGAGED EMPLOYEES

1. USE THE RIGHT EMPLOYEE ENGAGEMENT SURVEY

When a company asks its employees for their opinions, those employees expect action to follow. But businesses often make the mistake of using employee surveys to collect data that are irrelevant or impossible to act on. Any survey data must be specific, relevant, and actionable for any team at any organizational level. Data should also be proven to influence key performance metrics.

2. FOCUS ON ENGAGEMENT AT THE LOCAL AND ORGANIZATIONAL LEVELS

Real change occurs at the local workgroup level, but it happens only when company leaders set the tone from the top. Companies realize the most benefit from engagement initiatives when leaders weave employee engagement into performance expectations for managers and enable them to execute on those expectations. Managers and employees must feel empowered to make a significant difference in their immediate identify barriers to engagement and opportunities to effect positive change. Employees are familiar with the company's processes, systems, products, and customers. They are also experts on themselves and their teams. So it makes sense that they will have the best ideas to maximize these elements and deliver improved performance, business innovation, and better workplace experiences.

3. SELECT THE RIGHT MANAGERS

The best managers understand that their success and that of the organization relies on employees' achievements. But not everyone can be a great manager. Great managers care about their people's success. They seek to understand each person's strengths and provide employees with every opportunity to use their strengths in their role. Great managers empower their employees, recognize and value their contributions, and actively seek their ideas and opinions. It takes talent to be a great manager, and selecting people who have this talent is important. Whether hiring from outside or promoting from within, businesses that scientifically select managers for the unique talents it takes to effectively manage people greatly increase the odds of engaging their employees. Companies should treat the manager role as unique, with distinct functional demands that require a specific talent set.

4. COACH MANAGERS AND HOLD THEM ACCOUNTABLE FOR THEIR EMPLOYEES' ENGAGEMENT

Gallup's research has found that managers are primarily responsible for their employees' engagement levels. Companies should coach managers to take an active role in building engagement plans with their employees, hold managers accountable, track their progress, and ensure that they continuously focus on emotionally engaging their employees. The most successful managers view as the elements for great managing, not just questions for measuring. By doing so, they gain a powerful framework to guide the creation of a strong, engaged workplace.

5. DEFINE ENGAGEMENT GOALS IN REALISTIC, EVERYDAY TERMS

To bring engagement to life, leaders must make engagement goals meaningful to employees' day-to-day experiences. Describing what success looks like using powerful descriptions and emotive language helps give meaning to goals and builds commitment within a team. Make sure that managers discuss employee engagement at weekly meetings, in action-planning sessions, and in one-on-one meetings with employees to weave engagement into daily interactions and activities and to make it part of the workplace's DNA.

CONCLUSION

Emotional connection an employee feels toward his or her employment organization, which tends to influence his or her behaviours and level of effort in work related activities. The more engagement an employee has with his or her company, the more effort they put forth. Employee engagement also involves the nature of the job itself - if the employee feels mentally stimulated; the trust and communication between employees and management ability of an employee to see how their own work contributes to the overall company performance; the opportunity of growth within the organization; and the level of pride an employee has about working or being associated with the company.

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A STUDY OF PERCEPTION OF EMPLOYEES TOWARDS EMPLOYEE ENGAGEMENT IN RETAIL INDUSTRY**CARAL D'CUNHA****ASST. PROFESSOR****NL DALMIA INSTITUTE OF MANAGEMENT STUDIES & RESEARCH
MUMBAI****ABSTRACT**

Retail sector is one of the fastest growing sectors in India, especially over the last few years. The success of the any retail sector depends upon their employee's engagement towards their organization and also customers. The paper is an attempt to measure the level of employee engagement in retail organization. Also, to study the variation of employee engagement with the change in key dimensions such as wellbeing, involvement, fairness, information. The study is adopted structured questionnaire to collect the primary data. The study can help to understand how employee engagement varies with the change of key dimensions and present level of engagement. So that retail companies can focus on the key dimensions to improve the engagement level in enhancing customer satisfaction.

KEYWORDS

employee engagement, WIFI model, retail industry.

INTRODUCTION

One of the major challenges today involves fully engaging talented people, capturing their minds and hearts at each stage of their work, lives, in order to retain them. Some employees tend to love their organisation so much that they are willing to expend greater effort beyond their call of duty, so that the organisation benefits. Such emotional connection with the organisation/profession is called engagement and such employees are termed as more engaged employees.

Employee engagement is associated with many desirable outcomes, such as job satisfaction, intention to stay and job performance. Companies with a greater number of engaged employees typically have lower operating costs, higher customer satisfaction and higher profits. There is a tangible monetary benefit to companies investing time and resources in fostering higher engagement within their employees.

The task of precisely defining employee engagement activities is still ongoing, but it is most often defined in terms of behaviours exhibited in the workplace. Engaged employees are prepared to go the extra mile in pursuit of work place excellence. They are ambassadors for their organisations, who will speak highly of the company and its people, even when they are not in a work setting. An engaged employee is identifiable by workplace behaviours such as losing track of time as they are so absorbed in the task at hand.

OBJECTIVES

1. To study the level of employee engagement in Dmart.
2. To understand employees perception about employee engagement with respect to Well-being, Involvement, Fairness and Information.

LITERATURE REVIEW

According to Schmidt (1993), employee engagement is a modernized version of job satisfaction and it is a part of employee retention. Various consultancy companies and writers gave their opinion on engagement in many ways and few among which gives meaning to the today's retail environment engagement process. According to Harter (2002), engagement is an element of broader category of ideas known as well-being at work, which embraces emotional and cognitive elements. He views engagement as a driver of intermediate outcomes such as job satisfaction, commitment, fulfilment, caring and positive behaviors. Tower Per-rin(2003) points out that engagement is an invoking emotion and rational factors relating to work and the overall experience of work: emotional factors are linked with 'staff satisfaction, a sense of inspiration and the affirmation they get from their work and from being part of the organization'. Kahn (1990) defines employee engagement as the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. Employee Engagement is the positive feeling that employees have towards their jobs and also the motivation and effort they put into it (Macey & Schneier, 2008). According to Seijts & Crim (2006). Truly engaged employees are attracted to, and inspired by, their work ("I want to do this"), committed ("I am dedicated to the success of what I am doing"), and fascinated ("I love what I am doing")

EMPLOYEE ENGAGEMENT IN Dmart**STAFF ATTRITION AT Dmart IN RELATION WITH JOB SATISFACTION**

In Dmart at store level most of the employees are college students and undergraduates due to which the attrition is high. Many employees leave due to further studies, unsatisfied policies, low salaries, health problems, workload and inflexible corporate attitudes.

THE DETERMINANTS OF ATTRITION AT Dmart

1. Employees are concerned about the physical conditions of comfort, convenience, and safety. The working hours are very long and they are provided with less salary.
2. Even though employers respect and value employees. Sometimes employees feel that they are given no importance. Finally, they're not motivated to stay. Employees move to a place where they get the respect, motivation and appreciation.
3. At Dmart, employees are frustrated by too many rules of supervisors or peers, employees look for other opportunities.
4. Most of the old employees are job-oriented due to which the goal of working for Dmart is not clear. The desire is for training and development. If the employees don't find the growth opportunities with one organization, the employees move to the other organization where they can find career growth.
5. It is true that the employees want fair compensation. They often contend that —you can't pay me enough to stay here||. Sometimes employees don't mind to compromise at the other things if the salaries paid are good.

STORE LEVEL - EMPLOYEE ENGAGEMENT ACTIVITIES

Employee engagement is very important activity in the organization because fun and change is very necessary for the employee and it's also helpful in team building, creates belongingness towards company and motivates the employees of the organization. In Dmart the activities are conducted on regular basis with different ideas initiation taken by the management which is as follows:

- Star of the month
- Cultural program
- Birthday celebration
- Store anniversary
- Officer Lunch
- Best performer Board (monthly basis on the board name and photo are displayed)
- Sports event (cricket, Badminton, Kho-Kho)

- Festival celebration (On this day employee can come in casual dress)
- Organizational Trip (this trips are basically at middle and top management level)
- Incentive program
- Creative activities (Painting, Rangoli, Sandwich, Bhel making Competitions)
- Helping hand (In Diwali all back-end staff help in customer service at store level)

MANAGER’S ROLE IN DRIVING EMPLOYEE ENGAGEMENT

Managers are a step ahead in knowing their people than HR. Managers play a critical role in internal branding at Dmart. Managers have a key role to play encouraging motivation among their team. Every day to build, sustain employee engagement they are committed and identify the staff weak areas and develop them. Make the workplace fun. Managers select the right talent, makes new joiners feel valued by personal touch to help smoothly merge in teams. Communicate regularly with reviews and reward employee’s loyalty.

RESEARCH METHODOLOGY

Data collection: The data is collected from primary and secondary data sources utilized. Well-structured questionnaires were prepared & the survey was undertaken. Feedback for the display has been taken by asking questions to employees & observation has also done to gather primary information. The secondary data is collected from the relevant records of selected company various books, and related websites

Sampling method: Since the study is restricted to retail sector in Dmart, all the respondents are found at the store only so according to the convenience, randomly they are being picked.

Sample size: A sample size of 100 respondents contacted during this research work. Sampling helped in keeping the path of research in focus throughout the work.

Questionnaire: The questionnaire is based on simple WIFI model to answer the questions related to Well-being, Involvement, Fairness and Information. Time allotted to the respondents to answer the questionnaire was less. Problem faced while collecting and filling questionnaire is some of the respondents were hesitant to answer the questionnaire. The respondents were not given choice to answer the questions. Likert scale was used in the questionnaire.

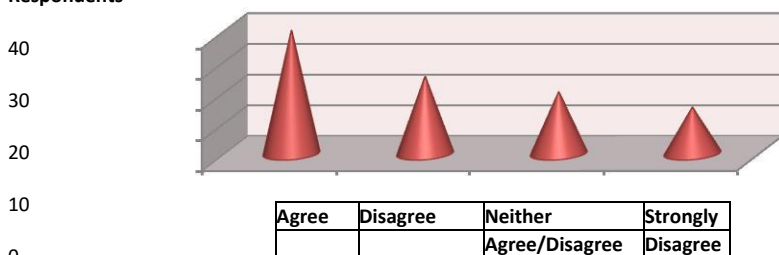
DATA ANALYSIS & INTERPRETATION

DATA ANALYSIS

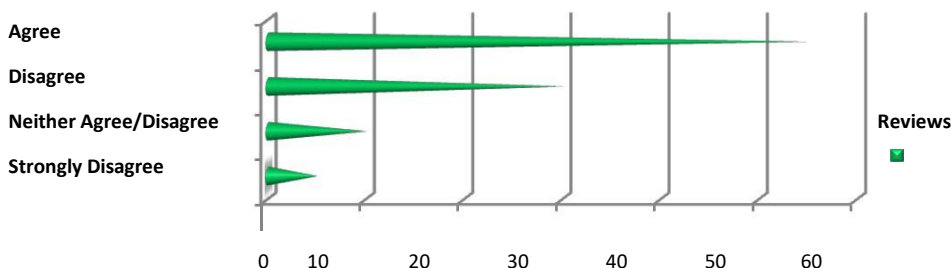
➤ **WELL-BEING**

1. My immediate line manager cares for me as a person

Respondents

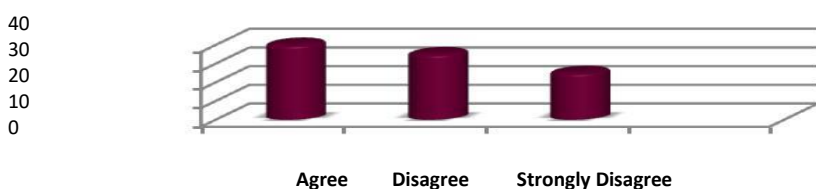


2. The organisation promotes the health and well-being of employees



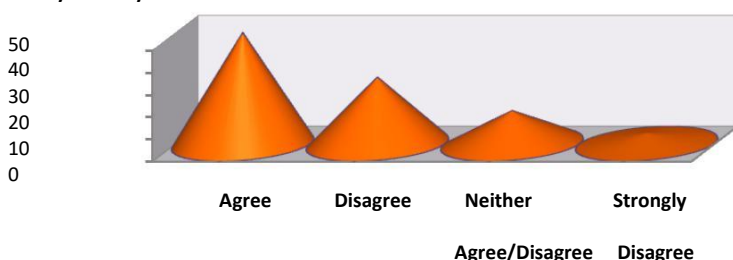
3. I am happy with my work-life balance

Talent Management



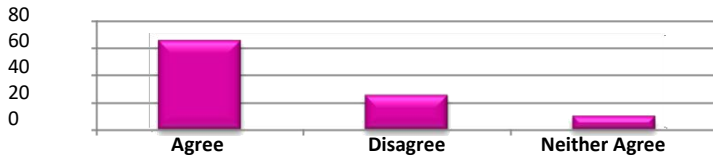
4. The organisation has appropriate family friendly policies

Family-Friendly Policies



5. I have the appropriate resources to do my job well

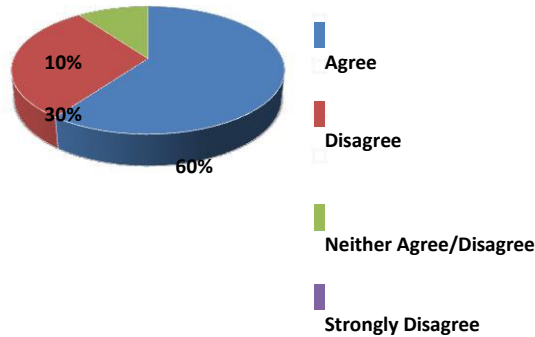
Resources



➤ **INFORMATION**

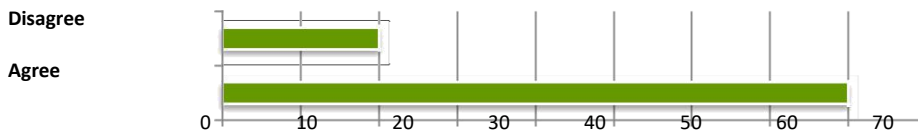
6. I receive timely information to help me do my job well

TIMELY INFORMATION



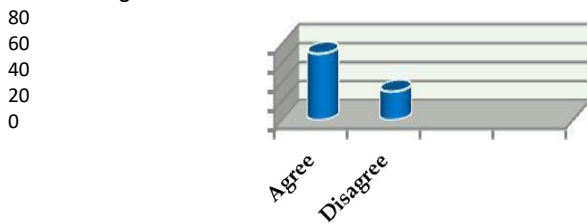
7. The job that I do adds value to the organisation

Respondents



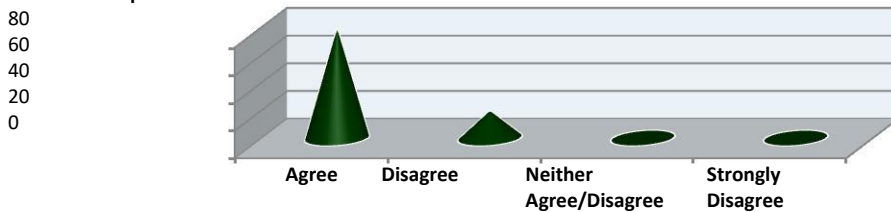
8. I am clear what is expected of me in my role

Talent Management

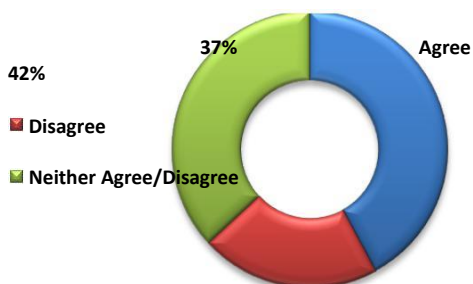


9. I am informed at appropriate intervals about what our customers think about us

Customer Response

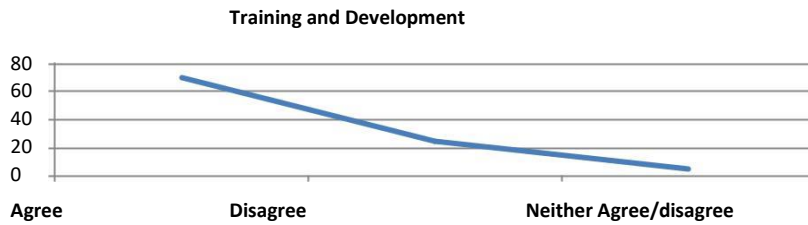


10. I am aware of the values of the organisation

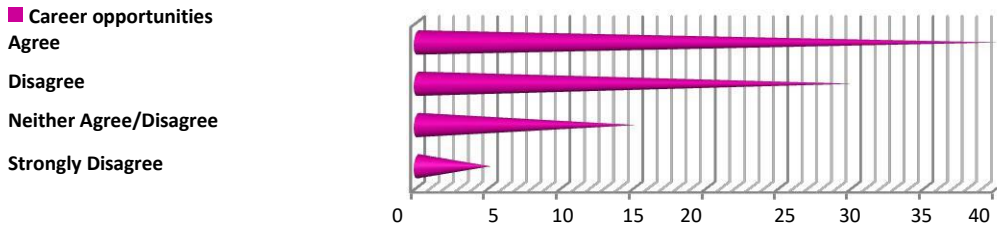


➤ **FAIRNESS**

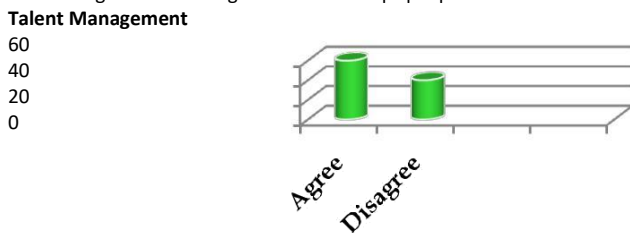
11. I receive appropriate training and development to help me do my job well



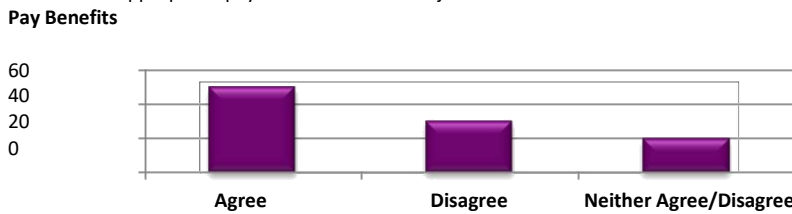
12. I am satisfied with the opportunities there are to develop my career



