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VAR ANALYSIS OF EXPORTS, IMPORTS AND THE ECONOMIC GROWTH: EVIDENCE OF INDONESIA

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ABSTRACT

This paper is an attempt to investigate the impacts of exports and imports on GDP of Indonesia using Unrestricted Vector Autoregressive Model (VAR) for the period 1981- 2015. The result from Granger Causality test shows that all export lag variables do not cause GDP. There is short run causality running from export to GDP as well as from import to GDP. The result from lagrange multiplier test shows that the model is very significant because there is no autocorrelation. The probability value from all models is less than 5 %. The model is desirable. The model is well specified because the residuals are normally distributed. The aim of this study is to analyze the impact of exports and imports on GDP. The result of this study is very important for policy makers to determine the appropriate steps and strategies as well as policies.

KEYWORDS

exports, imports, gross domestic product, unrestricted vector autoregressive model (VAR), granger causality test.

1. INTRODUCTION

Export and import play important role in economic development of one country. Some studies have been done to find out the relationship between export and economic growth, import and economic growth, or the combination of three variables between export, import and GDP.

According to Rodrick (1999) argued that imports play a significant role to long-run economic growth because export growth is usually associated with rapid import growth. Therefore, the analysis on the export growth which is not included imports may cause the omitted variable that may over stating exports and economic growth impacts.

Most studies focus on the effect of exports on GDP or economic growth ignores the contributions of imports. Some studies have been done to find out the relationship between export and economic growth, import and economic growth, or the combination of three variables between export, import and GDP. Most studies focus on the effect of exports on GDP or economic growth ignores the contributions of imports.

Export development has two substantial, one is macro economy perspective and second is micro economy perspective. From the point of view of macro economy, exports can lead national economy to grow foreign exchanges reserves, prepare labor work, create backward and forward linkages and achieve high standard of living. From the point of view of micro economy, according to Terpstra and Sarathy (1994), exports activities can create competitive advantage, increase financial position of the company, increase use capacity and improve technology standard (Czinkota, Rivali, Ronkainen:1992)

Yuhong, Li and et.al. (2010) using co-integration analyses with import, export and economic growth and the result is growth of import greatly promoted economic growth of china while export performed an opposite one.

This paper has significant contribution to the literatures because previous studies focus on the export and economic growth while this study examines the impacts and relationship between export and imports on GDP using multivariate framework.

The aim of this paper is to investigate direct linkages among export and import on gross domestic product in Indonesia.

2. INDONESIA CURRENT POSITION**2.1 GDP OF INDONESIA****TABLE 1: GDP PERFORMANCE OF INDONESIA**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GDP (US\$)	364.6	332.2	510.2	539.6	755.1	893	917.9	910.5	888.5	862
GDP (%)	5.5	6.3	6.0	4.6	6.2	6.2	6.0	5.6	5.0	4.8
GDP/capita	1,590	1,861	2,168	2,263	3,125	3,708	3,764	3,685	3,541	3,379

Source: Central Bureau Statistics of Indonesia

TABLE 2: GDP AVERAGE GROWTH

Period	Average growth
1998 – 1999	- 6.65
2000 – 2004	4.60
2005 – 2009	5.62
2010 – 2015	5.63

Source: Central Bureau Statistics of Indonesia

2.2 EXPORTS OF INDONESIA

Indonesia's exports and imports have shifted from oil and gas to non-oil and gas commodities since 1987. The shift occurred due to government deregulations of exports, which increased non-oil and gas exports. In 1998, the value of non-oil and gas exports reached 83.88% from the total exports of Indonesia. Then in 1999, due to the monetary crisis, the role of the non-oil and gas export values decreased to 79.88%. Looking into the data as presented in table below, Indonesia currently focus its strategy in non-oil and industry sides.

The trend of exports was highlighted by the World Bank that it is moving towards southern countries, particularly in the Asia and Africa regions. In most cases, Asia is a key destination for Indonesia's exports.