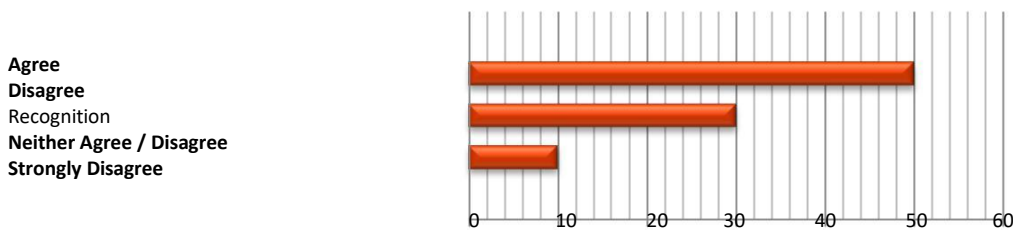
13. The organisation recognizes and develops people's talents



14. I receive appropriate pay and benefits for the job that I do

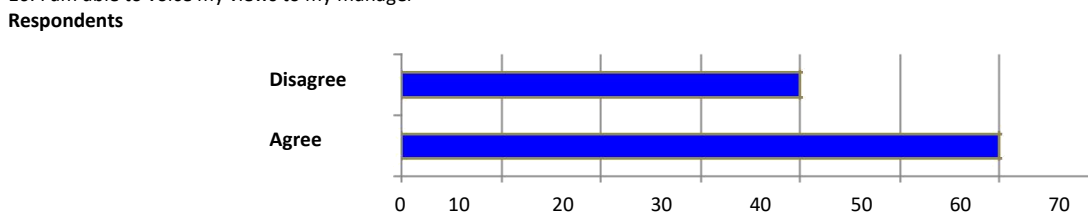


15. My manager reviews my performance with me on a one to one basis at least once every week/months

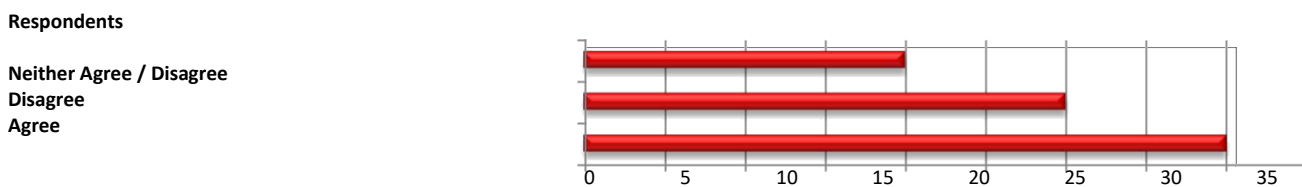


➤ **INVOLVEMENT**

16. I am able to voice my views to my manager

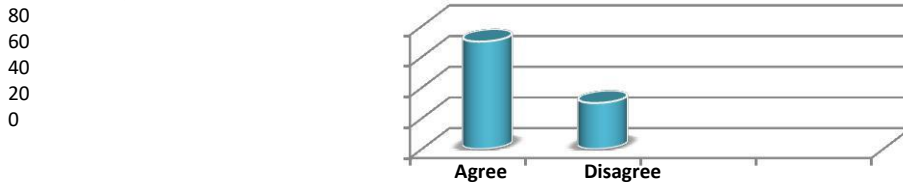


17. My manager listens and acts on my views

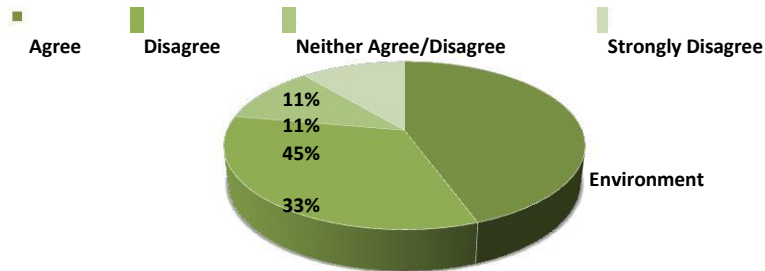


18. Teamwork is encouraged in my work unit

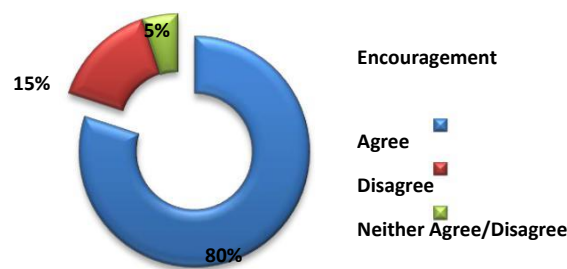
Talent Management



19. I feel part of a family working for this organisation

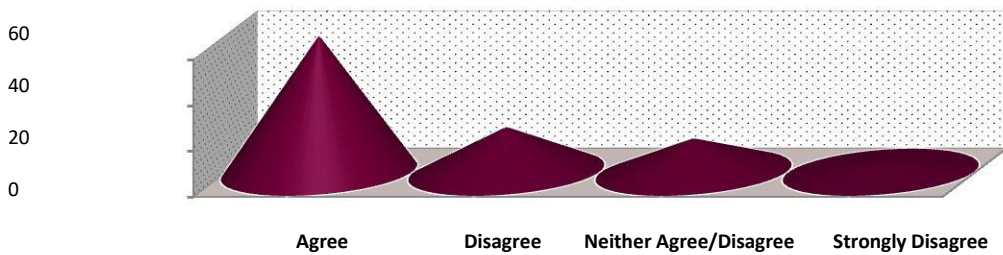


20. I am encouraged to come up with new ways of doing things



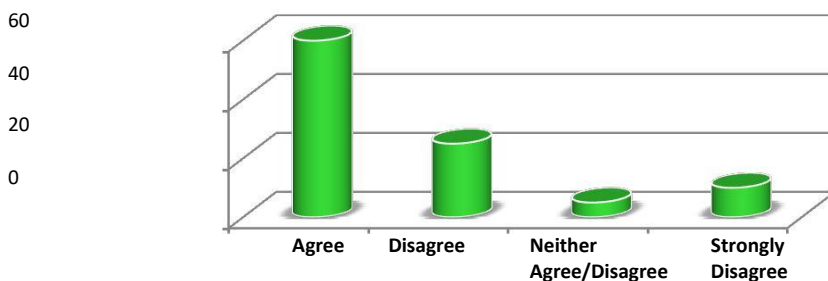
➤ **INDICATORS OF THE DEGREE OF ENGAGEMENT**

21. I am proud to work for this organisation



22. I would recommend this organisation to others as a good place to work

Good Place to Work



INTERPRETATION

Engaging Employees in the organisation leads to long term success. To increase levels of engagement among the employees WIFI principles were used for analyzing the interpretations from the staff at Dmart. Well-being for the employees has to be increased by showing genuine care for them. Information has to be communicated effectively to show the clear vision and goals for themselves as well as organization.

Fairness should be seen in all aspects of the employee’s journey, from hiring the right people through to career and talent management. Involvement has to be actively promoting and encouraging employees to give their views and opinion and take decisions.

According to the survey the level of employee engagement activities at Dmart is high and the involvement of employees is more participative. 60% of the employees are proud to work for this organisation.

The departments in Dmart co-operate with each other. Most of the employees know what is expected from them in work. Every employee is satisfied by their materials and equipment’s are provided. At work, the employee has every opportunity to do their best. There is a friendly relation in between the employer and employee.

More than 80% of the employees are aware about their job roles & feels that their job adds value to the organization. The employer accepts the ideas of his subordinate. 62% of employees are willing to recommend Dmart to their family and friends as it is near-by the residential areas. Most of the employees keep themselves upgraded. There is low level of affective commitment among the shop floor employees. 40% of the employees believes that managers listens & acts on their views. 80% of the employees are encouraged to come up with new ways of doing things.

The data shows the employees of the Dmart are highly engaged. They feel being fairly treated with respect to career growth & pay, well informed about their roles & involved by their managers in decision making.

LIMITATIONS

- Employees are at level of under graduation which is difficult to get accurate answers for the questionnaire.
- Some respondents were biased.
- Findings are related to particular store area

CONCLUSION

An organization should recognize employees, more than any other variable, as powerful contributors to a company's competitive position. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action. I conclude that raising and maintaining employee engagement lies in the hands of an organization and requires a perfect blend of time, effort, commitment and investment to craft a successful endeavour.

In Dmart to have better pool on customers means the store outlets need to engage their employees continuously through employee friendly policies and empowerment so that they can be more loyal towards their work and organization. Hence, it is inevitable need for retail organizations to inculcate Employee Engagement Practices in the growing organized retail sector.

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A CONTRIBUTION TO HEALTH TOURISM RESEARCH: THE CASE OF DEMAND FOR THERMAL RESORTS IN CROATIA

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ABSTRACT

Health tourism is fast-growing industry in the world. In Croatia health tourism has great potential but it is not utilised as much as it could be. Aim of the research is to study health tourism primary thru tourism demand for thermal resorts in Croatia. Characteristics of the arrivals and overnight stays in thermal resorts are analysed and dynamic linear modelling is performed. Demand for thermal resorts is decomposed by residence of tourists and compared with total tourism demand in Croatia. Results of time series regression modelling are linear regression models with autoregressive moving-average errors. Linear regression with moving average error of the 1st order explains the dynamic of the tourism arrivals and linear regression with autoregressive error of the 1st order explains the dynamic of the tourism overnight stays in thermal resorts in Croatia.

KEYWORDS

health tourism, thermal resorts, natural cure factors, tourism demand, regression model with ARMA errors.

JEL CLASSIFICATION

I11, Z32, C22, C51.

INTRODUCTION

Tourism plays a significant role in Croatian economy. The Strategy of Development of Tourism Until 2020 (Government of the Republic of Croatia, 2013) states that dominant touristic products are the sun and the sea, nautical tourism (yachting/cruising), business tourism and cultural tourism. As a product with visible growth potential, strategy identifies health tourism, cycling tourism, gastronomy and oenology, rural and mountain tourism, golf tourism, adventure and sport tourism and eco-tourism.

Health tourism is an old phenomenon, the novelty is the magnitude. While minority health tourism is from ancient time, mass health tourism is the product of modernity (Reisman, 2010). The term health tourism is generally used as an umbrella term for wellness tourism and medical tourism (Smith and Puczko, 2014). In Croatia products of health tourism that are most relevant are wellness tourism, healing tourism and medical tourism (Government of the Republic of Croatia, 2013) with healing tourism as a core of health tourism offer (Ivandić et al., 2014). In order to achieve that role, differentiation and quality improvement of healing resorts is needed. Healing tourism is form of health tourism where natural cure factors and physical therapy procedures are used. Natural cure factors could be climate, sea, thermal (including thermal mud) (Ivanišević, 2001). Natural cure factors are base for thermal resorts.

Croatian statistics defines thermal resorts as "all settlements where the healing effect of thermal or mineral waters, peloids (healing mud), naphthalene and other geological and mineral components has been scientifically or empirically proven and which have establishments aimed at healing and rehabilitation of visitors." (Statistical Reports, 2016). Before 2015 thermal resorts were named "bathing resorts".

REVIEW OF LITERATURE

Among papers about health tourism we world emphasize some articles about health tourism development and especially research about healing/thermal tourism in Croatia. Development of health tourism in Croatia is analysed in Kušen (2006, 2011), Bagat and Sekelj-Kauzlarić (2004), Grgona (2002), Vlahović (2001), Milas (2001), Peršić (2000), Blažević and Blažević (2000), Skupnjak (2000), Geić et al. (2010), Bartoluci and Hendija (2011, 2012).

Thermal aspect of health tourism is in focus in Gregorić and Musliu (2016), Milinović (2012), Kunst and Tomljenović, (2011), Pleško et al. (2001), Ivanišević (2001), Turk (2000), and Sušanjan et al. (2000), Radnic et al. (2009), Borović and Marković (2015).

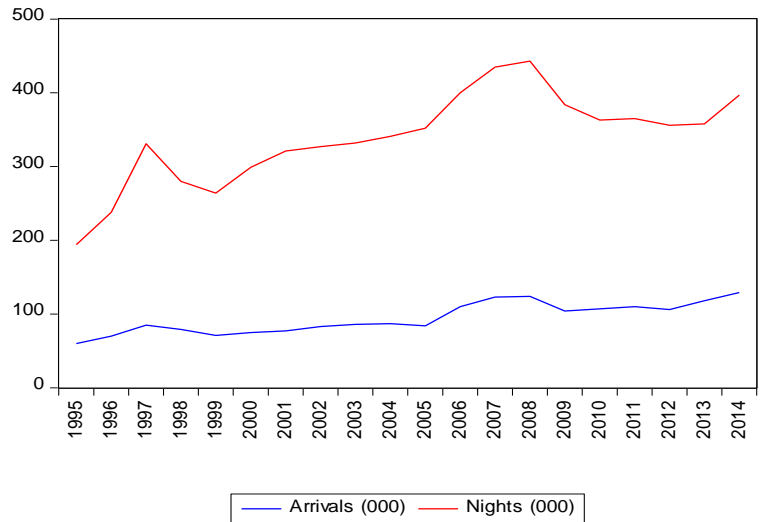
ANALYSIS OF THE DEMAND FOR THERMAL RESORTS IN CROATIA

Data for the demand for thermal resorts are obtained from the Statistical Yearbook of the Republic of Croatia (1996, 2006, 2010 and 2015). Since there was a war in Croatia that affected tourism demand, only post-war period from 1995 to 2014 is concerned.

Arrivals and overnight stays of tourists are analysed in total numbers and by residence. Tourists are grouped by residence as foreign and domestic tourists.

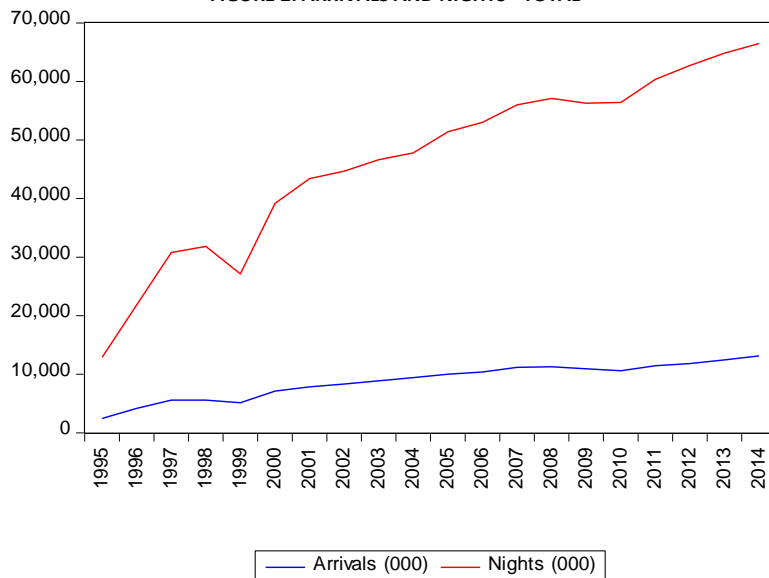
Arrivals and nights in thermal resorts in Croatia in the post-war period from 1995 to 2014 are presented in figure 1, while figure 2 shows arrivals and nights in total resorts, not only in thermal resorts.

FIGURE 1: ARRIVALS AND NIGHTS IN THERMAL RESORTS



Source: Statistical Yearbook of the Republic of Croatia (1996, 2006, 2010, 2015)

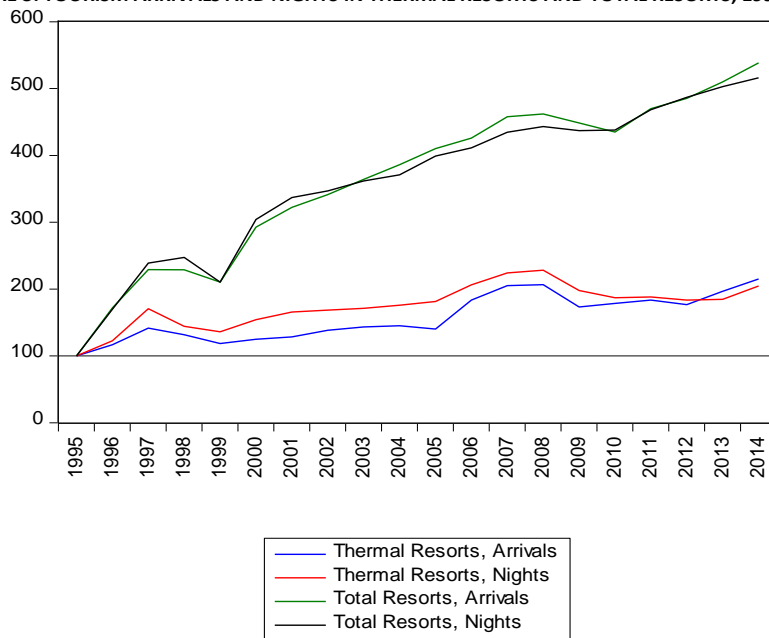
FIGURE 2: ARRIVALS AND NIGHTS - TOTAL



Source: Statistical Yearbook of the Republic of Croatia (1996, 2006, 2010, 2015)

Comparison of growth of the tourist demand in thermal resorts and in total resorts could be seen in figure 3.

FIGURE 3: TOURISM ARRIVALS AND NIGHTS IN THERMAL RESORTS AND TOTAL RESORTS, 1995 = 100



Source: authors' calculation

It is obvious that growth of tourist arrivals and tourist nights in thermal areas grew slower than in total resorts. Compound annual growth rate (CAGR) of demand in thermal places is 4.1% for tourism arrivals from 1995 to 2014 and 3.8% for overnight stays. During same period demand in total resorts grew at much faster rate: growth of the tourist arrivals was 9.3%, while growth of the tourism nights was 9.0%. When we decompose demand to foreign and domestic demand we can see that fast growth of the total demand is because of foreign tourist, domestic tourism demand grew much slower. Detailed comparison of the compound annual growth rate is presented in table 1.