TABLE 3: INDONESIAN EXPORT DEVELOPMENT BASED ON SECTOR FROM 2012-2016 (in US\$)

Sector	2012	2013	2014	2015	2016	Sector role
I. Oil and Gas	36,977,261.4	32,633,031.3	30,331,863.8	18,551,929.6	13,105,454.1	9.07%
Processing Industry	4,172,515.8	4,309,677.7	3,627,826.9	1,766,386.0	916,385.2	0.63%
Mining	32,804,745.6	28,323,353.6	26,704,036.9	16,785,543.5	12,189,068.9	8.44%
II. Non-oil and gas	153,043,004.7	149,918,763.4	145,960,796.5	131,730,327.3	131,384,371.7	90.33%
Agriculture	3,597,679.8	3,598,497.8	3,373,241.8	3,725,342.7	3,436,233.5	2.38%
Processing Industry	118,115,188.9	115,158,610.5	119,753,706.4	108,598,960.8	109,797,311.7	75.99%
Mining	31,322,920.7	31,154,290.3	22,827,379.1	19,400,115.5	18,145,962.6	12.56%
Others	7,215.3	7,364.8	6,469.2	5,908.3	4,863.9	0.00%
Totals	190,020,266.0	182,551,794.7	176,292,660.3	150,282,256.9	144,489,825.8	100%

Data retrieved from: The Ministry of Industrial Department of the Republic of Indonesia – 2016

2.3 IMPORTS OF INDONESIA

The biggest import in Indonesia is from oil and gas sector. The export of oil and gas has decreased start from 2011 but the import of oil and gas has increased high. The government is expected to build and invest in oil and gas in domestic managerial so that Indonesia will decrease the import from this sector. This figure can be seen in the table below.

TABLE 4: INDONESIAN IMPORT DEVELOPMENT BASED ON SECTOR FROM 2012-2016 (in US\$)

Sector	2012	2013	2014	2015	2016	Sector role
I. Oil and Gas	42,564,185.2	45,266,350.7	43,459,900.5	24,613,165.1	18,739,319.9	13.81%
Processing Industry	31,737,505.6	31,680,536.1	30,387,469.4	16,549,897.6	12,008,739.4	8.85%
Mining	10,826,679.6	13,585,814.6	13,072,431.1	8,063,267.5	6,730,580.5	4.96%
II. Non-Oil and Gas	149,125,286.3	141,362,319	134,718,916	118,082,406	116,913,562	86.19%
Agriculture	7,694,696.4	7,996,557.3	8,698,689.4	7,166,100.2	7,411,221.4	5.46%
Processing Industry	140,329,091.7	132,079,225.7	124,564,269.6	109,515,778.6	108,240,425.4	79.79%
Mining	1,092,358.3	1,273,985.2	1,441,048.9	1,387,473.7	1,251,599.7	0.92%
Others	9,139.8	12,551.0	14,908.2	13,054.5	10,315.6	0.01%
Totals	191,689,471.5	186,628,669.9	178,178,816.6	142,695,572.0	135,652,881.8	100.00%

Data retrieved from: The Ministry of Industrial Department of the Republic of Indonesia - 2016

3. LITERATURE REVIEWS

Akanni (2004) concluded that exports and economic growth exhibits Bi-directional cause structure which causes long run export led growth and short run growth less export. Akanni used vector autoregressive (VAR) model in doing his research on export and economic growth nexus in Indonesia.

Francisco and Ramos (2001) find out that there is a unidirectional causality between exports, imports and economic growth and there is a feedback effect between exports-output growth and import-output growth. The study implemented granger causality between the three variables using data from Portugal period 1865-1998. They emphasized the role of the variable import in the exports output causality investigation which enables one to test for the cases direct causality, indirect causality and spurious causality between export growth and output growth. The study showed that there was no any significant causality between import export growths.

Hussain M and Saeed A. (2014) used granger causality and co integration test to examine the nexus of exports, imports and economic growth in Saudi Arabia. The study found out that both trace and maximum eigenvalue indicated cointegration at 5% level of significance which showed that variables have a long-run relationship. There was a unidirectional causality between export and import. However, the causation between exports and economic growth and also imports and economic growth was insignificant.

According to Pereira and Xu (2000), the ratio of exports to gross domestic product provides us information about the exports important factors to the national economy. This is because ratio of exports to GDP is index of openness. It means that if the ratio of exports is higher than the economy is more open. Larger economies as of area, population and domestic market size produce and absorb larger share of domestic output and they tend to have low ratios, however low ratios of exports to GDP can reflect restrictive trade policies.

Ahmet Ugur (2008) through his study on "Imports and Economic Growth in Turkey: Evidence from a Multivariate VAR Analysis" analyzed the relationships between imports and economic growth in Turkey. The empirical results derived from IRFs and VDCs show that there is a bidirectional relationship between the GDP and investment goods imported and the raw materials of imports. However, there is a unidirectional relationship between the GDP and imported consumption goods and other imported goods.

Alam and Ahmad (2012) indicate that some research in the economics field and academia argued that exchange rates should be determined in a free condition by the supply and demand mechanism. It means that the optimal level of an exchange rate has to be determined by the markets.