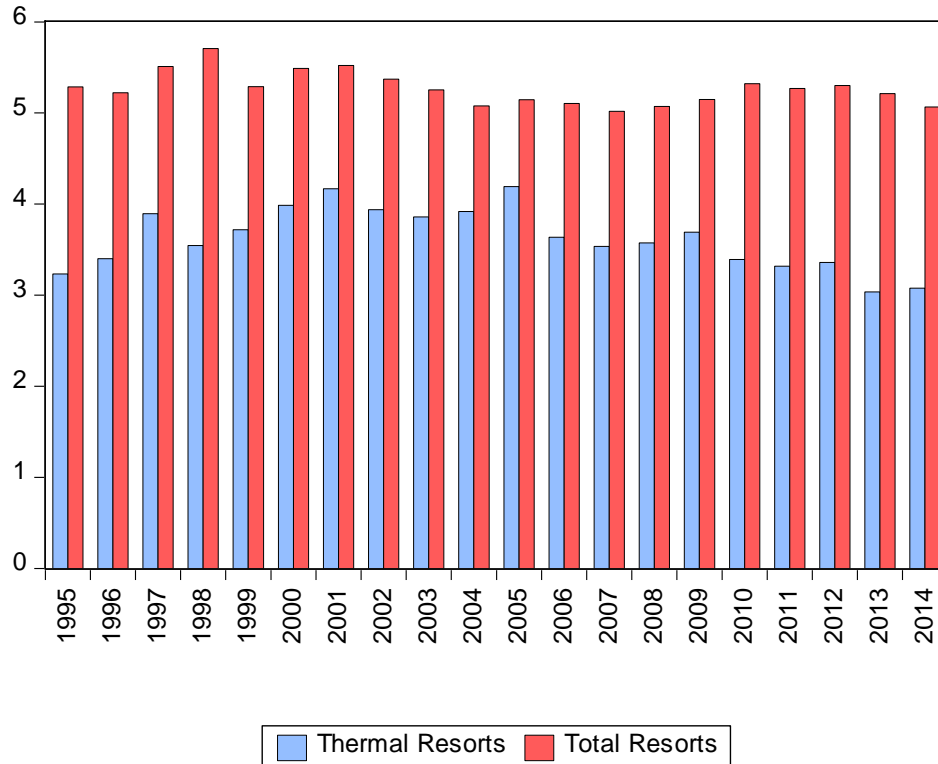
TABLE 1: CAGR OF THE TOURISM DEMAND FOR PERIOD 1995 TO 2014

	Thermal resorts	Total resorts
Arrivals total	4.1%	9.3%
Arrivals foreign	9.5%	12.1%
Arrivals domestic	2.7%	1.6%
Nights total	3.8%	9.0%
Nights foreign	8.1%	11.0%
Nights domestic	2.7%	0.9%

Source: authors' calculation

Tourist stays in thermal resorts less than in total resorts. In figure 4 we can see average duration per arrivals in thermal places and in total places.

FIGURE 4: AVERAGE NUMBER OF TOURIST NIGHTS BY ARRIVAL IN THERMAL RESORTS AND TOTAL RESORTS



Source: authors' calculation

Analysing average duration in period from 1995 to 2014, which is calculated as unweighted mean of duration, we can see that in thermal resorts it is 3.62 day per visit, while in total resorts it is 5.27 days. Average duration in thermal resorts is 1.65 day or 31% less than in total resorts. Average duration decomposed to the domestic and foreign tourist is shown in table 2.

TABLE 2: AVERAGE DURATION BY ARRIVALS FROM 1995 TO 2014

Residence	Thermal resorts (days)	Total resorts (days)	Total / Thermal	Thermal / Total	Thermal – Total (days)
Total	3.62	5.27	1.45	0.69	-1.65
Foreign	3.31	5.63	1.70	0.59	-2.32
Domestic	3.72	3.67	0.99	1.01	+0.05

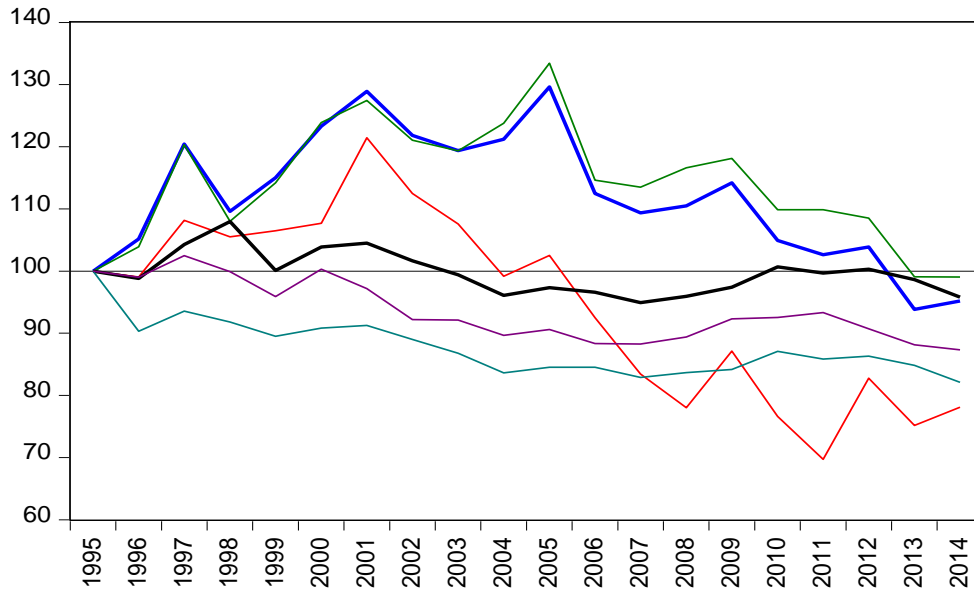
Note: average duration is calculated as unweighted mean duration in period from 1995 to 2014

Source: authors' calculation

In table 2 we can see that difference in duration stays is mainly because of foreign tourists who have stayed at average 2.32 days or 41% less in thermal resorts than in total resorts. Average duration of domestic tourists in thermal resorts and in total resorts is almost the same: 3.72 for thermal resorts and 3.67 for total resorts. It means that in thermal resorts domestic tourists have stayed 0.05 days or 1% more than in total resorts.

The dynamic of average duration shown as index 1995 = 100 in thermal and total resorts by residence can be seen in figure 5.

FIGURE 5: AVERAGE NUMBER OF TOURIST NIGHTS BY ARRIVAL IN THERMAL RESORTS AND TOTAL RESORTS BY RESIDENCE, 1995=100

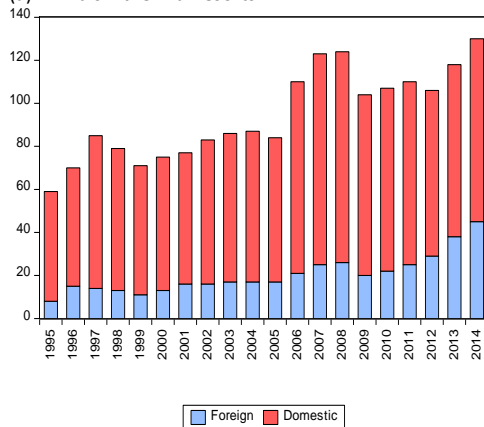


Source: authors' calculation

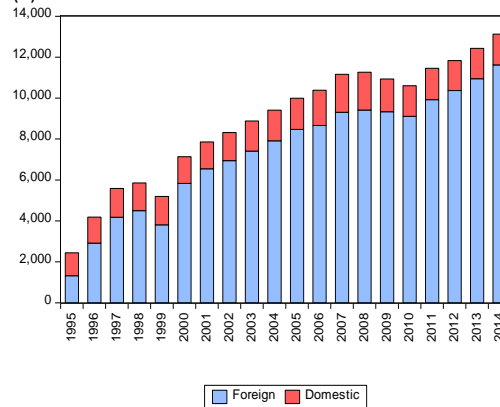
We can see that all analysed groups of tourist in period from 1995 to 2014 have shorter duration at the end of period than at the beginning. Foreign tourists in thermal resorts that have average smallest duration, also have the largest falling of duration in analysed period. Comparison of tourism arrivals and nights by residence is presented in figure 6.

FIGURE 6: COMPARING FOREIGN AND DOMESTIC TOURIST ARRIVALS AND NIGHTS IN THERMAL RESORTS AND TOTAL RESORTS

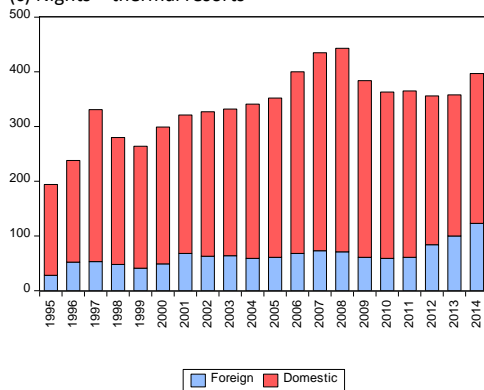
(a) Arrivals – thermal resorts



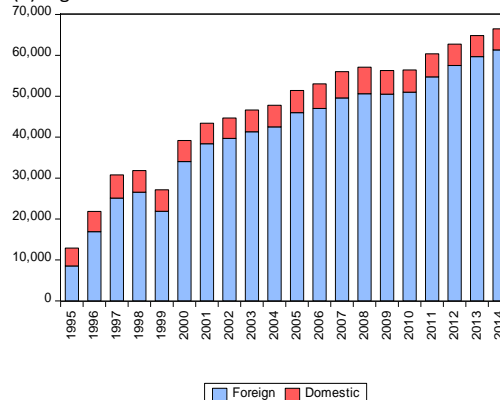
(b) Arrivals – total resorts



(c) Nights – thermal resorts



(d) Nights – total resorts



Source: Statistical Yearbook of the Republic of Croatia (1996, 2006, 2010, 2015)

TIME SERIES MODELLING

Arrivals and overnight stays in thermal resorts in Croatia for total tourists has been analysed using time series modelling. In order to get more objective results, out-of-sample forecast is performed. Data from 1995 to 2014 are split in two periods, in-sample period from 1995 to 2012 and out-of-sample period from 2013 to 2014. Models are built using in-sample period data and validated using out-of-sample period data.

From the figure 1 we can assume linear dynamics of the demand so at first, linear regression models of arrivals and nights are built using time as independent variable. Form of the linear regression model is:

$$Y_t = \beta_0 + \beta_1 x_t + u_t \quad (1)$$

Assumptions of linear regression models are: linearity, independence of errors, normality of error and equality of variances also called homoscedasticity (Levine et al., 2015). Models are estimated by ordinary least squares method (OLS) and validate using different statistical tests. Both models violate the assumption of independence of errors because of autocorrelation. In order to account for the autocorrelation, regression models with autoregressive moving average errors (ARMA) are built. Error of model of tourism arrivals is following moving average (MA) process, while model of tourism nights is following autoregressive process (AR).

MODELLING ARRIVALS IN THERMAL RESORTS

Linear regression model of arrivals in thermal places for the period from 1995 to 2012 is estimated as:

$$Arrivals_t = 62.490 + 3.019x_t + u_t \quad (2)$$

(5.006) (0.462)

Where:

$x_t = 1$ in 1995 and unit for x_t is 1 year

Arrivals are measured as thousands of tourist arrivals

Standard errors are in parentheses

All tests are performed using level of significance $\alpha = 0.05$. At first stage of model evaluation, some basic diagnostics test of the overall model significance and time variable significance are performed. F-test shows that model is significant: $F(1,16) = 42.607$, $p < 0.001$. $R^2 = 0.727$ and $R^2_{adjusted} = 0.710$ indicating high degree of determination. T-test shows that parameter for time variable x_t is significant: $t(17) = 6.527$, $p < 0.001$.

Since previous tests show that model and independent variable are significant at chosen significance level, assumptions of the model are tested. Normality of errors is tested by Jarque-Bera test. Results of test: $\chi^2(2, N = 18) = 3.245$, $p = 0.197$ are consistent with the hypothesis that errors are normally distributed. Assumption of homoscedasticity is tested with White's heteroscedasticity test. Results of the test: $\chi^2(2, N = 18) = 1.655$, $p = 0.437$ indicates equality of variances. Assumption of independence of errors is tested by testing autocorrelation using Breusch-Godfrey LM test. Test for autocorrelation up to 2nd order gives following results: $\chi^2(2, N = 18) = 7.005$, $p = 0.030$ indicating presence of autocorrelation.

We tried to fix for autocorrelation adding ARMA model of errors. It was found that for arrivals in thermal resorts, moving average of the 1st order, MA (1), resolves the problem of autocorrelation. Linear regression with moving average error of the 1st order is expressed as:

$$Y_t = \beta_0 + \beta_1 x_t + u_t \quad (3)$$

$$\text{with errors } u_t = \epsilon_t + b_1 \epsilon_{t-1} \quad (4)$$

Generalized least squares (GLS) algorithm is used for estimating regression model with MA errors. Fitted linear regression model with 1st order moving average error is:

$$Arrivals_t = 62.568 + 2.974x_t + u_t \quad (5)$$

(6.479) (0.593)

$$\text{with } u_t = \epsilon_t + 0.595\epsilon_{t-1} \quad (6)$$

(0.210)

Where:

$x_t = 1$ in 1995 and unit for x_t is 1 year

Arrivals are measured as thousands of tourist arrivals

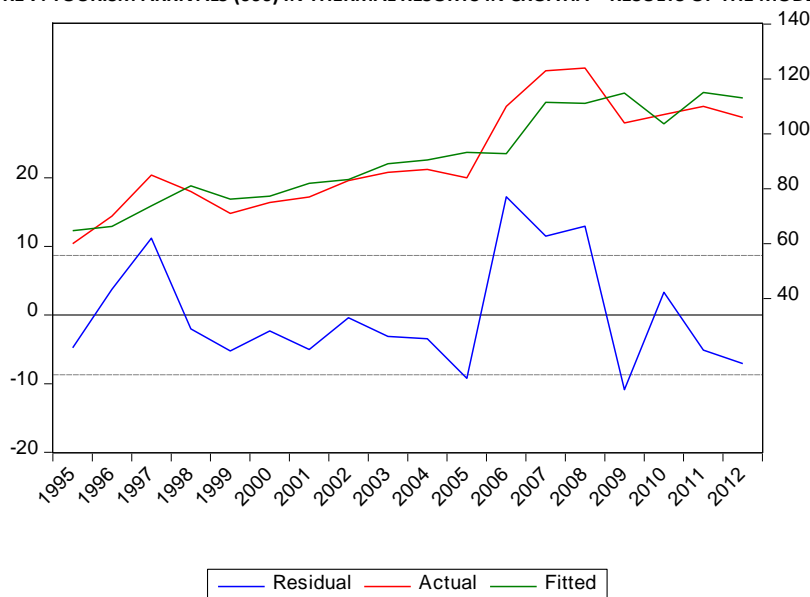
Standard errors are in parentheses

Evaluation of the model begins with estimating overall significance of the model. Results of the F-test is: $F(1,16) = 32.676$, $p < 0.001$ implying that model is significant. $R^2 = 0.813$ and $R^2_{adjusted} = 0.788$ which shows high degree of determination. Coefficient of the variable x_t is significant what can be seen from the results of the t-test: $t(17) = 5.018$, $p < 0.001$.

Assessment of the model continues with testing of the assumptions of the model. Jarque-Bera test indicates normality of errors: $\chi^2(2, N = 18) = 2.058$, $p = 0.357$. White's heteroscedasticity test shows that variances are homogenous: $\chi^2(2, N = 18) = 4.591$, $p = 0.868$. Breusch-Godfrey LM test for autocorrelation up to 2nd order gives results: $\chi^2(2, N = 18) = 2.782$, $p = 0.249$. We can see that autocorrelation which was problem before adding MA term is fixed.

Results of the linear regression model with moving average errors for tourism arrivals in thermal resorts in Croatia, actual, fitted and residual value are presented in figure 7.

FIGURE 7: TOURISM ARRIVALS (000) IN THERMAL RESORTS IN CROATIA – RESULTS OF THE MODELLING



Source: authors' calculation

Since model is estimated for in-sample period from 1995 to 2012, forecast evaluation is performed for out-of-sample period 2013-2014. Forecasting errors of the out-of-sample period are averaged using different ways and shown in table 3:

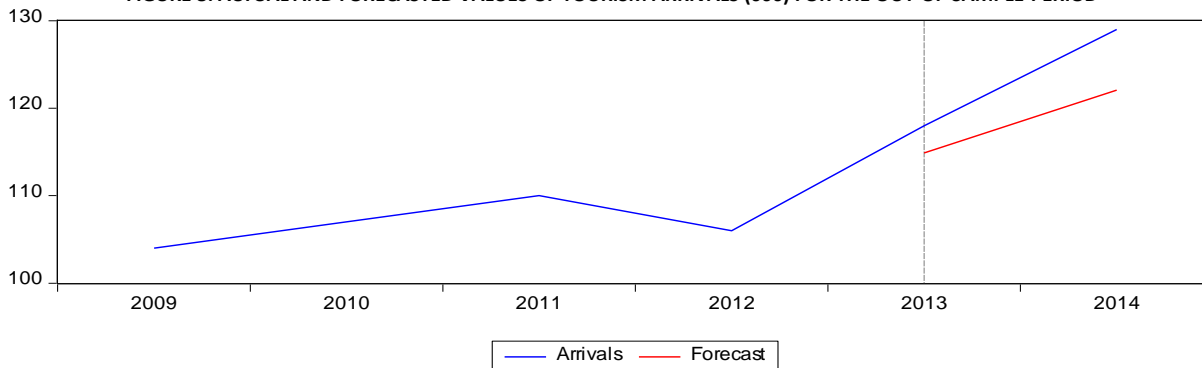
TABLE 3: FORECASTING ERROR OF THE POLYNOMIAL MODEL WITH MOVING AVERAGE ERRORS FOR TOURIST ARRIVALS

Averaging method	RMSE	MAE	MAPE	SMAPE	Theil U1	Theil U2
Error	5.385	5.034	4.016	4.108	0.022	0.631

Source: authors' calculation

Figure 8 shows actual and forecasted values for out-of-sample period.

FIGURE 8: ACTUAL AND FORECASTED VALUES OF TOURISM ARRIVALS (000) FOR THE OUT-OF-SAMPLE-PERIOD



Source: authors' calculation

MODELLING TOURISM NIGHTS IN THERMAL RESORTS

Linear regression model of overnight stays in thermal resorts is estimated. The model is as follows

$$Nights_t = 243.928 + 9.557x_t + u_t \tag{7}$$

(19.601) (1.811)

Where

$x_t = 1$ in 1995 and unit for x_t is 1 year

Nights are measured as thousands of tourist overnight stays

Standard errors are in parentheses

Goodness of fit measures show overall significance of the model. Results of the F-test is: $F(1,16) = 27.855, p < 0.001$. Coefficient of determination is $R^2 = 0.635$ and $R^2_{adjusted} = 0.612$. Parameter of the time variable is significant at the chosen significance level what can be seen from the results of the t-test: $t(17) = 5.278, p < 0.001$. Assumptions are checked next. Normality of errors is tested with Jarque-Bera test and results are $\chi^2(2, N = 18) = 0.594, p = 0.743$ in favour with the presumption of normality. Equality of variances is tested with White's heteroscedasticity test. Results of the test: $\chi^2(2, N = 18) = 4.519, p = 0.104$ show equality of variances. Autocorrelation of errors is checked using Breusch-Godfrey LM test. Results of the test for up to 2nd degree are: $\chi^2(2, N = 18) = 6.091, p = 0.048$ which shows presence of autocorrelation.