4. DATA AND METHODOLOGY

4.1 DATA

This research uses data from World Development Indicators (WDI), Central Bureau Statistics of Indonesia from 1981 to 2016 and Ministry of Industrial Department of the Republic of Indonesia.

4.2 MODEL

This research examines the causal relationship between exports, imports and GDP in the short run. The independent variables exports and imports follow by theoretical explanation on dependent variable which is GDP. All variables are taken in real value in US dollar. The number of observations is 36 which is sufficient for this study to examine the objective of this study. This study uses unrestricted VAR to estimate the effects of exports and imports on GDP. The study uses Johansen test of cointegration, Granger causality test and the study also tests the residuals whether it is normally distributed or not.

4.2.1. UNIT ROOT

Unit roots have function to examine the stationary of a time series. Non stationary regress or causes invalidates the results of standard empirical. A stochastic trend presence is determined by unit root testing. This test uses Augmented Dickey- Fuller model (1979)

4.2.2. JOHANSEN TEST OF COINTEGRATION

Before running a Johansen test of cointegration, pre-conditions of the Johansen test of cointegration had to be met. The preconditions were the variables had to be non-stationary at the level, but when all the variables were converted into the first difference, then the variables become stationary. It means that it is integrated in the same order.

A Johansen test of co-integration was used to see if the variables had a long-run association. If the variables had a long-run association, it meant they would move closely together over time. There are two likelihood ratio tests in this test. The first likelihood ratio test was the maximal Eigenvalue. The maximal Eigenvalue is used to evaluate the null hypothesis and the alternative hypothesis. The second test is a maximum statistic test.

4.2.3 VECTOR AUTOREGRESSIVE

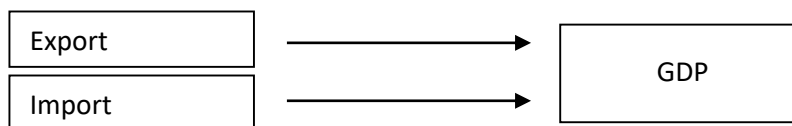
This test will give explanation on the causal relationship between variables. Vector autoregressive models are used for multivariate time series.

4.2.4 TEST ON AUTOCORRELATION

To test auto-correlation we use Granger causality test. Granger causality test provides information whether change in one variable will be followed by change others. The rule for the causality is if the null of non-Granger causality from X to Y is rejected at 5% level of significance then it can be said that Granger X causes Y but if both test rejected the null so we can say that there is lag on feedback effect or bi-directional relationship.

4.2.5 TEST ON RESIDUAL

The model will be well specified if the residuals are normally distributed. To get the results of this residual we use Jarque-bera test.

5. CONCEPTUAL FRAMEWORK**6. RESEARCH HYPOTHESIS**

H1: Exports positively affects on gross domestic product

H2: Import positively affects on gross domestic product

H3: Simultaneously export, import positively affects on the gross domestic product.

7. RESULTS

The results use unrestricted VAR model using three variables namely Exports, imports and GDP of Indonesia.

7.1 UNIT ROOT TEST

We firstly do unit root test and the result of the unit root test is all variables are non stationary at level but after first difference all variables such as export, import and GDP becomes stationary. Therefore, we fulfill the condition of running Johansen test of co-integration.

TABLE 5: UNIT ROOT TEST- ADF TEST

No	Variable	Level	Augmented Dickey Fuller Test				
			First Differences				
		t-statistics	5 % critical value	Prob	t-statistics	5 % critical value	Prob
1	GDP	-1.162	-3.560	0.9180	-3.927	-3.564	0.0112
2	EXPORTS	-2.073	-3.560	0.5612	-4.885	-3.564	0.0003
3	IMPORTS	-2.539	-3.564	0.3088	-6.809	-3.568	0.0000

7.2 JOHANSEN COINTEGRATION TEST

The next step is using Johansen test of co-integration to see if the variables have long run association which means they will move closely together over time. There are two likelihood ratio tests in this test. The first likelihood ratio test is maximal eigenvalue. Maximal eigenvalue is used to evaluate the null hypothesis and the alternative hypothesis. In VAR bivariate, Null hypothesis means that there is no co integration among variables and alternative hypothesis means that there is no integration among variables. The result of the test is the trace statistic is less than critical value. The trace statistics is 24.33 which is less than critical value of 29.68. It means that null is correct. It means that we do not reject null hypothesis rather than we accept null hypothesis. It implies that there is no co integration among variables. The second test is maximum statistic test. Trace statistic and maximum statistic test shows the same result that the variables are not co integrated.