In order to resolve the problem of autocorrelation ARMA model of error is added. It was sufficient to add autoregressive error of the first order: AR(1). The new model is linear regression model with autoregressive error and general form of the model is:

$$Y_t = \beta_0 + \beta_1 x_t + u_t \tag{8}$$

with errors $u_t = a_1 u_{t-1} + \epsilon_t$ (9)

Model is estimated using GLS algorithm. Estimated model for tourism nights in thermal resorts in Croatia is:

$$Nights_t = 234.665 + 9.546x_t + u_t \tag{10}$$

(37.407) (3.408)

with errors $u_t = 0.626u_{t-1} + \epsilon_t$ (11)

(0.242)

Where:

$x_t = 1$ in 1995 and unit for x_t is 1 year

Nights are measured as thousands of tourist overnight stays

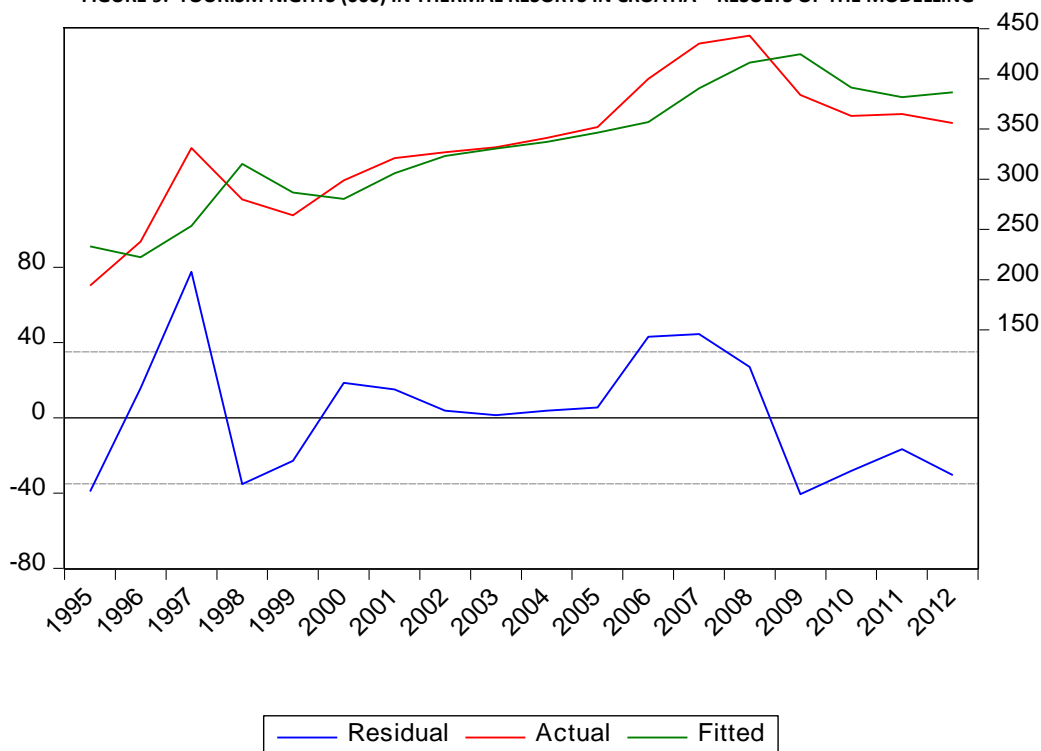
Standard errors are in parentheses

Diagnostic of the model starts with analysing F-test and coefficient of determination. Results of the F-test: $F(1,16) = 20.894$, $p < 0.001$ shows overall significance of the model. Coefficient of determination and adjusted coefficient of determination $R^2 = 0.736$ and $R^2_{adjusted} = 0.701$ are high. Independent variable is significant at the level of significance $\alpha = 0.05$, $t(17) = 2.801$, $p = 0.013$.

Testing is continuing with checking assumption of the regression model. Jarque-Bera test shows normality of errors: $\chi^2(2, N = 18) = 0.883$, $p = 0.643$. Results of the White's heteroscedasticity test support the hypothesis of homoscedasticity: $\chi^2(2, N = 18) = 8.153$, $p = 0.227$. Breusch-Godfrey LM test for autocorrelation shows that violation of the assumption of autocorrelation is fixed, results for the test up to the 2nd order are: $\chi^2(2, N = 18) = 3.204$, $p = 0.202$.

Results of the modelling of tourism nights in thermal resorts in Croatia using linear regression model with autoregressive errors, actual, fitted and residual value for the in-sample period from 1995 to 2012 are presented in figure 9.

FIGURE 9: TOURISM NIGHTS (000) IN THERMAL RESORTS IN CROATIA – RESULTS OF THE MODELLING



Source: authors' calculation

Forecast estimation is performed on the out-of-sample period from 2013 to 2014. Forecasting errors are averaged in several ways and results are presented in table 4.

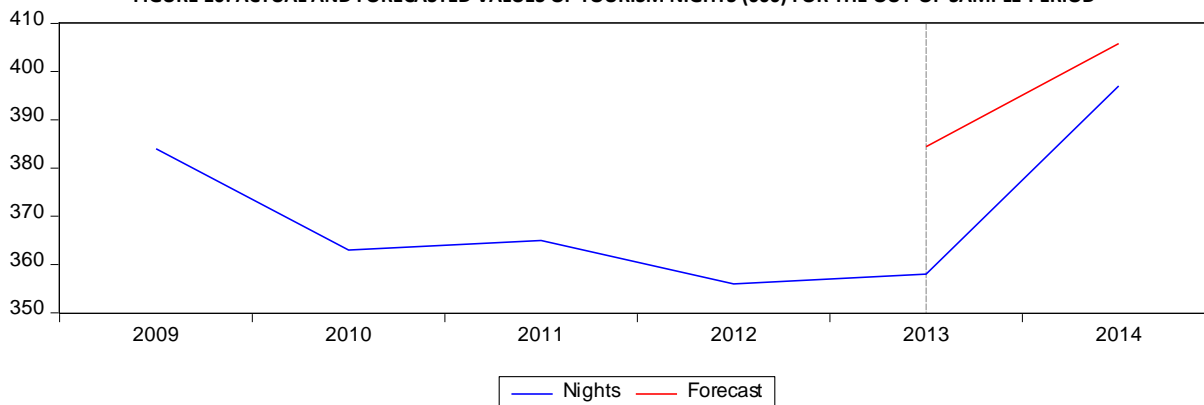
TABLE 4: FORECASTING ERROR OF THE POLYNOMIAL MODEL WITH AUTOREGRESSIVE ERRORS FOR TOURIST NIGHTS

Averaging method	RMSE	MAE	MAPE	SMAPE	Theil U1	Theil U2
Error	19.695	17.611	4.799	4.655	0.025	0.226

Source: authors' calculation

Actual and forecasted values for the out-of-sample-period can be seen in figure 10.

FIGURE 10: ACTUAL AND FORECASTED VALUES OF TOURISM NIGHTS (000) FOR THE OUT-OF-SAMPLE-PERIOD



Source: authors' calculation

CONCLUSION

Tourism is very important in Croatian economy. Health tourism is a branch of tourism that has a great potential but it is not used as much as it could be. As a contribution to the development of health tourism in Croatia, this work studies the demand for thermal resorts in Croatia in the post-war period from 1995 to 2014.

In the analysed period demand for thermal resorts in Croatia was growing slower than in total resorts. Growth for the demand of both, thermal resorts and total resorts is results of the growth of demand of foreign tourists in the first place. Growth of the demand of the domestic tourists is much slower. In thermal resorts tourists stay in average less than in total resorts, but this is because of foreign tourists, while domestic tourists stay in thermal resorts longer than in total resorts.

In the period of interest all analysed groups has decreased duration time, so average nights spend is less at the end than in the beginning of the period for all cases.

Time series econometric modelling has been conducted in order to find model that describes data generating process of demand for thermal resorts. Models are built for the in-sample period from 1995 to 2012 and evaluated for the out-of-sample period from 2013 to 2014. At first stage linear regression models for arrivals and overnight stays are built. Assessment of the models showed presence of autocorrelation of errors so models have been modified to fix for autocorrelation problem. It was found that errors are following ARMA data generating process: errors of the model of tourism arrivals are following moving average process, while tourism nights are following autoregressive process. Finally two models are built that passed evaluation checking, linear regression model with moving average error of the 1st order for tourism arrivals and linear regression model with autoregressive error of the 1st order for tourism nights.

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IMPACT OF GST ON INDIAN ECONOMY

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ABSTRACT

There are various types of taxes prevailing in the country such as income tax, capital gain tax, security transaction tax, perquisites tax, corporate taxes, sales tax, service taxes, value added taxes, custom duty and octroi, excise duty, professional tax, municipal taxes, wealth taxes, entertainment taxes. The new system of taxation system in india GST has replaced all the indirect taxes such as service tax, excise duty except custom duty." The present research paper is an attempt to study concept of goods and service tax and its impact on Indian economy.

KEYWORDS

GST, VAT, impact of GST, GST rates.

INTRODUCTION

Vat was introduced into the Indian taxation system from 1 April 2005. Vat is a significant improvement over the local sales tax system. At the state level the advantage of vat is that it is a multi-point tax with set-off for tax paid on purchases and it prevents repeated taxation of the same product. Despite the success of vat there are still certain limitations in the structure of vat both at the central and at the state level. To solve the issues untouched by vat the then Finance minister Pranab Mukherjee while presenting the budget on July 6, 2009, said that GST would come into effect from April 2010, but now it is the era of GST which is coming into existence from April 2017. The goods and services Tax (GST) will indeed be a further significant improvement towards a comprehensive indirect tax reforms in the country. Integration of goods and services taxation would give India a world class tax system and improve tax collections. It would end distortions of differential treatments of manufacturing and service sector. It will lead to the abolition of taxes such as octroi, central sales tax, state level sales tax, entry tax, stamp duty, telecom license fees, turnover tax, tax on consumption or sale of electricity, etc. GST is expected to create a business friendly environment, as price levels and hence inflation rates would come down overtime as a uniform tax rate is applied. It will also improve government's fiscal health as the tax collection system would become more transparent, making tax evasion difficult.

MEANING OF GST

The goods and services tax (GST) is a value-added tax levied on most goods and services sold for domestic consumption. The tax is levied to provide revenue for the federal government. The GST is paid by consumers, but it is levied and remitted to the government by businesses selling the goods and services.

GST is one indirect tax for the whole nation, which will make India one unified common market. GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

ADVANTAGES OF GST

1. GST is a transparent Tax and also reduce numbers of indirect taxes. With GST implemented a business premises can show the tax applied in the sales invoice. Customer will know exactly how much tax they are paying on the product they bought or services they consumed.
2. GST will not be a cost to registered retailers therefore there will be no hidden taxes and the cost of doing business will be lower. This in turn will help Export being more competitive.
3. GST can also help to diversification of income sources for Government other than income tax and petroleum tax.
4. Under Goods and Services Tax, the tax burden will be divided equally between Manufacturing and services. This can be done through lower tax rate by increase Tax base and reducing exemptions.
5. In GST System both Central GST and State GST will be charged on manufacturing cost and will be collected on point of sale. This will benefit people as prices will come down which in turn will help companies as consumption will increase.
6. Biggest benefit will be that multiple taxes like octroi, central sales tax, state sales tax, entry tax, license fees, turnover tax etc. will no longer be present and all that will be brought under the GST. Doing Business now will be easier and more comfortable as various hidden taxation will not be present.

DISADVANTAGES OF GST

1. Critics say that GST would impact negatively on the real estate market. It would add up to 8 percent to the cost of new homes and reduce demand by about 12 percent.
2. Some Economist says that CGST, SGST and IGST are nothing but new names for Central Excise/Service Tax, VAT and CST and hence GST brings nothing new in this.

GST SLAB RATES

- 0%- Food Grains
- 5%- Spices and Mustard oil
- 12%- Processed Food
- 18%-Soaps, oil, toothpaste, refrigerator
- 28%-White Goods, Cars
- 28%+cess- Luxury cars, pan masala, tobacco, aeriated drinks

Further, GST will be implemented from 1st April 2017 with this above percentage of tax.

There are both positive and negative impacts of the tax, but the net result for India's infrastructure sector is advantageous.

Electricity: GST is said to have negative impact on electricity, GST is expected to inflate electricity costs by up to eight per cent as the government has decided to keep electricity out of the ambit of this new tax dispensation.

Power producing companies - both renewable and conventional - would have to pay GST for their inputs such as fuel and machinery but will not be able to get these taxes refunded, given that their output - electricity - is exempt.

This higher cost of producing electricity will then be passed on to consumers under the "change of law" clause in power purchase agreements (PPA). Developers selling electricity in the spot market or on a non-PPA basis would have to factor in the higher cost.

Works contracts and EPC: GST has Positive impact GST seeks to provide much-needed clarity on works contracts, and therefore, on the engineering, procurement and construction (EPC) business line. Works contracts are proposed to be taxed as "services".

This means the GST rate and provisions, like place of supply rules, as applicable on services will apply to works contracts.

The major gain from this treatment is that the tax would be now charged on the actual contractual base. Also, local versus inter-state works contracts, that at present leads to innumerable disputes, should get eliminated.

Hence, EPC contract prices should come down somewhat on account of this new tax-efficient structure, which in turn should benefit project owners.

Cement industry: GST has positive impact on cement industry, Cement is a crucial input to the infra sector, and GST is expected to impact it positively. The overall indirect tax incidence is currently estimated to be around 25 per cent. The cement industry is also expected to benefit from lower costs of logistics. Overall, a decrease in cement prices is expected.

Logistics: GST has positive impact on logistics industry The GST is expected to enable a reduction in logistics cost by as much as 20 per cent to 30 per cent, as firms reconfigure their supply chains on four counts. First, as India becomes one big market, there will be larger but fewer warehouses. Secondly, it will lead to a larger number of bigger trucks on roads as there is greater adoption of the hub-and-spoke model. Third, these changes will lead to greater economies of scale for transport operators and lead to more companies outsourcing their logistics operations. Fourth, reduction in waiting and idling time at inter-state barriers and check-points is expected to provide a huge relief.

Advisory, consulting, engineering and project management services: GST is said to have negative impact on consulting and project management services, As with all other services, firms providing these services to the infrastructure sector will have a negative impact due to the higher incidence of GST at 17 to 18 per cent vis-à-vis the current 15 per cent.

Abolition of tax holidays and exemptions: GST has negative impact There are different tax holidays and exemptions for infrastructure development and operations at both the central and state levels. Whilst there is the hope that in the final analysis, these tax holidays and exemptions will be allowed to run their course, the lurking fear is that they will be removed.

Civil aviation: GST has negative impact Five petroleum products - crude, natural gas, aviation turbine fuel (ATF), diesel and petrol - are excluded from the coverage of GST for the initial years while the remaining petroleum products - kerosene, naphtha and liquefied petroleum gas (LPG) - are covered.

Flight tickets are likely to get costlier as airlines will not be able to claim credit on tax paid on jet fuel. The current service tax ranges from 5.6 per cent to nine per cent of the base fare, which is considerably less than the GST rate that is being spoken about, of 15 to 18 per cent.

Currently, airlines can claim what is called a cenvat credit on the central excise duty for fuel. They stand to lose this in the GST regime as ATF is outside the purview of GST.

While there is this bundle of negatives and positives, this columnist is of the opinion that on the whole, GST has a positive impact on the sector.

Increase in prices of airline tickets and electricity are soon absorbed and forgotten. But the positives that emanate from rationalisation of taxes on works contracts, reduction in cement prices, the huge benefit to logistics and the elimination of a raft of complex exemptions and tax holidays has clear long-term advantages.

ADVANTAGES TO BUSINESS AND INDUSTRY

- **Easy compliance:** A robust and comprehensive IT system would be the foundation of the GST regime in India. Therefore, all tax payer services such as registrations, returns, payments, etc. would be available to the taxpayers online, which would make compliance easy and transparent.
- **Uniformity of tax rates and structures:** GST will ensure that indirect tax rates and structures are common across the country, thereby increasing certainty and ease of doing business. In other words, GST would make doing business in the country tax neutral, irrespective of the choice of place of doing business.
- **Removal of cascading:** A system of seamless tax-credits throughout the value-chain, and across boundaries of States, would ensure that there is minimal cascading of taxes. This would reduce hidden costs of doing business.
- **Improved competitiveness:** Reduction in transaction costs of doing business would eventually lead to an improved competitiveness for the trade and industry.
- **Gain to manufacturers and exporters:** The subsuming of major Central and State taxes in GST, complete and comprehensive set-off of input goods and services and phasing out of Central Sales Tax (CST) would reduce the cost of locally manufactured goods and services. This will increase the competitiveness of Indian goods and services in the international market and give boost to Indian exports. The uniformity in tax rates and procedures across the country will also go a long way in reducing the compliance cost

FOR CENTRAL AND STATE GOVERNMENTS

- **Simple and easy to administer:** Multiple indirect taxes at the Central and State levels are being replaced by GST. Backed with a robust end-to-end IT system, GST would be simpler and easier to administer than all other indirect taxes of the Centre and State levied so far.
- **Better controls on leakage:** GST will result in better tax compliance due to a robust IT infrastructure. Due to the seamless transfer of input tax credit from one stage to another in the chain of value addition, there is an in-built mechanism in the design of GST that would incentivize tax compliance by traders.
- **Higher revenue efficiency:** GST is expected to decrease the cost of collection of tax revenues of the Government, and will therefore, lead to higher revenue efficiency.

FOR THE CONSUMER

- **Single and transparent tax proportionate to the value of goods and services:** Due to multiple indirect taxes being levied by the Centre and State, with incomplete or no input tax credits available at progressive stages of value addition, the cost of most goods and services in the country today are laden with many hidden taxes. Under GST, there would be only one tax from the manufacturer to the consumer, leading to transparency of taxes paid to the final consumer.
- **Relief in overall tax burden:** Because of efficiency gains and prevention of leakages, the overall tax burden on most commodities will come down, which will benefit consumers.

At the **Central** level, the following taxes are being subsumed:

- a. Central Excise Duty,
- b. Additional Excise Duty,
- c. Service Tax,
- d. Additional Customs Duty commonly known as Countervailing Duty, and
- e. Special Additional Duty of Customs.

At the **State** level, the following taxes are being subsumed:

- a. Subsuming of State Value Added Tax/Sales Tax,
- b. Entertainment Tax (other than the tax levied by the local bodies), Central Sales Tax (levied by the Centre and collected by the States),
- c. Octroi and Entry tax,
- d. Purchase Tax,
- e. Luxury tax, and
- f. Taxes on lottery, betting and gambling.

In case of inter-State transactions, the Centre would levy and collect the Integrated Goods and Services Tax (IGST) on all inter-State supplies of goods and services under Article 269A (1) of the Constitution. The IGST would roughly be equal to CGST plus SGST. The IGST mechanism has been designed to ensure seamless flow of input tax credit from one State to another. The inter-State seller would pay IGST on the sale of his goods to the Central Government after adjusting credit of

IGST, CGST and SGST on his purchases (in that order). The exporting State will transfer to the Centre the credit of SGST used in payment of IGST. The importing dealer will claim credit of IGST while discharging his output tax liability (both CGST and SGST) in his own State. The Centre will transfer to the importing State the credit of IGST used in payment of SGST. Since GST is a destination-based tax, all SGST on the final product will ordinarily accrue to the consuming State. For the implementation of GST in the country, the Central and State Governments have jointly registered Goods and Services Tax Network (GSTN) as a not-for-profit, non-Government Company to provide shared IT infrastructure and services to Central and State Governments, tax payers and other stakeholders. The key objectives of GSTN are to provide a standard and uniform interface to the taxpayers, and shared infrastructure and services to Central and State/UT governments. GST is working on developing a state-of-the-art comprehensive IT infrastructure including the common GST portal providing frontend services of registration, returns and payments to all taxpayers, as well as the backend IT modules for certain States that include processing of returns, registrations, audits, assessments, appeals, etc. All States, accounting authorities, RBI and banks, are also preparing their IT infrastructure for the administration of GST. There would be no manual filing of returns. All taxes can also be paid online. All mis-matched returns would be auto-generated, and there would be no need for manual interventions. Most returns would be self-assessed.

CONCLUSION

GST has created a new scenario in the Indian economy, which reduces double taxation on the goods, consumers will have greater advantage as the tax rate is 0% on food gains, the country will have uniform tax rates there will no double taxation on goods. It is consumption based tax, all the luxury goods become costlier, whereas basic needs becomes cheaper, and eliminates the effect of inflation on consumer goods.

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INTELLECTUAL PROPERTY RIGHTS: A POWERFUL TOOL FOR ECONOMIC DEVELOPMENT**MONA KAPOOR****RESOURCE PERSON****PG GOVERNMENT COLLEGE FOR GIRLS****SECTOR – 11****CHANDIGARH****SAMRIDHI SINGH****RESOURCE PERSON****PG GOVERNMENT COLLEGE FOR GIRLS****SECTOR – 11****CHANDIGARH****ABSTRACT**

In the modern globalized economy with the opening up of trade in goods and services Intellectual Property Rights are progressively becoming more important for stimulating new ideas by sufficiently compensating those who produce knowledge. Intellectual Property Rights are the rights awarded by society to individuals or organization principally over creative works: inventions, literally and artistic works, and symbols, names, images and design used in commerce. They play a key role in encouraging new business development and inducing technology acquisition and creation. Intellectual Property Rights are important to promote innovation and can be an instrument facilitating transfer of technology. They act as a catalyst for economic development. The present paper focuses on the role and impact of Intellectual Property Rights in Economic Development of a country. The paper will conclude with recommendations and policies for revising current system that can provide long term equitable value to the nations.

KEYWORDS

intellectual property rights (IPRS), intellectual property protection, economic development, globalization.

INTRODUCTION

In a knowledge based economy, the understanding of Intellectual Property Rights (IPRs) is indispensable to inform policy making in all areas of human development. The economic wellbeing of any nation is linked closely to the availability of resources and technology. If a new technology is valuable, it is very likely to be copied or imitated, reducing the potential profits of the original inventor and also strongly removing the incentive to engage in innovation activities. Globalization is the process in which national and regional markets are more tightly integrated through the reduction of government and natural barriers to trade, investment and technology flows. In this globalized economy, IPRs play a key role in encouraging new business development, stimulating new ideas and inducing technology acquisition for competitiveness and economic growth. IPRs create ownership of intellectual property and encourage innovation by giving innovators the legally enforceable power to prevent others from using an intellectual creation or to set the terms on which it can be used. Intellectual protection plays a crucial role in technology development and dissemination, supporting and helping to determine conditions under which the technology will be transferred. In the current globalized era, technological progress is an engine of economic growth and development. Developed countries (high income countries) tend to be technologically more advanced than the developing countries. Developed countries believe that an inventor deserves exclusive rights to their innovation and it is in their interest to protect the valuable technologies and intellectual property of their transnational companies from being used or worse yet, copied without compensation. Hence, developed nation's demands for stronger protection of intellectual property with the aim of encouraging invention and creative activities that are seen as an important source of long term economic growth and development where as in developing countries imitation is seen as a significant source of technology development. Therefore, they demand weaker IPRs protection.

Technology innovations which are generally characterized as intellectual property are costly to develop but can be relatively cheap to imitate/implement in many industries. Stronger IPRs in developing countries may encourage market based transaction of technology but hinder access to the technological frontier by domestic firms by extending the protective property of foreign innovators. The present paper will discuss the role of intellectual property protection in economic development from the perspective of both developed and developing nations. The paper will conclude with the recommendations and policies for revising the current system which may provide long term equitable value to the nations.

DEFINITION OF INTELLECTUAL PROPERTY RIGHTS (IPRS)

IPRs are the rights awarded by the society to individuals or organizations principally over creative works: inventions, literary and artistic works, symbols, names, images and design used in commerce.

IPRs are collection of exclusive legal rights which are given to inventors/creators, for a limited time period, ownership over their inventions/creations and the ability to define the terms of their use during given period. Conventionally, many forms of IPRs are recognized. They are traditionally classified into two main categories: • copyright and related rights: i.e., rights granted to authors of literary and artistic works, and the rights of performers, producers of phonograms and broadcasting organizations. The main purpose of protection of copyright and related rights is to encourage and reward creative work. The distinguishing feature of this category of rights is that they protect only the tangible expression of an idea and not the idea itself. Further, these rights generally come into existence the moment a work is created and need not be registered with any central authority. • Industrial property: This category includes: (1) the protection of distinctive signs such as trademarks and geographical indications, and (2) industrial property protected primarily to stimulate innovation, design and the creation of technology which are protected through laws on protection of inventions (patents), industrial designs and trade secrets. IPRs grant protection to the owner as they give the creator an exclusive right over the use of his/her intellectual creations generally for a limited period of time. However, in the case of certain categories of IPRs, the rights e.g. trade secrets and geographical indications can exist indefinitely so long as the right holder takes steps to protect his right. In the case of certain other time limited IPRs; it is possible to renew the rights periodically either for an indefinitely long period as in the case of trademarks or for a pre-specified maximum limit as in the case of industrial designs.

INTELLECTUAL PROPERTY RIGHTS CAN BE DIVIDED AS:

1. **Industrial Property**
 - Patents
 - Trademarks
 - Geographical Indicators
 - Industrial Designs

- Integrated Circuits
- 2. **Artistic and Literary Property**
- Copyright
- 3. **Undisclosed Information**

In 1995, a comprehensive multilateral trade agreement on IPRs was introduced with the establishment of World Trade Organization (WTO). Trade related aspects of Intellectual Property Rights (TRIPS), one of the main agreements coming under WTO, expanded the traditional coverage of literary, scientific, and artistic creations to incorporate areas such as computer software and even life forms. TRIPS establishes minimum standards for various IPRs tools such as copyrights, trademarks, patents, industrial designs, geographical indicators, trade secrets and integrated circuits. Also it requires 20 years of protection period for all inventions, products and processes, in every area of technology. The introduction of IPRs under the WTO regime demonstrates how decisions taken at international level affects millions of livelihoods across the globe.

ROLE OF IPR'S IN TECHNOLOGY TRANSFER

Transfer of technology can be characterized as the transfer of systematic knowledge for the manufacturer of the product, for the application of a process or for the rendering of the service. It is not just over the transmission of the hardware, but also requires facilitating access to related technical and commercial information and human skills needed to properly understand it and effectively use it. Technology transfer process is the development of domestic capacities to absorb and master the received knowledge, innovate on that knowledge and commercialize the results. Technology transfer occurs through various channels or pathways, sometimes as the main objective of the transaction or initiative, other times as an intended or unintended by-product. The private sector plays a central role, using both market and non market-based channels to transfer technologies. Market based channels for technology transfer includes trade in goods and services, foreign direct investment and technology licensing. Non-market based channels include imitation and the mobility and migration of technical and managerial personnel. Technological transfer is a cross cutting issue addressed by a number of international legal regimes. International economic law instruments, such as WTO Trade Related Aspects of Intellectual Property Rights (TRIPS) are also directly engaged in technology transfer issues. The impact of stronger IPRs on technology transfer to and local innovation in developing countries vary according to the countries level of economic development and to the technological nature of economic activities. On one hand, stronger IPRs protection could restrict the diffusion of technology, with patents preventing others from using proprietary knowledge and the increased market power of IPRs holders potentially reducing the dissemination of knowledge due to lower output and higher prices. On the other hand IPRs may also play a positive role in knowledge diffusion, since the information available to other potential innovators. Also, strong IPRs protection may encourage technology transfer through increased trade in goods and services, foreign direct investment (FDI), technology licensing and joint ventures. For developing countries, like the developed countries before them, the development of indigenous technology capacity has proved to be a key determinant of economic growth, development and poverty reduction. This capacity determines the extent to which these countries can assimilate and apply foreign technology. The immediate impact of IPRs protection is to benefit financially those who have knowledge and inventive power and to increase the cost of access to those without.

Various studies provide evidence that strengthening IPRs regime can enhance growth, depending on country's characteristics. IPRs protection seems to lead higher growth in more open economies, other things being equal. It is argued that the most developed countries benefit because stronger IPRs protection encourages domestic innovation, and technology information, the least developed countries have little capacity to innovate, suggesting that any benefits in terms of growth from stronger IPRs arise due to technology transfer through other channels. Technology transfer is essential to all the developing nations. Developing nations lack a sufficient pool of trained personnel to perform research and development in new technology. They do not possess a large amount of protected technology upon which they can build new technology and research. Therefore, they need technology from developed nations to assist their growth (Smith, 1999).

Eaton and Koram (1996) argued that the value of patent right varies across countries and technology fields, but is typically significant in important developing countries, suggesting that stronger patent would induce further research and development, patent applications and patent working. From above statements it can be concluded that bolstering IPR can enhance growth depending on country's characteristics. The developed countries benefit the most in terms of growth from stronger IPR protection, because stronger IPR protection encourages domestic innovation and technology transfer.

Some economists claim that the present international IPRs regime has decidedly shifted the global rules of the games in favor of advanced countries and that the promise of long term benefits for many developing countries, from the agreement of TRIPS seems uncertain and costly to achieve. According to Lall (2001), developing countries can reap long term benefits from strong IPRs only after they reach a certain threshold level in their industrialization. Muskus (2000) arguments that higher costs associated with strong IPRs would be more than offset by the long term benefits of IPR even in developing countries. From a evidence gained from Korea, it was stated that strong IPRs protection will hinder rather than technology transfer and indigenous learning activities in the early stages of industrialization, when learning takes place through reverse engineering and duplicative imitation of mature foreign products. Similarly, the experience of India indicates the importance of weak IPR protection in building up local capabilities, even in countries at very low levels of development (Kumar 2002).

Muskus et al. (2005) concludes that managers of foreign enterprises are reluctant to locate research and development facilities in China for fear of misappropriation and patent infringement. In Taiwan, Kumar (2002) argues that IPR protection was also weak to encourage the diffusion of knowledge, with the government openly encouraging counterfeiting as a means of developing local industries. It is only after countries have accumulated sufficient indigenous capabilities and an extensive science and technology infrastructure capable of undertaking creative imitation that IPR protection becomes an important element in technology transfer and industrial activities (Kim 2002).

Strong IPRs in general can promote economic and technological development of less developed countries by boosting inventive and innovative activities of their citizens through protecting effectively useful patents, trademarks, trade names, geographical indicators, industrial designs, integrated circuits as well as copyrights. Also, it enables developing nations to stimulate their productivity growth and create a competitive environment by adopting strong IPRs legislation. Therefore, stronger IPRs system can promote a country to promote technology diffusion by enhancing access to knowledge-intensive foreign technologies. At the same time IPRs have impact on the cost of technology acquisition and on the rate of technology diffusion.

IPR'S AND ECONOMIC DEVELOPMENT

IPR play a significant role in encouraging innovation, product development and technological change. Economists recognize several channels through which IPRs could stimulate economic development and growth. Developing countries tend to have IPRs systems that have information diffusion through low cost imitation of foreign products and technologies. However, inadequate IPRs can also hinder technical changes even at low levels of economic development. To become a competitive enterprise in developing nations, the adoption of new management and organizational systems, and techniques for quality control, are must which can markedly raise productivity. Besides, IPRs could help reward creativity and risk taking among new enterprises and entrepreneurs.

In Brazil, utility models helped domestic producers to gain a significant share of the firm machinery market by encouraging adaptation of foreign technologies to local conditions (Dahap, 1986). Muskus and McDaniel (1999) considered how the Japanese patent system (JPS) affected postwar Japanese technical progress, as measured by increases in total factor productivity. Intellectual Property Rights could also stimulate acquisition and dissemination of new information. Patent claims are published, allowing rival firms to use the information in them to develop further inventions. Patents, trademarks and trade secrets also afford firms greater certainty that they face limited threats of uncompensated appropriation. This certainly would induce them to trade and license their technologies and products more readily, enhancing their diffusion into the economy.

It is widely recognized by economists that imports of goods and services could transfer and diffuse technology. Import of capital goods and technology inputs could directly reduce production cost and increase productivity. Coe et al., (1997) found that one percent increase in imports of machinery and equipment from OCED countries lead to raise total factor productivity in developing countries by around 0.3 percent points on average. Second main channel of technology transfer is FDI. Such investment exists because firms with ownership advantages employ them through internal organization of multinational activity, with the locations of production depending upon local market characteristics. Therefore IPRs should have varying importance in different sectors with respect to encouraging FDI.

Hence, above findings are prediction of long run impacts of patent reforms as required by the TRIPS Agreement, on imports, FDI and market based technology transfer. However, they are sufficiently robust to conclude that stronger IPRs could have potentially significant positive impacts on transfer of technology to developing nations through each of these channels and could also lower licensing cost and thus promotes economic development.

POLICY RECOMMENDATIONS

Intellectual Property Rights generate more international economic activity and greater innovation, but such recommendations and effects would be based on each country's specific circumstances. Countries face the challenge of ensuring that their new policy regimes become proactive mechanisms for promoting beneficial change, innovation and consumer gains.

➤ MAINTAINING COMPETITIVE IPRS STANDARDS

Developing nations that import technology from developed nation should establish standards that encourage learning and follow on innovation within their IPRS system. The establishment of these standards must require a careful thought. In copyrights, countries could also allow wide exception to protection under fair use doctrine for research and educational purposes.

➤ STRENGTHENING HUMAN CAPITAL AND SKILL ACQUISITION

A potential benefit to countries obtained from IPRS largely depends upon nation's ability to develop and absorb technologies and new products. It is important to provide technical training and secondary education; Stronger IPRS would help in the development of contract between institutes and enterprises and increase flexibility for researchers to form new business organizations.

➤ ENHANCE AND PROMOTE COMPETITIVE MARKET

The major success of IPRS regimes is promoting a competitive market. In a competitive market gains from IPRS are much larger than the costs developed from it. Hence it is crucial for countries to liberalize their markets to a great extent as it will strengthen their protective system. Strong IPRS creates market power. Competitive markets helps in fostering investment and competition. IPRS should encourage the development of inter-regional and international distribution and marketing networks that are critical for achieving economies of scale.

➤ DEVELOP EFFECTIVE MARKETS FOR COMPETITION

IPRS supports growth by promoting innovation through the offer of a temporary monopoly to creators and inventors. IPRS are critical for promoting research and development that create dynamic competition. IPRS should permit effective monitoring and enforcement of activities throughout supply and distribution chains, providing both innovators and distributors an incentive to invest in marketing service and quality guarantees. Thus a carefully designed and dynamic Intellectual Property System can, by contrast, compliment the spur which competition gives to innovation by enabling follow on-innovation.

CONCLUSION

Economic theory demonstrates that IPRS could play either a positive or negative role in fostering growth and development. On one side, it is believed that stronger IPR protection can encourage innovation, technology diffusion and enhance growth and development. Whereas, on the other side it is thought that stronger IPR protection leads to monopoly power for patent holders, reducing the incentive to innovate and limits the diffusion of knowledge. The impact of IPR protection on growth, innovation and technology diffusion in developing countries is likely to depend upon number of factors. Developing countries must consider designing an appropriate IPR system as one of the technological development infrastructure and facilitator of technology transfer process as well as an instrument for attracting FDI. In brief, IPRs could be effective and market based mechanisms for overcoming problems that exists in markets for information creation and dissemination. It should also be contingent upon the level of economic development if the intention is to benefit both technology suppliers in advance countries and technology recipients in developing countries. Hence, modern IPR system must form part of a coherent and a broadest of complimentary policies that maximizes the potential for IPRs to raise dynamic competition.