TABLE 6: JOHANSEN CO-INTEGRATION TEST RESULT

Eigenvalue	H0	Trace statistic	5% critical value	Lmax statistic	5% critical value
0.33061	R=0	24.2314*	29.68	13.2457	20.97
0.21269	r≤1	10.9856	15.41	7.8913	14.07
0.08951	r≤2	3.0944	3.76	3.0944	3.76

7.3 VECTOR AUTO REGRESSION

In unrestricted VAR, it has been stated above that the variables are not co integrated. Therefore, this model has no long run association so the study analyzes the short run causality running from independent variables to dependent variables

TABLE 7: VECTOR AUTO REGRESSION

		coefficient	std error	z	Prob
Gdp					
	gdp				
	L1	2.231753	0.37391	5.89	0.000
	L2	-1.341856	0.5737103	-2.34	0.019
	L3	-0.3748352	0.4321916	-0.87	0.386
Export					
	L1	-4.202308	1.382752	-3.04	0.002
	L2	4.886973	1.690145	2.89	0.004
	L3	1.553085	1.543402	1.01	0.314
Import					
	L1	5.822384	2.806941	2.07	0.038
	L2	-2.46686	3.056699	-0.81	0.420
	L3	-4.262889	2.221508	-1.92	0.055
	Cons	21.68169	97.45946	0.22	0.824

Loglikelihood	-341.555
Akaike info Criterion	22.51849
FPE	1281821
Hannan –Quinn Criterion	22.97624
Det (Sigma_ml)	196157.7
SBIC	23.87895

7.4 GRANGER CAUSALITY TEST

The next test is to check the short run causality jointly whether the variables jointly can cause GDP growth or not. To take the result of this then we imply Granger Causality Test. The null hypothesis in the Granger Causality test is all export lag variables does not cause GDP while alternative hypothesis is all lags variables causes GDP.

In this test, the analyses find out that there is short run causality running from export to GDP and there is short run causality running from import to GDP. When consider all variables, all variables have probability value less than 5 % critical value. It means that we can reject null hypothesis. The result is there is short run causality running from export and import to GDP. The causal relation result between GDP and import to export is GDP has short run causality to export and import also has short run causality to export. Both GDP and import has short run relationship to export. However, there is no short run relationship running from GDP to import because the probability value is more than 5% which is 81.8% and also there is no short run relationship running from export to import because the probability value is 74.3% and as a whole there is no short run relationship running from export and GDP to import.

TABLE 8: GRANGER CAUSALITY TEST

Equation	Excluded	Chi2	prob>chi2
Gdp	Export	26.924	0.000
Gdp	Import	9.9961	0.019
Gdp	All	28.906	0.000
Export	GDP	38.325	0.000
Export	Import	10.667	0.014
Export	All	43.535	0.000
Import	GDP	.92975	0.818
Import	Export	1.241	0.743
Import	All	2.4845	0.870

7.5 AUTOCORRELATION TEST

In the research, it is essential to check whether the residual is auto correlated or not. We use lagrange Multiplier test to check whether residuals are auto correlated or not. Our null hypothesis is there is no autocorrelation. The result of the test is there is no autocorrelation. We accept null hypothesis. It means that the model is well specified and desire. The probability value is 9.35% at lag 1. This result is desirable.

TABLE 9: LAGRANGE MULTIPLIER TEST

Lagrange-multiplier Test			
Lag	chi2	df	Prob> chi2
1	14.9059	9	0.9355
2	17.7552	9	0.3812

7.6 TEST ON THE RESIDUALS

The model is well specified because the residuals are normally distributed. This can be shown in Jarque-bera test. The probability Chi2 is very high. GDP's probability Chi2 is 74.41%.

TABLE 10: JARQUE-BERA TEST

Equation	chi2	df	prob>chi2
Gdp	0.591	2	0.74416
Export	6.556	2	0.03770
Import	0.356	2	0.83714
All	7.503	6	0.27685

8. CONCLUSION

The objective of this research is to investigate whether export and import play important role on the economic growth of Indonesia. The study also examines the causality relationship between export, import and GDP growth of Indonesia. This study finds out that there is short run causality running from export to GDP and there is short run causality running from import to GDP. When consider all variables, all variables have probability value less than 5 % critical value. It means that we can reject null hypothesis. The result is there is short run causality running from export and import to GDP. GDP has short run causality to export and import also has short run causality to export. Both GDP and import has short run relationship to export. However, there is no short run relationship running from GDP to import because the probability value is more than 5% which is 81.8% and also there is no short run relationship running from export to import because the probability value is 74.3% and as a whole there is no short run relationship running from export and GDP to import.

The study also finds out that there no long run association between export, import (independent variables) and GDP (dependent variable) so the study analyzes the short run causality running from independent variables to dependent variables

The model is well specifying and significant because there is no autocorrelation and the residuals are normally distributed.

The important result from this research is very useful for policy makers in Indonesia that they have to focus to strategize the policy of export and import and to analyze business demand in order to get maximum result in economic growth effort.

9. RECOMMENDATION

For future research, researchers can use more comparative data based on industrial sectors of exports. The next research also needs to do exports with sources analysis based on regions or provinces in Indonesia.

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AN ANALYSIS OF THE CONTRIBUTION OF VALUE ADDED TAX TO MADHYA PRADESH STATE FINANCE

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ABSTRACT

The purpose of this study is to find out the contribution of value added tax (VAT), which had taken place from 1st April 2006 in Madhya Pradesh. It's an analysis of value added tax policy that has generated large scale of revenue for state finance. It has influenced business, trade, industrial & commercial activities to a great extent. This tax policy replaced the commercial tax or sales tax in the state of Madhya Pradesh. This has helped the government to restrain the high tax rates, tax evasion, corruption, and abolishment of Central Sales Tax also. The reasons behind adopting value added tax policy was smooth functioning of trade practices, stable rates, administration of easy tax system, satisfaction of traders and customers. In this paper we focused on the financial contribution of the value added tax policy in Madhya Pradesh.

KEYWORDS

value added tax (VAT), cascading effect, tax evasion.

INTRODUCTION

Taxation policy is one of the important mile stones for the economical development of any country or state. It provides strong financial resource to government and relief in tax burden to traders. The government is also in need of financial resources to operate the developmental activities for public welfare, fulfilling the needs of society, to run the various plans & implementing the proposed planning. In real term tax is a compulsory contribution or payment for public services which is payable to government or any other local bodies. It is a part of public finance whether it is beneficial for tax payer or not? Whether he or she is paying it willingly or not? Government collects the revenue from various sources like direct taxes- income tax, indirect taxes like VAT, central sales tax etc. These receipts are public income which is used to invest in public welfare like primary and infrastructural facilities. Time to time every government makes changes in taxation policies for providing efficient working of trade & business activities. For the development & extension of business, a healthy commercial atmosphere is necessary for it. Well planned policies should be introduced by the government. The contribution of Indian indirect taxation is 75% in overall tax revenue. Tax which is levied on sales is very important and as per the view of accounting its contribution is 49%. Sales tax is largest source of state taxation revenue. The financial dependency of states is purely based on indirect taxes and it's incomplete without this. Indirect taxes are included in the price of the product. It is imposed indirectly on the goods & affects the all persons at same level like sales tax, commercial tax or value added tax. Indirect taxes are not directly related with the income. Indirect tax burdens are hidden in the prices of the goods & products. These taxes are very nominal or small sum of amount payable on goods which is paid by the customers but it is increased collectively.

REVIEW OF LITERATURE

Kapoor and Dhaliwal (2009) discussed about the various important changes under VAT in India. It studied all the working of value added imposition, payment procedure, return filing, assessment, input tax rebate benefit under VAT. Under the study of paper, it is tried to find out the method of tax imposition and requisite procedural under VAT with the previous commercial tax or sales tax. Under sales tax or commercial tax when goods are produced tax imposed on it. In next when it is sold by retailer or wholesaler to customer. Again it is used to levy on the selling price which is decided by the retailer or wholesaler. Sales tax or Commercial tax is imposed on every times when the goods sold to any person. It was giving the double taxation with cascading effects. The result was increased value of the goods everywhere. Under VAT this overloading of tax is finished because tax is imposed on value addition in distribution channel. The most important feature of VAT is input tax credit, under which seller gets the rebate of paid tax previously on purchase of goods from the payable tax on current sale of goods. The introduction of VAT finished multiple taxes like turnover tax, surcharge additional surcharge etc. A more innovative part is made under VAT was self-assessment by dealers. **Tripathi et al. (2011)** Examined that VAT will change the Trade in coming years, there can be some problems faced by traders. Traders have to maintain proper accounts, records, issue of invoice etc. The CST & VAT will not impose together. So after the decision of abolishment of CST value added tax will be applicable in all over place. There will be no requirement for dealers to go outside of state for purchasing goods. **Deshmukh (2012)** evaluated the impact of VAT on profitability of manufacturing Industries in Maharashtra. This concluded that uniform laws and procedures will be more easy & transparent for both state governments and tax payers for tax administration. The VAT undoubtedly increased the tax revenue as well as the profitability of the organizations. It reduced the paper work and complications of procedures related to the registrations, payment of tax etc. It emphasized on the nature of reducing the cascading effect under VAT. **Muthu and Senthil (2013)** assessed the attitude of Pharmaceutical Retailers towards VAT in Tiruchendur Taluk of Tuticorin District. He found that how will VAT useful to reduce the problems facing by the pharmaceutical retailers like maintenance of stock, invoice making, computerizing accounting, self-assessment required by the government for properly inspection of business. **Sunder and Jain (2013)** accepted that impact of VAT on automobile industry are near about equal to the sales tax figures but VAT amount will definitely increase in the next stage and will benefit the government revenue. The overall tax burden figures in the research are decrease to the final consumer and it will definitely more decrease in the next stage and will benefit the consumer. VAT introduces the uniform tax rates across the state so that unfair advantages cannot be taken while levying the tax on Auto products. A general survey reveals slashing of prices on items like medicine, automobile products, cosmetics, paper etc. due to downward revision of tax rates and abolition of surcharge and because of availability of the facility of set off of tax paid on inputs as well as capital goods against tax payable on finished products under VAT scheme eliminating the cascading effect, the cost of 281 production of commodities are likely to fall not only making the product of the local industries competitive on one hand, but it will also benefit the consumers by way of resultant reduction in prices of the commodities on the other.