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DETERMINANT OF BOND AND FIRM CHARACTERISTICS, MACROECONOMIC FACTORS TO CORPORATE BOND RETURN IN INFRASTRUCTURE, UTILITIES AND TRANSPORTATION SECTOR

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ABSTRACT

Issuing bond is one of corporate action for finance beside retained earnings, bank loans, and stock. In Indonesia, the development of bond issuing as a corporate financing is showing a positive trend in outstanding value, number of bond issuer and number of sheet that issued. However, the volume and frequency of trading is still fluctuating. The purpose of this paper is to analyze the influence bonds characteristics (coupon, yield to maturity or YTM, duration and bond rating), firm characteristics (total assets and debt to equity ratio) and macroeconomic factors (Bank Indonesia rate, exchange rate, inflation and Jakarta Composite Index or JCI) on the return of Indonesia corporate bond in infrastructure, utilities, and transportation sector. The approach involves a panel data regression with quarterly data from 13 bonds in 2010-2014. The data collected from Indonesia Capital Market Library (ICAMEL) for bonds characteristic, Corporate Annual Report for firm characteristics, and Central Bank of Indonesia (Bank Indonesia or BI) for the macroeconomic factors. The regression analysis that used Fixed Effect Model (FEM) shows that bond and firm characteristics as well as macroeconomic factors significantly influence bonds return. The significant factors are coupon, YTM, total assets, exchange rate and JCI. The findings have implication for bond corporate issuer that should consider bond characteristics and firm characteristics. The paper provides useful information for designing bond features for the issuer.

KEYWORDS

bonds characteristics, bonds return, firm characteristics, infrastructure, utilities and transportation sector, macroeconomics factor.

INTRODUCTION

Issuing bond is one of corporate action for finance beside retained earnings, bank loans, and stocks. Levinger et al. (2014) stated that bond is an effective source of financing for the company due to rapid growth of bond market. In Asian corporate bond market, Hong Kong, Singapore and Korea are comparatively advanced and liquid, but Indonesia, China, India and Thailand are still at an early stage of development. Bond characteristics that issued in Indonesia are mostly fixed rate coupon, short term maturity and the size of outstanding only 5.9% of GDP in 2013.

The government policy about bank loan have significantly influence the corporate financial decision. By issued bonds, the company can get cheaper fund than bank loan. Financial market provide long term debt for companies so it can increase the number of bond issuer. The increasing of bond issuer is affected by supply and demand in bond market. On the other hand, growth of pension fund, insurance and others financial institutions also support the growth of bond market.

This study focused on corporate bond as long term debt. To get fund from financial market, the companies need to analyze the cost of capital. Cost of capital of bond for company is interest payment or coupon to investors (Rahardjo 2003). The amount of coupon is affected by the variables that exist on bond characteristics (Fama and French (1993), Gebhardt et al. (2005), Herlambang (2015), Hammami and Bahri (2016), and macroeconomic factors (Sihombing, 2010). Therefore, analysis of bond return may be a consideration for the corporate for issuing bonds. The issuer should consider the costs incurred to obtain funds through bond issuance.

Gebhardt et al. (2005) investigated bond return in U.S bond market found that YTM positively significant influence bond return but bond rating negatively significant. In emerging market, such as Tunisia, Hammami and Bahri (2016) revealed the evidence that rating is an important bond characteristic with negatively significant to return. Both of researches used the cross-sectional regression. While in Indonesia, Herlambang (2015) used panel data regression. It show that YTM and BI rate negatively significant but duration positively significant to bond return.

INDONESIA BOND MARKET

In Indonesia, bond market dominated by government bond, mostly Indonesia T-bill (SUN) about 69.66%, and corporate bond about 30.34% (Indonesia Bond Market Directory 2014). The development of corporate bond trading in Indonesia can be seen in Table 1.

TABLE 1: THE DEVELOPMENT OF CORPORATE BOND TRADING IN INDONESIA IN 2010-2014

Year	2010	2011	2012	2013	2014
Outstanding (billion Rupiah)	115,347.66	146,968.58	187,461.10	218,219.60	223,463.60
Volume (billion Rupiah)	103,771.20	126,387.59	160,117.79	185,718.89	167,674.46
Frequency	17,272	18,078	25,301	19,989	22,153
Number of companies	188	199	210	225	231
Number of sheet	245	299	347	381	319

Source: Indonesia Financial Service Authority (2014)

Table 1 show that the value of outstanding, number of companies issuing bonds, and number of sheets of corporate bonds issued has increased, but the volume and frequency of bond trading is still fluctuating. This suggests that an increase in the issuance of bonds as a source of financing until 2014. Increasing volume of issued bonds required further analysis of bond market in corporate financing decisions (Miskhin, 2010).

Infrastructure, utilities and transportation sectors is the second largest after the financial sector based on outstanding value. This sector also will keep rising and thus require more funding to expand the business because it include in the Vision, Mission and Action Program of president and vice president Jokowi-Kalla 2014, this sector is contained in the nine priority agenda Jokowi-Kalla known as Nawa Cita. This sector will keep rising and thus require more funding to expand the business. Ammar and Eling (2015) states that infrastructure, energy, telecommunications and transportation are the foundation of the economy. The impact of good infrastructure can increase GDP growth (Esfahani and Ramirez, 2003) and increase economic activity (Mankiw et al. 2014). But the contribution of infrastructure and transport to GDP in 2005-2011 is still quite stable in the range of 3.5% - 3.8% and was predicted to keep rising. Indonesia's economic growth is still facing the barrier caused by unsupported infrastructure to economic activity meanwhile the infrastructure development would be increasing concomitant increasing population growth, and economic improvement (Susantono 2013). Data of bond issued value, outstanding value and its gap in the nine sectors based on corporate bond issuer in period 2010-2014 represent on Table 2.

TABLE 2: THE ISSUED VALUE, OUTSTANDING VALUE AND ITS GAP IN NINE SECTORS OF INDONESIA CORPORATE BOND MARKET

Sector	2010			2011			2012			2013			2014		
	a	b	c	a	B	c	a	b	c	a	b	c	a	b	c
Agriculture	1,975	1,975	0	2,005	2,005	0	3,505	3,505	0	4,205	4,205	0	3,400	3,400	0
Mining	2,340	2,340	0	5,340	5,340	0	6,927	6,927	0	8,187	8,187	0	6,900	6,900	0
Basic industry & chemicals	4,064	3,265	779	3,561	3,131	430	2,864	2,864	0	2,564	2,564	0	3,472	3,472	0
Miscellaneous industry	240	240	0	160	160	0	160	160	0	80	80	0	80	80	0
Consumer goods industry	5,260	5,224	36	5,260	5,224	36	4,910	4,910	0	6,010	6,010	0	6,650	6,650	0
Property, real estate, & construction	2,860	2,788	72	3,070	3,070	0	6,680	6,680	0	12,600	12,600	0	15,576	15,576	0
Infrastructure, utilities & transportation	36,120	36,031	89	34,833	34,761	72	37,675	37,599	76	41,592	41,517	75	40,345	40,270	75
Finance	60,702	60,702	0	90,901	90,901	0	120,220	120,220	0	138,251	138,251	0	140,467	140,467	0
Trading and services & investment	2,177	2,177	0	2,377	2,377	0	4,597	4,597	0	4,807	4,807	0	6,550	6,550	0
Total	115,738	114,742	976	147,507	146,969	538	187,538	187,462	76	218,296	218,221	73	223,330	223,364	75

*in Billion Rupiah, a: issued value, b: outstanding value, c: the gap of issued and outstanding value

Source: Idx Statistics 2010-2014

Table 2 shows that corporate bond trading for infrastructure, utilities and transportation sector were fluctuating during 2010 to 2014. Judging from the issued value (supply) and outstanding value (demand), there is a gap between them. The gap was found in the infrastructure, utilities and transportation sector from 2010 to 2014 about Rp72billion - Rp89billion. Its indicate that most of the bonds issued by companies in this sector has not sold out in bond market and these bonds unattractive for investors so that the company did not obtain sufficient funds appropriate with them financial plan (Prastowo and Chawwa 2009). Data from Indonesia Stock Exchange (2015), showed that corporate bonds in infrastructure, utilities and transportation sector in the communications subsector some of company has ranked CC, and transport subsector has ranked D. Ranking CC indicate that company has unable fulfill financial obligations, while D rankings show that the company has a bad debt (Pefindo 2015). This led to the company issuing bond is considered unable to meet the obligation to pay bond debt. The Company as bond issuer had to analyze the factors taken into consideration in choosing a bond investor to be purchased. Analysis of financial instruments such as bonds is very important in relation to lack of information on the financial instruments (Widiatmodjo 2002). Information about bonds that contained in the bond market only the bond prices, coupon rate, maturity and bond ratings. In analysis of investment in bonds, corporate also need to make fundamental and macroeconomic analysis. Fundamental analysis is an assessment of macroeconomic report that covering macroeconomic indicators include economic growth as measured by GDP growth, monetary development which is calculated by money supply in circulation, rate of inflation, and exchange rate. The corporate bond trading was also influenced by global market conditions and sentiment. When bond prices rise, stock price will increase. Some of macroeconomic factors was considered by investors in selecting Indonesian Retail Bonds (ORI) has been investigated by Sihombing (2014) on the market condition factor is Jakarta Stock Index. The Companies as bond issuer should consider these factors in issuing bonds, so that bonds issued can be sold out in bond market.

REVIEW OF LITERATURE

A bond is security that issued or sold by the issuer, which requires issuers to make specified payments to the bondholder / buyer on specified date (Bodie et al. 2014). According to Prastowo and Chawwa (2009), the development of capital markets (stock and bond) in Indonesia as one of the sources of corporate financing is still potential because it is still a very high demand from investors. Their study used data from 2005 to 2008 by panel data regression. The research results show that the big company has the great opportunity to issue bonds, so that the financing portion of bond increases, but debt to equity ratio has no influence on the issuance of corporate bond. Comer and Rodriguez (2011) stated that performance of corporate bond over government bond outperform compared to the level of risk-adjusted.

Bond return was initially investigated by Fama and French (1993), by time series regression method in corporate and government bond. The main factor in bond market is maturity and the risk of default. The average return on corporate bonds is higher in bonds with lower ratings. Long-term corporate bond have a greater return than government bond. According to Gebhardt et al. (2005), bond characteristics that consists of duration, rating and yield to maturity affected the return on average bond default after controlling for beta, but only yield to maturity has a positive influence return bonds. Systematic risk is very important to calculate bond return. According to Ammar and Eling (2015), the level high of leverage / company's debt resulting the high return of company.

Herlambang (2015) examined return of corporate bond in Indonesia at banking subsector with the method of panel data from 2010-2013. Variables that affected return are BI rate, yield to maturity and duration. Meanwhile, Pirenangtyas and Eko (2013) found that cumulative return of bonds decreases when announcement of bond ratings were upgraded. Chatrath et al. (2012), states that bonds with high yield more sensitive to macroeconomic news than rated bonds. Research of Sihombing (2014) with VAR / VECM method shows that variables influence bond yield are BI rate, exchange rate and volatility index S & P.

RESEARCH METHODOLOGY

SAMPLE

The sample includes all firm listed on Indonesian Stock Exchange in 2010-2014. The sampling method in this research using purposive sampling, and the samples was collected had certain criteria:

1. Corporate bonds in infrastructure, utilities and transportation was listed and actively traded in Indonesia Stock Exchange from 2010 to 2014, immature bond and unconvertible features.
2. Ranked by Pefindo (Pemeringkat Efek Indonesia)
3. Pay a quarterly coupon
4. Issuers have audited financial report and unaudited financial statement for quarterly data.

According to criteria we got 13 bonds that issued by five companies as sample of this research. There are four subsectors in infrastructure, utilities and transportation sector. The list of company can be seen in Table 3.

TABLE 3: THE LIST OF COMPANY IN THIS RESEARCH

No.	Company	Subsector	Bond code
1	PT PLN (Persero)	Energy	PPLN08A, PPLN08B, PPLN09A, PPLN09B, PPLN11A, PPLN11B,
2	PT Jasa Marga (Persero) Tbk	Toll, airport, harbor, and allied product	JMPD12Q, JMPD13R
3	PT Indosat Tbk	Telecommunication	ISAT05B, ISAT06B, ISAT07B
4	PT Smartfren Telecom Tbk	Telecommunication	FREN01
5	PT Arpeni Pratama Ocean Line Tbk	Transportation	APOL02

Source: Indonesia Stock Exchange

Data of bond characteristics was posted by Indonesia Stock Exchange (IDX) through the Indonesian Capital Market Electronic Library (ICAMEL). Data calculated from characteristics of the company financial report and quarterly unaudited annual financial report which have been audited in the year 2010 to 2014. Financial data was obtained from Indonesia Stock Exchange website (www.idx.co.id), while interest rates, exchange rates, inflation, and JCI data obtained from Bank Indonesia. Value of return, yield to maturity and duration are calculated from bond trading data.

VARIABLES

The purpose of this paper is to examine the determinants of bond characteristics, firm characteristics, and macroeconomic factor to corporate bond return in Indonesia especially in infrastructure, utilities and transportation sector. We categorize the variables into 3 factors. First, bond characteristics consist of coupon (COUP), Yield to Maturity (YTM), duration (DUR), and bond rating (RAT). Second, firm characteristics are total asset (TAS) and Debt to Equity Ratio (DER). The Third, Macroeconomic factor there are Bank Indonesia interest rate (BIR), exchange rate of USD to IDR (EXC), inflation rate (INF), and Jakarta Composite Index (JCI).

DATA ANALYSIS

In this research, data processed and analyzed by using panel data regression. Data obtained from the panel merging time series data and cross section data. Time series data used were quarterly data from 2010 to 2014. The cross-section data used were five companies that consist of 13 bonds. So data set used in the study consists of a matrix of 20 quarterly observations of 11 financial ratios for 13 bonds in five companies. Panel data analysis is expected to provide an overview of bond characteristics, firm characteristics and macroeconomic factors to corporate bond return.

Model of this research is Fixed Effects Method (FEM). In this method, intercept in regression can be distinguished between individuals over an individual is considered to have its own characteristics. There was differences intercepts between companies, but each company intercept did not differ between times. The regression model panel data according to Wooldrige (2009) is:

$$Y_{it} = \beta_1 X_{it1} + \beta_2 X_{it2} + \beta_3 X_{it3} + \beta_4 X_{it4} + \beta_5 X_{it5} + \beta_6 X_{it6} + \beta_7 X_{it7} + \beta_8 X_{it8} + \beta_9 X_{it9} + \beta_{10} X_{it10} + a_i + u_{it} \tag{1}$$

Where : Y_{it} is quarterly return bond i in time t, X is dependent variabel, β_{1-10} is independent variable slope coefficient, a_i is coefficient intercept, u_{it} is error term in this research.

DESCRIPTIVE STATISTICS

The descriptive statistics for dependent and independent variables are displayed in Table 4.

TABLE 4: STATISTICS DESCRIPTIVE OF VARIABLES

	Mean	Median	Max	Min	Std Deviation
RET	6.02	3.00	308.0	78.95	30.38
COUP	2.88	2.94	4.50	1.25	0.45
YTM	13.46	10.14	70.37	5.84	11.11
DUR	6.62	6.5	9.85	4.11	1.41
RAT	6.68	8.00	8.00	1.00	2.45
ln TAS	1.97	1.74	2.79	0.27	0.73
DER	1.33	1.82	13.11	-75.52	6.39
BIR	6.60	6.50	7.75	5.75	0.69
ln EXR	3.99	3.97	4.09	3.93	0.05
INF	5.72	5.67	8.40	3.43	1.55
ln JCI	3.60	3.61	3.72	3.42	0.08

The statistics descriptive data showed that return is relatively fluctuating than other variables. The standard deviation of return, YTM, and DER also indicated that the large range of data. Variation of data caused the high of variance data or heteroscedasticity. To solve this problem, we used cross section SUR in method. Data of total assets, exchange rate and JCI should be in logarithm natural.

RESULTS AND DISCUSSION

INFRASTRUCTURE, UTILITIES AND TRANSPORTATION SECTOR OVERVIEW

Infrastructure, utilities and transportation sector is the second largest sector of the issued bonds. The companies in this sector generally issue bonds with a maturity of more than five years, so its categorizes bond into long-term debt. Bonds traded in 2010 on this sector as much as 55 bonds and actively traded during the study period was 13 bonds. The par value and bond prices can be seen in Table 5.

TABLE 5: PAR VALUE, AVERAGE BOND PRICE, COUPON, MATURITY, AND TIME TO MATURITY OF BOND

No.	Bond code	Par value (billion Rupiah)	Average price (%)	coupon (%)	Maturity (year)	Time to maturity (TTM) (year)
Energy subsector						
1	PPLN08A	1,335	107.42	13.60	10	1.31
2	PPLN08B	865	107.92	13.70	15	6.31
3	PPLN09A	1,500	102.95	10.40	10	2.61
4	PPLN09B	1,200	103.71	10.90	15	7.61
5	PPLN11A	920	106.89	11.95	7	1.87
6	PPLN11B	1,783	106.96	12.55	10	4.87
Toll, airport, harbor & allied prod subsector						
7	JMPD12Q	1,000	101.14	13.50	10	2.31
8	JMPD12R	1,500	103.34	10.25	10	2.25
Telecommunication subsector						
9	ISAT05B	1.370	104,22	10.65	10	1.77
10	ISAT06B	320	102,70	10.80	7	2.04
11	ISAT07B	600	106,69	11.75	7	6.05
12	FREN01	675*	77,79	5.00;8.00;18.00**	10	1.31
Transport subsector						
13	APOL02A	276	72.69	12.00	9	2.61

Table 5 shows that the par value of the bonds issued by companies in the infrastructure, utilities and transportation sector range of Rp276 billion to Rp1,783 billion. The bond issuance is dominated by Perusahaan Listrik Negara (Persero) with bond code PPLN. During the observation period is known that the price of corporate bonds traded can be categorized into two categorizes, there are bonds at a price of more than 100 per cent and less than 100 percent. A total of 11 of the 13 bonds have an average price of more than 100 percent while the two bonds have an average price of less than 100 percent. Maturity of the bonds in this studied were ranged from seven to 15 years, so can categorized into long-term bonds.

Multicollinearity test results indicated that there is no correlation between independent variables in this research. Multicollinearity test are displayed in Table 6.

TABLE 6: CORRELATION BETWEEN INDEPENDENT VARIABLE

	COUP	YTM	DUR	RAT	Ln TAS	DER	BIR	Ln EXR	INF	Ln JCI
COUP	1.000									
YTM	-0.245	1.000								
DUR	-0.128	0.193	1.000							
RAT	0.351	-0.765	-0.217	1.000						
Ln TAS	0.299	-0.504	0.046	0.763	1.000					
DER	0.244	-0.191	-0.124	0.283	0.254	1.000				
BIR	0.064	0.003	-0.173	0.012	0.020	0.050	1.000			
Ln EXR	0.105	0.014	-0.271	0.014	0.053	0.127	0.717	1.000		
INF	0.024	0.073	-0.151	0.005	0.027	-0.021	0.675	0.585	1.000	
Ln JCI	0.104	0.014	-0.256	0.010	0.069	0.104	0.305	0.687	0.423	1.000

If there is heteroscedasticity between individuals coped with a cross section SUR indicated that the parameters are different among individuals. So that there are no heteroscedasticity on models produced and the resulting models are already qualified BLUE (Best, Linear Unbiased Estimated). Selection of the best model in this study obtained from the Chow test and Hausman test results showed that the best model used is the fixed effect model. The results of the panel data regression model testing in this research can be seen in Table 7.