OBJECTIVES OF THE STUDY

The main objective of the study is to analyze the fruitfulness of value added taxation policy introduced by the State Government of Madhya Pradesh. Primary stage of imposition of this tax got a strong resistance by the trader community. They were not agreeing with the compliances & tax rates of value added tax. Every

taxation policy impacts on businesses in good or bad manner. Value added tax contributed a large revenue amount in the year of starting as compared to the previous commercial tax policy. We have tried to survey the notable changes in revenue collection of the state government by opting value added tax policy. This policy has been beneficial for easy operation and transparent for tax evasion.

RESEARCH METHODOLOGY

The study is based on secondary data. All the secondary data and information was collected from Commercial Tax Department, Head Office Indore. Interview method is also being used to retrieve the data. All the statistics are authentic and purely based on official records.

REVENUE COLLECTION FROM M. P. COMMERCIAL TAX

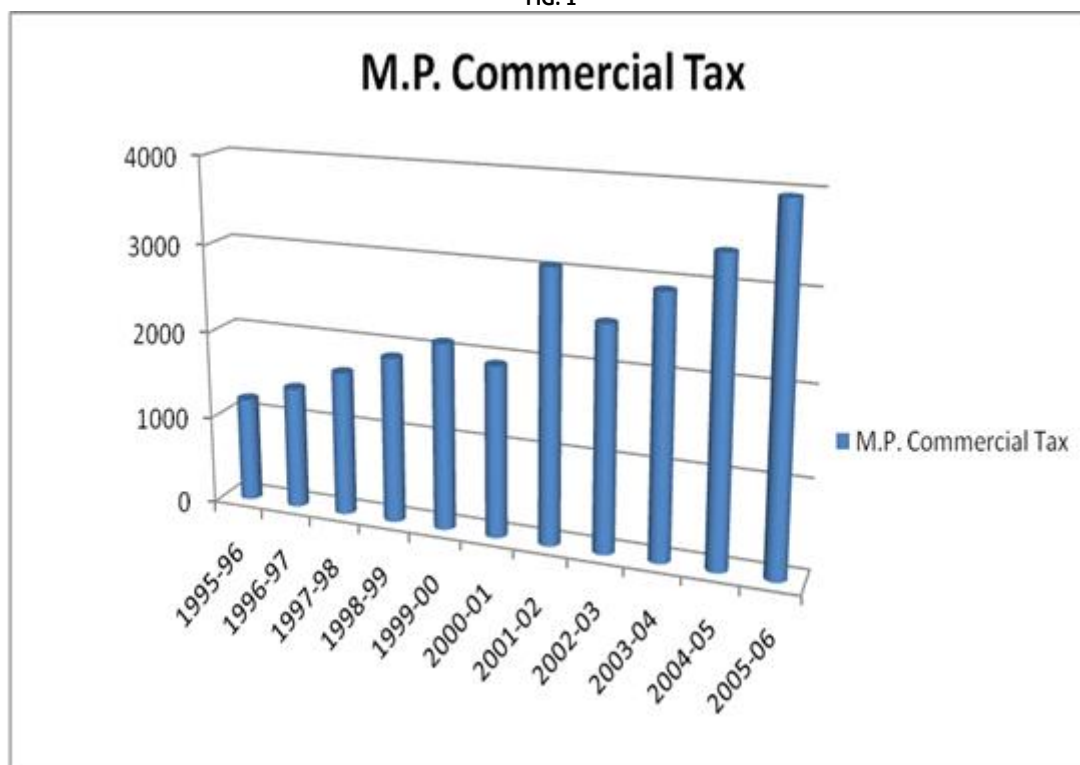
TABLE 1 represents the collection of revenue from M.P. Commercial Tax.