TABLE 7: REGRESSION RESULT OF VARIABLES THAT INFLUENCE BOND RETURN

Variables	Prob.
α	0.4354
COUP	-0.0109*
YTM	-0.0486*
DUR	0.2542
RAT	0.0037**
ln TAS	0.5948
DER	0.0001**
BIR	0.2331
ln EXR	-0.0027**
INF	-0.9027
ln JCI	0.0000**

** significant at level of 1%, * significant at level of 5%

Panel data regression results showed that coupon and YTM, has a significant influence bond return at the level 5%, but bond ratings, DER, exchange rate and Jakarta Stock Index has a significant at the level 1%, meanwhile duration, asset, BI rate and inflation has no influence to bond return.

This result showed that coupons negatively affect to return bonds but in theory, coupon has positive effect on return. It is caused that the low coupon has a high price changes. Bond return influenced by high price changes than coupon rate. Bonds that have high price change were FREN01 in telecommunications sub-sector and APOL02A in transportation subsector. Both of bonds have a major contribution to bond return on the infrastructure, utilities and transportation sector.

The high price change on the telecommunications subsector and transport subsector influenced by the price of the bond is below 100% or underprice. The under-price were resulting in the company underwriter will suffer losses because it is only able to sell bonds at a cheap. Disadvantages of the underwriter will cause the issuers is mainly Smartfren Tbk. or FREN01 and PT Arpeni Pratama Ocean Line Tbk. or APOL02A issuing bonds will be low demand by the underwriters in the future. The cost of capital from bonds issued by companies would more expensive.

YTM have a negative influence on the bond return. This shows that increasing YTM causing decrease of bond price. The cheap bond prices led to decrease bond return. The negative relationship between YTM and return can be seen in the energy and transport subsectors. High YTM causing decrease of bond prices. When BI rate rises, then demand of deposits will increase, while demand for bonds decline. The decline in demand for the bonds led to a decline in bond prices and increased YTM.

On the other hand, bond ratings have a significant positively affect to return bonds. Its contrast with the theory that bond rating have negative affect to bond return. The high return processed from low rating bond (IDD) or non investment bond. The results of this research different from the results of Gebhardt et al. (2005) and Herlambang (2015) which indicated that bond rating did not affect bond return. If bond rating is low, the fluctuations in bond prices is high, so that higher-risk bonds and higher return. This can be seen in telecommunication sub-sector and transportation sub-sector has a high price fluctuations. Fluctuating prices led to higher return of bonds will be increase. The good rating of bond indicated the good fundamental of company. It impact to increasing the bond trading so the return could be increase. Meanwhile, bond which is low rating would have low price, because the declining market perception.

Variable DER positively effect to bond return. Its meant that the high DER of would increase the return. This result shows that companies that have a high DER capable of providing high price changes so they need more funds to issue bonds. This can be seen in the transport subsector in APOL02A and telecommunications subsector in FREN01 that once had great DER respectively between -19.51 to 10.78 and -75.52 to 13.11. DER value is different from the other companies in energy subsector, toll subsector, and telecommunication subsector in PT Indosat Tbk. with range of DER between 1.21 to 3.44. DER value that is too large will affect investor's decision to buy bonds. These bonds tend to be more risky, so the cost of capital in bond would expensive.

The exchange rate had a negative effect on the return, its meant that when Rupiah depreciated to US Dollar, bond returns will increase so it may improve an opportunity for the corporates to issuing bonds. When Rupiah depreciated, demand of bonds will increase so that the bonds issued sold more. Increased demand for bonds increase the price of bonds so the return increase too. On the other hand, when Rupiah depreciates, the company's financial performance will decline. The decline in financial performance could be due to increased cost of imported raw materials, and increased cost of corporate debt, so that corporate profits decline. The decline in corporate profits cause companies will use capital from bond issuance. This result consistent with the results of research by Sihombing (2014), which indicates that the exchange rate had a negative effect on bond return.

On other macroeconomic factor, that is JCI have positive effect to the return. If JCI increase, bond return would be increasing. This indicates that the positive effect on the stock market bond market. This result was different with research of Sihombing (2014) which showed that JCI has a negatively significant influence bonds yield. But according to Widoatmodjo (2007), and Nayak (2010) there is movement between stocks and bonds. Its can lead to in the increase to cost of capital.

MANAGERIAL IMPLICATIONS

For the company that issuing bond, the results of this study providing an overview of the factors that affect bond return, there are bond characteristic to be issued and the firm characteristics. Variables that to consider bond characteristics and firm characteristics include coupons, YTM, bond ratings, DER. Variables of bond characteristics will affect the amount of coupon rate, nominal bonds and the price of bonds to be issued, while the variable firm characteristics will influence the improvement of financial condition of the company in regulating DER so that costs incurred to issue bonds can be minimized.

Macroeconomic factors become important factors that need to be considered by the issuer. When country's economic conditions improved it will provide an opportunity for companies to issue bonds. Conversely, when the economic conditions in the country deteriorated characterized by increased inflation, a depreciating currency, increasing of interest rate and decreasing share price index, recession and other conditions that affect the capital market, there will be a decrease in economic growth which results in decreased investors interest to invest in the capital market so that bond trading volume will decrease. This will have an impact on the decline in demand and supply of bonds in the capital market so the return of bonds will decrease.

For investor and investment manager, the results of this study can be used as guidelines in analyzing the investment on bonds. Characteristics of bonds that need to be consider by investors are coupon rate, YTM, and bond rating. High returns can be obtained from bond with a low coupon rate, low YTM and high bond ratings. Investors should also choose bonds with good ratings that categorized in the investment, because bonds with good ratings will provide a high return.

For the government, the results of this study indicate that the government should be able to maintain of stability of economic conditions in order to increase the demand and supply of bonds. One of the efforts to maintain the stability of economic conditions particularly affecting the bond return is BI rate policy. When Rupiah has appreciated to US dollar, it is necessary for considerations BI rate policy. And also the government's policy to develop the capital market by providing complete information about bonds on the Stock Exchange, so that investors and bond issuers can find out information about bonds.

CONCLUSIONS

Variables bond characteristics and firm characteristics in infrastucture, utilities and transportation sector have an effect to return, compared to macroeconomic factors. In funding decision, the company may consider variable bond characteristics and firm characteristics than macroeconomic variables. However macroeconomic also important for bond issuer and investor especially change in exchange rate and JCI. The variables that have influence to bond return are coupon, yield to maturity or YTM, bond rating, and debt to equity ratio or DER, in macroeconomic factors the variables that influence bond return are exchange rate and Jakarta Composite Index or JCI. The variables are useful for bond issuers to minimize the cost of capital.

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A STUDY ON MERGERS AND ACQUISITIONS FROM THE PERSPECTIVE OF SHAREHOLDERS

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ABSTRACT

The purpose of this research paper is to understand the impact of mergers and acquisitions on shareholder wealth. This paper gives list of selected mergers and acquisitions both at international level and also by M&A by Indian corporate. It is found that companies are likely to implement mergers and acquisitions (M&A) for growing at a faster rate. Most of the companies are acquiring other companies in their respective industry. The concept of mergers and acquisitions and types of mergers are briefed in this paper.

KEYWORDS

acquisitions, mergers, shareholders, value creation, wealth creation.

INTRODUCTION

The organizations irrespective of every industry have been adopting mergers and acquisitions (M&A) strategy for sustaining in the competitive business world. The businesses are entering into partnership with other companies to become stronger and also for surviving. Further there can be mutual benefit for both the companies when they adopt either mergers or acquisitions strategy. There can be various motives behind mergers and acquisitions like synergy, tax consideration, diversification, breakup values and personal incentives etc. (Brigham & Ehrhardt, 2013). There are four broad categories of mergers which are (1) horizontal, (2) vertical, (3) congeneric, and (4) conglomerate.

The growth of organizations can be rapid through mergers and acquisitions compared to traditional organic growth. The globalization and elimination of economic barriers in the recent years have encouraged organization to adopt mergers and acquisitions (M&A) strategy. A merger is combination of two or more companies come together to form a single legal entity. An acquisition occurs when an investor company acquires a controlling interest in another company (Pratt, 2011). Organizations voluntary adopt either merger or acquisitions to gain economies of scale.

OBJECTIVES OF THE STUDY

1. To know whether shareholders get benefitted through mergers and acquisitions.
2. To know about mergers and acquisitions in the recent years.

LITERATURE REVIEW

Agarwal & Singh (2006) had studied whether public announcement of mergers and acquisitions had an impact on share value from the viewpoint of insider trading. They have selected 42 companies and analyzed the share value and acknowledged that at least insider trading had taken place in 6 companies. Kaur & Kaur (2010) had mentioned conducted research about the cost efficiency with regard to mergers in Indian commercial banks. They have mentioned that weaker banks should be allowed to merge with stronger banks because it will have a negative impact on assets of string banks. Sinha et al (2009) had conducted research to compare the performance of organizations before and after merger. In their study they have found that M&A have positive impact on the financial performance in the long-term. Ma et al (2009) had stated that shareholders are getting abnormal returns as soon the company announcing the statement related to M&A. In the recent years more number of mergers and acquisitions are taking place in emerging markets. From review of literature it is found that there is no specific study on impact of mergers and acquisition on shareholder value.

RESEARCH METHODOLOGY

The secondary data sources like journals, magazines, books, newspapers and electronic sources will be used for data collection. The previous research papers will be reviewed for understanding about mergers and acquisitions.

ANALYSIS**TABLE 1: RECENT MERGERS AND ACQUISITIONS**

Year	Purchaser	Purchased
2002	Pfizer Inc	Pharmacia Corporation
2004	JP Morgan Chase & Co	Bank One Corp
2007	Procter & Gamble	Gillette
2007	Endesa SA	Enel SpA, Acciona SA
2008	InBev	Anheuser-Busch
2008	Bank of America	Merrill Lynch

Source: Grant (2012)

The acquiring companies in Table 1 have invested huge funds while implementing in Merger and Acquisition. There can be resistance from various stakeholders of the business while implementing M&A strategy.

TABLE 2: LIST OF SELECTED MERGERS AND ACQUISITIONS BY INDIAN COMPANIES

Year	Company	Acquired
2006	Tata Group	Corus
2007	Hindalco Industries	Novelis
2007	Reliance Industries	Oil & Gas Assets
2008	ONGC	Imperial Energy
2008	Tata Motors	Jaguar Cars
2010	Bharti Airtel	Zain Africa
2011	Adani Enterprises	Port Terminals
2012	ONGC	Kashagan Oilfields

Source: Developed by the researcher

The Table 2 shows that India is a developed nation because it had Indian companies have acquired world class companies by implementing mergers and acquisition strategy. Further each Indian company had faced tough competition from other companies during the bidding process.

IMPACT ON SHAREHOLDERS

According to Rani et al (2014) the cross border mergers enhance the wealth of shareholders compared to domestic mergers in Indian corporate. The shareholders get abnormal returns in post merger period (Kyriazopoulos & Drymbetas, 2015). The empirical evidence of mergers among banks in Europe has revealed that investors favor both acquirers and sellers with high prior profitability. Richard and Yekini (2014) had argued that value of shareholders is low in pre-merger period than post-merger period in Nigeria. According to Srivastava and Prakash (2014) has stated that there is no significant difference in value creation before and after Mergers and Acquisitions (M&A) activities in Indian pharmaceutical companies. According to Sharma and Raat (2015) the acquiring shareholders get high value creation in emerging markets than cross border transactions into developed markets. According to Li (2013) the shareholder wealth is created for target company and wealth of acquiring company shareholders gets diluted in the newly formed organization.

CONCLUSION

It is observed that there is mixed response from various researchers with regard to wealth creation of shareholders after implementing Mergers and Acquisitions (M&A) strategy. Few researchers also argued that wealth creation is also influenced by factors like cross borders mergers and mergers in domestic market. The country and economy also have an impact on wealth creation of shareholders from the perspective of Mergers and Acquisitions. After reviewing the list of companies which had acquired other companies it is evident that companies are like to purchase other companies in their respective industry. For example P&G in FCMG industry had acquired Gillette which also belongs to FMCG industry.

FUTURE RESEARCH

The historical share values of acquiring companies should be analyzed for companies which have implemented M&A strategy in the recent years. The announcement of share price and how it is related to M&A can also be explained by the future researchers. The M&A need to be analyzed from the perspective of culture, human resource and brand image etc. The impact of M&A on employee behavior can also be studied by future researchers.

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A STUDY ON STUDENTS SATISFACTION OF HIGHER EDUCATION INSTITUTIONS IN ERODE DISTRICT**U. VISALATCHI****RESEARCH SCHOLAR****TERF'S ACADEMY COLLEGE OF ARTS & SCIENCE****KOVILPALAYAMPUDUR****ABSTRACT**

In India, education industry is always crucial one to the growth and social development as a service industry. It is the third largest sector after the financial sector like banking and insurance industry. The present study carried out by the research is an empirical study in nature based on descriptive method. The study is based on the primary as well as the secondary data. As the study aims at identifying the student's satisfaction from a sample of 600 students from higher education providing more arts and science colleges in erode district. In the present study, primary data is used for the analysis purpose and the required primary data have been collected through survey method with structured questionnaire by convenient sampling technique. The researcher has used descriptive and exploratory techniques and the analyses made by some statistical tools and techniques such as descriptive analysis, ANOVA test and chi-square test. These analyses were used for prove the objectives of the present study. The study concludes that the undergraduate students are studying under this age group with new atmosphere after the school life. It results that the students have satisfaction and more attracted by the service quality of the college in Erode district.

KEYWORDS

ANOVA, chi-square, insurance industry, satisfaction, service quality.

1. INTRODUCTION

In India, service sector is mostly playing a significant role in the expansion of an economy. The education industry is always crucial one to the growth and social development as a service industry. It is the third largest sector after the financial sector like banking and insurance industry. It has larger number of students and educational institutions after the China and United States. The Indian economy is mostly based on the education system under the different category of secondary and higher education level. The higher education level is providing more impact on student's knowledge empowerment and development of the career. It is an educational level that follows an after the completion of a secondary education in school education. The higher education includes the undergraduate and postgraduate degree education as well as vocational and training. Most of the important courses are provided by various educational institutions like colleges, universities, and institutes of technology are the main institutions that providing higher education institutions. It has been conducting examinations and awarding of degrees certificates and diploma for qualified persons in that educational institutions.

The higher education services are conducted by the English as a primary language and it have a extensive academic tradition where academic liberty is respected. There are different types of educational institutions working with more responsibilities to provide services in diverse fields' namely engineering, medical, technical, arts and science under the wide policies and approaches of state and central government in India. From the government point of view, education is important for everyone in this world to upgrade their standard of living, to be able to deal with problems and challenges, to get good jobs, and overall to live fully as good and responsible citizens. Since the beginning of the 20th century, education has been not only about the collection of knowledge but also has emphasised the understanding of the value of knowledge, critical thinking, creativity, motivation, social and life skills. The classroom learning activities and extracurricular activities (ECAs) have come to play an important role for students. The education quality and activities are not only based on the education institutions infrastructure and its surroundings. The student satisfaction has become an important concept in higher education because students are paying higher tuition fees and increasingly seeing themselves as customers and because satisfaction is commonly used as an indicator of quality by quality assurance agencies and the compilers of rankings and league tables. The researcher tries to understand the phenomenon for college students to change their preference from studying in colleges and universities in the affiliated select arts and science colleges in Erode District.

2. LITERATURE REVIEW

The reviews were collected from the national and international journals, books and various studies. The earlier studies which are related to the student's satisfaction of selected higher education institutions in Erode district.

Joyce et.al (2004) have explained about a study of the perceptions of teachers, program coordinators, and students on the adjustment and impact after two years of placing students identified through performance-based estimation. Implications include the need to follow students identified through non-traditional measures longitudinally to judge impact across the span of their years in school to assess overall schooling impacts.

Hongjiang Xu (2004) has explained about "Students' perceptions of university education – USA vs. China". This research presents a comparative study, US versus China, of students' perceptions toward higher education. In the global, competitive business environment, issues of globalization of education should not be overlooked. Global competitiveness encompasses educational systems and thus highlights to significance of quality education systems. The outcomes from the study reveal insights of the culture and systems' impact on students' perceptions of higher education.

Struyven et. al. (2005) had examined a report on "Students' perceptions about evaluation and assessment in higher education: a review". In educational contexts, understanding the student's learning must take account of the student's construction of reality. Reality as experienced by the student had an important additional value. Findings suggest that students hold strong views about different assessment and evaluation formats.

David & Olakulehin (2006) have explained about "Attitudes and Perceptions of Students to Open and Distance Learning in Nigeria", National Open University of Nigeria focuses mainly on open and distance teaching and learning system, and delivers its courses materials via print in combination with information and communication technology (ICT), when applicable. The study had showed that students generally have a positive perception and attitude towards ODL, compared to traditional forms of higher education.

3. STATEMENT OF THE PROBLEM

Now a day's education industry has been developed by the innovative concepts and technological impact. Consequently, measures of quality in higher education often focus on areas that contribute to institutional prestige and national stature like test scores of incoming first year students, the level of research expenditures, and the number of national academy faculty and national student scholars. Many of these institutional measures of quality may be of limited importance to students. The researcher concentrates on the rapid growth of higher educational service in Indian context, which led to the changing landscape of higher education in Tamil Nadu also. On the other hand, the researches done in developing countries regarding the students satisfaction on service quality are generally focus on the students in more private institutions and universities and not the ones in some other arts and science colleges in selected region of Tamil Nadu. The students are facing more problems and getting more advantages from their educational institutions. So, the present study analysed about the students' satisfaction in their higher education institution like select arts and science excluding other technical related colleges in Erode district.

4. OBJECTIVES OF THE STUDY

The objectives of the present study are:

1. To show the demographic variables of the sample respondents.
2. To analyze the student's satisfaction level towards the affiliated colleges in Erode District.
3. To study the changes and influences of students satisfaction on quality services of colleges.