TABLE 1

YEAR	M. P. COMMERCIAL TAX (IN RS. CORERS)	GROWTH IN REVENUE %
1995-96	1191.30	14.77
1996-97	1391.05	16.77
1997-98	1644.55	18.22
1998-99	1881.96	14.44
1999-00	2113.18	12.29
2000-01	1933.63	- 8.50
2001-02	3060.50	6.56
2002-03	2520.47	22.32
2003-04	2916.73	15.72
2004-05	3365.60	15.39
2005-06	3951.43	17.41

Source: (Based on the Statistics received from M.P. Commercial Tax Head Office)

FIG. 1



REVENUE COLLECTION FROM VALUE ADDED TAX

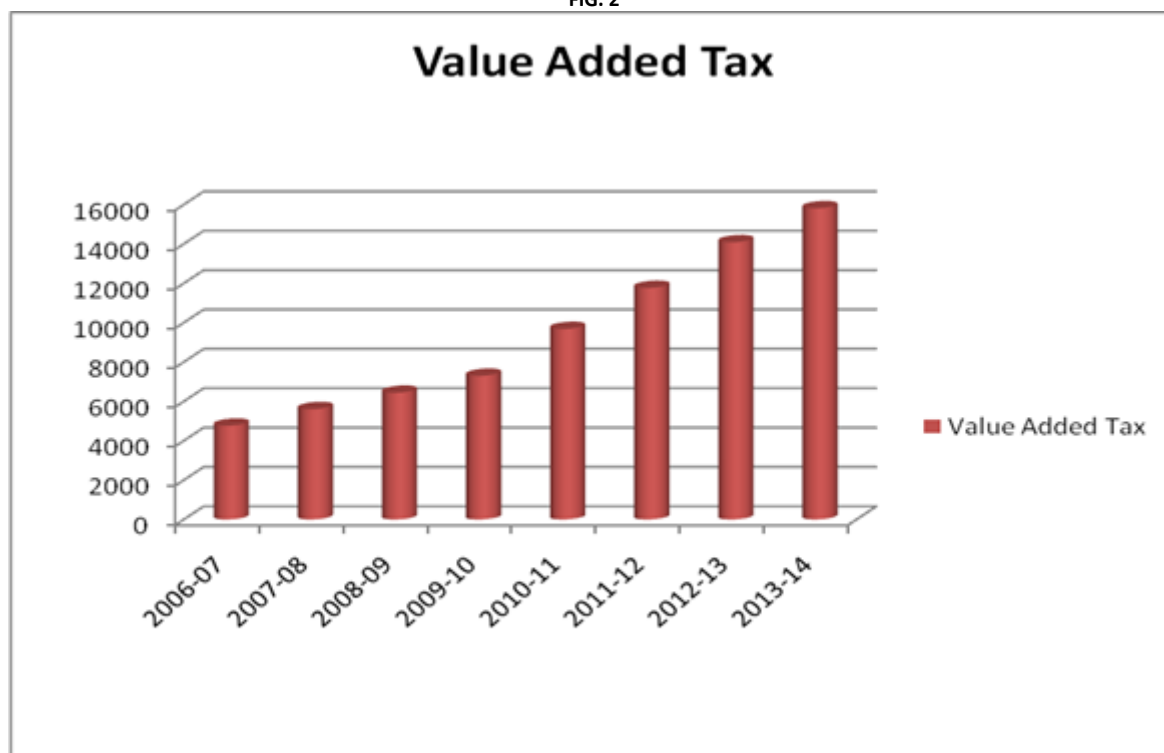
TABLE 2 represents the collection of revenue from Value Added Tax.