5. SCOPE OF THE STUDY

The Higher Education Industries are experiencing mounting student's expectation every day. Competition is becoming and the liberalization policy is accelerating at a phenomenal rate. This situation necessitates studying the new trends and assessing reposed of the students to these new situations, failing which, the higher education industries will themselves be lost in the present scenario. It is expected that the outlet of this study and will provide sufficient feedback about satisfaction to improve the service quality of higher Education Industries. Hence, this research study helps to distinguish the benefits of the students of the higher education institutions in Erode.

6. METHODOLOGY

The present study carried out by the research is an empirical study in nature based on descriptive method. The study is based on the primary as well as the secondary data. As the study aims at identifying the service gap between the perception and expectation of the Arts and Science students a sample of 600 students from more arts and science colleges in erode district. In the present study, both primary data were used for the analysis purpose. The required primary data have been collected through survey method with structured questionnaire. A questionnaire was developed by the researcher for collecting data regarding factors of student's satisfaction on educational institutions in the study area. In the present study, the researcher has selected higher education services providing arts and science students by convenient sampling technique for the purpose of analysing the student's satisfactions. The present study has made data processing with the help of the computer and used IBM SPSS 19.0 package for the research purpose. The researcher has used descriptive and exploratory techniques and the analyses made by some statistical tools and techniques such as descriptive analysis, ANOVA test and chi-square test. These analyses were used for prove the objectives of the present study.

7. ANALYSIS AND INTERPRETATION

The educational institutions are essentially providing more quality services to the students. The descriptive techniques have employed to provide the demographic variables of the students as sample respondents in the study. The researcher has analysed satisfaction level towards the quality services of educational institutions in erode district.

TABLE 1: DEMOGRAPHIC PROFILE OF THE SAMPLE RESPONDENTS

Variables	Particulars	Frequency	Percentage
Age	Below 18 years	102	17.00
	18-20 years	248	41.30
	21-23 years	232	38.70
	Above 23 years	18	3.00
Gender	Male	330	55.00
	Female	270	45.00
College Type	Aided	426	71.00
	Unaided	162	27.00
	Government	12	2.00
Type of Course	UG Course	340	56.70
	PG Course	248	41.30
	Professional Course	12	2.00
Monthly Family Income	Below Rs.10,000	220	36.70
	Rs.10,001-15,000	238	39.70
	Rs.15,001-20,000	100	16.70
	Above Rs.20,000	42	7.00
Source of Awareness about College	Through Internet	18	3.00
	Friends and relatives	375	62.50
	Advertisements	60	10.00
	Personal Interest	147	24.50
Satisfaction Level of the Students	Fair	78	13.00
	Good	439	73.20
	Excellent	83	13.80
Total		600	100.00

Source: Primary Data

The above table-1 reveals that the demographic profile of the sample respondents in the present study. The result indicates that the 18-20 years age category students who have highly studying in the higher educational institutions. There are mostly the male respondents in this present study. In this study, the most of the students from the aided colleges and other from unaided colleges. The students who are mostly from the family income group of Rs.10,001-Rs.15,000. The source of awareness about the colleges was their friends and relatives of the respondents. The sample respondents are jointly to going with their friends to put admissions in the colleges. The respondents have good satisfaction level in the present study area of the researcher. The overall results male students prefer the aided colleges with the awareness and information from their friends and relatives.

TABLE 2: ANOVA – CHANGES IN SATISFACTION LEVEL ON HIGHER EDUCATION INSTITUTIONS IN ERODE DISTRICT

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6772.676	2	3386.338	18.195	.000
Within Groups	111111.718	597	186.117		
Total	117884.393	599			

Source: Calculated Value

The above ANOVA table-2 indicates that the higher education institution services are significant and it providing more changes in the satisfaction level of the students in Erode district. The higher education institution services are effective one to study environment in the study area. The arts and science college services are satisfying the expectations of the whole students in Erode District.

TABLE 3: CHI-SQUARE TEST - INFLUENCING FACTOR OF THE HIGHER EDUCATION INSTITUTION IN ERODE

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.311	4	0.000
Likelihood Ratio	14.191	4	0.000
Linear-by-Linear Association	8.398	1	0.001
N of Valid Cases	600		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 15.60.

In order to find out the influence of various factors relating to the sample respondents on their satisfaction that has been offered by the higher education institutions. The above chi-square (χ^2) test table-3 shows that a significant difference between the expected frequencies and the observed frequencies in one or more categories. The calculated chi-square value is 15.311 with degrees of freedom of 4 variables. The significance value is 0.000 and the result of the Chi-square test indicates that a factor such as satisfaction of the respondents is significantly influences the satisfaction of the students by the educational institutions in Erode District.

8. LIMITATIONS OF THE STUDY

The limitations of the present study are:

1. The study is carried out only in the Erode District. Thus, its findings cannot be generalized to other cities due to nature of the environment.
2. The study was limited to a few variables related to higher education service quality and factors towards student's satisfaction.
3. The analysis tools and techniques have its own limitations to provide accurate results in the study.

9. CONCLUSION

Higher Education Service is important segment to built up the student's capacity enhancement. It is the third stage of educational services after the primary and secondary education in school environment. The Erode District is an industry based developing area and it has more educational institutions like engineering, technical education institutions and more arts and science colleges. From these educational institutions, the arts and science colleges are contains more students and providing extensive services to their students. The student's behaviour and expectations are vary from their perception towards their interest and goal. Hence, the present study facilitates to discover the service quality of teachers and the factors that affect the students' satisfaction with higher education providing select arts and science colleges in the Erode District of Tamil Nadu state. It is an attempt in this research, which the factors affects the decision of the choice in the select educational institutions and perceived value of the students about the service quality of the higher education service in its. The present study will be helpful to draw up a further actions and changes for improving student's satisfaction in colleges and increase performance of the higher education services with teacher's quality education service. The student satisfaction is important because it provides education institution owners with a metric that they can use to manage and improve their educational institutions. The higher education service is always unique in the erode district. This sector has traditionally been dominated by some other universities. The student's satisfaction level was good towards higher education institutions services in Erode. The analysis result is consistent and the student's satisfaction on the service quality of the college is significant in the present study. The undergraduate students are studying under this age group with new atmosphere after the school life. It results that the students have more attracted by the service quality of the college in Erode district.

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A STUDY ON ENTREPRENEURIAL ATTITUDE AMONG THE GRADUATES IN LAKHIMPUR DISTRICT OF ASSAM

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ABSTRACT

An Entrepreneur is one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth. He has ability to identify significant opportunities and assemble the necessary resources to capitalize on them. Although many people come up with great business ideas, most of them never work on their ideas. Entrepreneurs do and that is why they are entrepreneurs. Entrepreneurs possess some key qualities such as innovation, risk-taking, hard work, self-confidence, goal setting and above all burning desire to excel. Entrepreneurial behavior is the result of entrepreneurial motivation. In this competitive era, entrepreneurship development has become very much necessary. Promotion of Entrepreneurship is essential to achieve the goal of economic growth. The present study makes an attempt to assess the entrepreneurial intentions among the Graduates. The study also aims to determine the influence of family, relatives and peers towards entrepreneurial activity and also the influence of gender towards entrepreneurship. The basic objective of this study is to identify student's attitude towards entrepreneurship as a career. Convenience sampling method has been used to collect data from the respondents. Primary data has been collected through a structured questionnaire and secondary data has been collected from books, journals and web links. The study concludes that the factor of self employment and independent living have high impact and family professions hardly have any influence on the students to adopt entrepreneurship as a career and there does not exist any difference between male and female entrepreneurship.

KEYWORDS

career, entrepreneurial attitude, graduates, Lakhimpur.

INTRODUCTION

Entrepreneurship is the capacity of an individual to innovate, bear risk, manage, foresee the prospects of the project and have the confidence to meet the adverse conditions. It is the process of enhancing entrepreneurial skills and knowledge through structured training. An Entrepreneur has ability to identify significant opportunities and assemble the necessary resources to capitalize on them. Although many people come up with great business ideas, most of them never work on their ideas. Entrepreneurs do and that is why they are entrepreneurs.

Still 17th century, no significance was assigned to the role of an entrepreneur in economic development. Richard Contillon, a noted economist and author in 1700s, viewed the role of an entrepreneur by viewing him as a risk taker. He observed that merchants, farmers, craftsmen, and other sole proprietors buy at a certain price and sell at an uncertain price, therefore operating at a risk. Finally in 18th century the person with capital was differentiated from the one who needed capital. In other words the entrepreneur was distinguished from the one who needed capital. The crucial role played by the entrepreneurs in the development of western countries made the people of underdeveloped countries understand the significance of an entrepreneur in the economic development. It was then that people began to realize that promotion of entrepreneurship, qualitatively and quantitatively, was essential to achieve the goal of economic growth.

Entrepreneurship Development has become a matter of great concern as it leads to industrialization and reduces unemployment. Entrepreneurship development is important as it makes possible for the individuals to create wealth, independence and status for themselves. It creates job through the formation of new ventures and utilizes the available manpower and resources that remain idle. The attitude towards entrepreneur and entrepreneurial activity influence the individual's decision to adopt entrepreneurship as a career. Entrepreneurial behavior is the result of entrepreneurial motivation.

REVIEW OF LITERATURE

1. Jose M Veciana, Marines Aponte and David Urbano (2005) in their study University Students' Attitudes towards Entrepreneurship: A two country Comparison, aims to probe University student's attitudes and beliefs towards new venture creation in Catalonia and Puerto Rico. The study attempts to identify the university students' perceptions of new venture desirability and feasibility as it is the first step in awakening and stimulating students' interest in an entrepreneurial career. The research is based on the survey conducted among the students of Catalonia and Puerto Rico. The research revealed that the university students in both the countries have a positive perception of new venture desirability but perception of new venture desirability but perception of feasibility is not so positive.
2. Adnan Iqbal, Yahya Melhem and Husam Kokash (2012) attempts to investigate the entrepreneurship perception and entrepreneurship perception and entrepreneurship intention of Saudi University Students. The study attempts to explore the cognitive factors like norms, attitude and perceived behavior through the application of the Theory of Planned Behavior by Ajzen (1991) as cited in the paper. The study findings indicate the satisfying level of the students' intention on entrepreneurship and their willingness to put efforts in entrepreneurship activities. Personal attitude and perceived behavioral control showed positive impact on entrepreneurial intentions while social norms are not significantly related to entrepreneurial intentions.
3. Stavroula Laspita, Simone Chosta, Heinz Klandt, Christian Scheiner, Alexander Brem and Kai-Ingo Voigt (2007) aims at identifying the gender related differences, family background, study related factors and inhibiting and fostering factors that influence the choice of starting a new firm. The study revealed that the entrepreneurial intention of males is higher than those of females. Family background showed a little influence on founding intentions of males and females. Males are more interested in founding their own business than women.

CONCEPTUAL FRAMEWORK

To study the attitude of the students towards entrepreneurship three parameters have been selected based on the reviews such as the personal attitude, family background and gender of the respondents. The personal attitude of the respondents is the degree to which a person has a favorable or unfavorable evaluation of the behavior in question. The more favorable the attitude towards the behavior, the stronger will be an individual's intention to perform the behavior. Family background refers to the profession of the respondent's parents. Family background of the respondents is considered to determine its influence in performance and non performance the entrepreneurial behavior. Gender of the respondents is considered as one of the parameters to determine the influence over entrepreneurship.

OBJECTIVES OF THE STUDY

The study has been conducted with the following objectives:

1. To identify the students attitude towards entrepreneurship.
2. To determine the influence of gender and family background on the respondents.

RESEARCH QUESTIONS

- ✓ Does family background influence students to adopt entrepreneurship as a career?
- ✓ Is there any difference between male and female entrepreneurship?

METHODOLOGY

Population of the study: The students pursuing graduation course in different departments of colleges of Lakhimpur district is the population for the study.

Sample Size: 20 departments have been selected from which 80 respondents have been taken for the study.

Sampling Method: Convenience sampling method is used to collect data from the respondents. All the respondents were approached directly and personally.

Data Collection: For the purpose of the study data has been collected by both primary and secondary method. Primary data has been collected through a structured questionnaire with some statements of assertion regarding the respondent's attitude, influence of gender, implication of family background. Secondary data has been collected from books, journals and web links.

Questionnaire for the study: The Questionnaire has been designed keeping in mind the objectives of the study. The questionnaire is prepared in Five Point Likert Scale.

Techniques of analysis: In the study, analysis was carried out through tabulation and cross tabulation and interpretation and conclusions are drawn out of it. For this study, the index has been adapted to measure the impact of statements on the attitude, gender and family background of the respondents.

Impact index is calculated as total score of the ith item divided by Maximum Score of the ith item multiplied by 100. Rating scale for analyzing the Impact Index is taken as follows-

0%-25%= No impact, 25%- 50%= some impact, 50%-75%= Moderate impact, 75%-100%= High impact.

ANALYSIS AND INTERPRETATION

DEMOGRAPHIC ANALYSIS

TABLE 1: GENDER CLASSIFICATION OF THE RESPONDENTS

Gender of the Respondents	No. Of Respondents
Male	35
Female	45
Total	80

TABLE 2: FAMILY BACKGROUND OF THE RESPONDENTS

Parents	Occupation						
	Cultivator	Service Holder	Businessman	Teacher	Retired person	Home-maker	Others
Father	11	28	14	12	10	-	5
Mother	2	11	2	6	1	48	-

As illustrated in Table 1, 43.75% of the respondents were male while females accounted for 56.25 percent.

Table 2 shows the profession of the respondent's parents. Maximum of the male parent were engaged in service sector i.e. 35%, while 17.5% in business, 15% in teaching, 13.75% in cultivation and 12.5% have retired from their service. In case of female parent, 60% of them were home-makers, 13.75% were engaged in service sector, 7.5% in teaching, 2.5 % in cultivation as well as business.

All the respondents belong to the age group of 20-25 years.

IMPACT ANALYSIS

To assess the impact of the statements on the respondents, Impact index has been taken for analysis. The formula is as enumerated below:

Impact Index = Total Score ÷ Maximum Score × 100

Rating scale for analyzing the Impact Index is taken as follows-

0%-25%= No impact, 25%- 50%= some impact, 50%-75%= Moderate impact, 75%-100%= High impact.

TABLE 3: IMPACT INDEX OF ATTITUDE OF THE RESPONDENTS TOWARDS ENTREPRENEURSHIP

Statements	Total Score	Maximum Score	Impact Index (%)	Remark
I have serious intention to start a new firm.	273	400	68.25	Moderate impact
A career as an entrepreneur is attractive for me	266	400	66.50	Moderate impact
I consider it as desirable activity to start new firm	273	400	68.25	Moderate impact
Being an entrepreneur is better than working for others	269	400	67.25	Moderate impact
I believe I have efficient management skills to be an entrepreneur	270	400	67.50	Moderate impact
Being an entrepreneur provides self- employment and independent living.	328	400	82.00	High impact
Being an entrepreneur would entail great satisfaction for me.	275	400	68.75	Moderate impact
Reward from entrepreneurship is more.	288	400	72.00	Moderate impact
I prefer to be an entrepreneur because I don't have any other option.	181	400	45.25	Some impact
Overall Impact	2423	3600	67.31	Moderate impact

From the above table it is observed Personal Attitude of the respondents have a moderate impact on them. Their preference to be an entrepreneur as it provides self employment has a high impact. Overall it has a moderate impact on the respondents.

TABLE 4: IMPACT INDEX OF IMPLICATION OF FAMILY BACKGROUND

	Total score	Maximum score	Impact score	Remark
I prefer to be an entrepreneur as it is our family tradition	163	400	40.75	Some Impact
Family has a great influence in creating entrepreneurial mind set	241	400	60.25	Moderate impact
My relatives and peers encourage me to be an entrepreneur.	219	400	54.75	Moderate impact
Overall Impact	623	1200	51.92	Moderate impact

From the above table it is observed that the family background of the respondents has a little influence over them. The respondent's family tradition as some impact on their preference to be an entrepreneur. Overall it has a moderate impact on them.

TABLE 5: IMPACT INDEX OF INFLUENCE OF GENDER

	Total score	Maximum Score	Impact Index	Remark
There is a difference between male and female entrepreneurship activity.	269	400	67.25	Moderate impact
Women have higher entrepreneurial intention than men.	266	400	66.50	Moderate impact
Women have more inclination for entrepreneurship than men.	218	400	54.50	Moderate impact
Women start the business from the scratch	250	400	62.50	Moderate impact
Females can succeed more as an entrepreneur than males.	239	400	59.75	Moderate impact
Females tend to possess less business experience.	223	400	55.75	Moderate impact
Overall impact	1465	2400	61.04	Moderate impact

From the above table it is observed that has a moderate influence towards entrepreneurship. There is hardly any difference between the male and female entrepreneurial activity.

INTERPRETATIONS AND FINDINGS

- ❖ It is observed from the study that the respondents have a moderate impact on their attitude to be an entrepreneur. The factor that entrepreneurship provides self employment and independent living has high impact on the respondents. Their preference for entrepreneurship due to unavailability of other jobs has a little impact on the respondents. The other factors like their intention to start new firm, reward from entrepreneurship, possessing of management skills, attractive career, etc have moderate impact on the respondents.
- ❖ It is observed that the family background has not influenced the respondents towards entrepreneurship to a great extent. The family, relatives and peers have moderate impact on the respondents in creating entrepreneurial mindset. Overall it can be interpreted that the implications of family background have a moderate impact on the respondents.
- ❖ It is observed that gender has moderate impact on the respondents. There is no difference between male and female entrepreneurs because now-a-days the females are also moving forward to lead an independent life.
- ❖ From the cross tabulation between the family background and its influence it is observed that the respondents belonging to the business background are only willing to start-up their own venture due to their family tradition. Respondents belonging from other background are willing to opt for entrepreneurship but not due to their family tradition. Maximum of the respondents are of the view that family cannot influence in creating entrepreneurial intention.

CONCLUSION

The study aimed at identifying the impact of attitude, gender and family background on the respondents towards entrepreneurship. The study concludes that the Students have moderate desire to engage in entrepreneurial activity. The study also concludes that the family professions hardly have any influence on the students to adopt entrepreneurship as a career and there does not exist any difference between male and female entrepreneurship. Now-a-days females are also moving ahead to lead an independent life.

But still there is a need to develop positive attitude towards entrepreneurship and skills necessary for an entrepreneur to have self-employment and to lead an independent life. A career as an entrepreneur would lead to better living.

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