TABLE 2

Year	Value Added Tax (VAT) (In Rs. Corers)	Growth in Revenue
2006-07	4763.63	24.13
2007-08	5603.88	17.43
2008-09	6439.35	14.91
2009-10	7299.01	13.35
2010-11	9679.91	32.62
2011-12	11765.09	21.54
2012-13	14087.76	19.74
2013-14	15812.83	12.25

Source: (Based on the Statistics received from M.P. Commercial Tax Head Office)

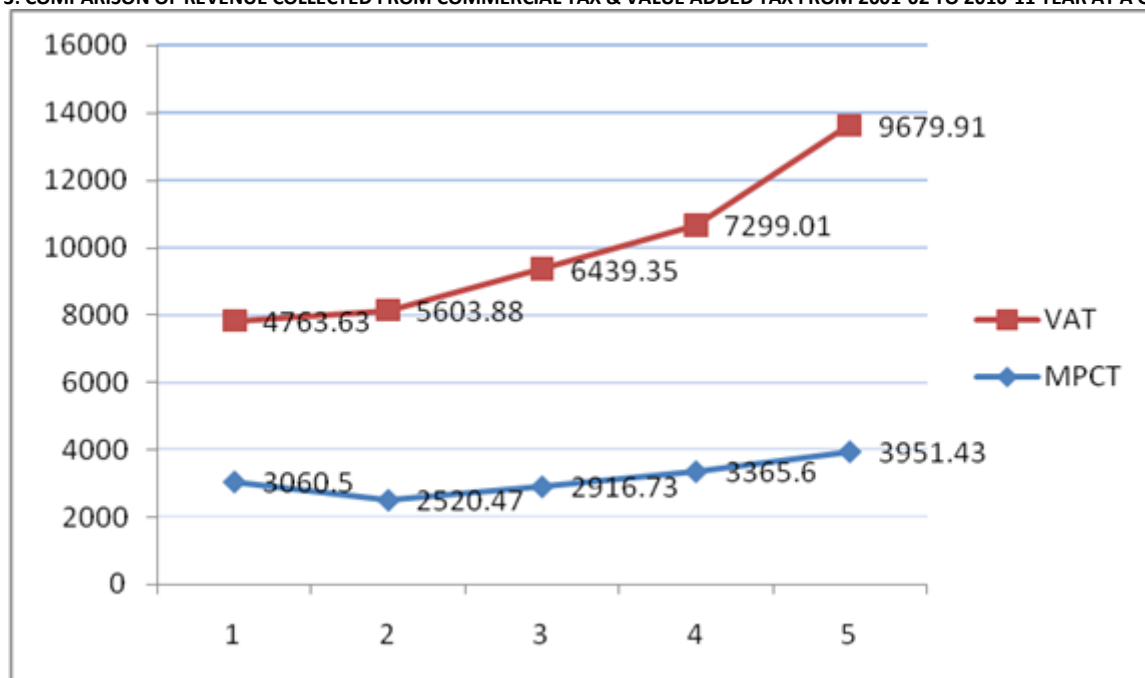
FIG. 2



ANALYSIS

Value Added Tax implemented from 1st April 2006 in Madhya Pradesh. There are 13 divisions under commercial tax department and 78 circles established. Due or pending tax is recovered by the department like the rules of M.P. Land Revenue Act. In the two years from the implementation of VAT in M.P. a large number of revenue generated which is more than (in corers) as previous commercial tax or sales tax. M.P. state government got 1,864 corers 92 lakhs rupees revenue in the earlier stage of introduction in only two years after removal of commercial tax which was 321 Corers 97 Lakhs rupees more than last previous year. There was a 20.74 % increase recorded in revenue as compare to previous year 2005-06. In 2015-16 state government collected 19,252.67 Corers from VAT. For 2016-17 state government targeted collection 22,000 Corers from VAT.

FIG. 3: COMPARISON OF REVENUE COLLECTED FROM COMMERCIAL TAX & VALUE ADDED TAX FROM 2001-02 TO 2010-11 YEAR AT A GLANCE



STRONG REASONS BEHIND IMPLEMENTATION OF VAT

There were several reasons behind introducing VAT in Madhya Pradesh we can give focus on them given below:

1. **Input Tax Rebates**- It's an advantage to purchaser or buyer whether he is purchasing raw material for manufacturing or goods for selling to consumer he has to pay the requisite tax amount on purchasing and will receive an input tax credit on selling from the payable tax amount which is paid earlier by him. To receive the benefit of input tax credit it is necessary for a seller to present invoice for every transaction. This will stop tax evasion problem which is not available in commercial tax. For avail the input tax rebate invoice is mandatory for all.
2. **Low tax rates** – As compared to commercial tax the tax rates are very low.

3. **Less number of rates** – In Commercial tax and sales tax various rates used for imposition of tax. Due to variety of rates the sellers, manufacturers got confused for paying tax to government. Only four rates are applicable in VAT- 0% Rate for Tax Free Goods, 1% for Gold, Silver, and Diamond & Precious Metals, 4% Rate of goods and 12.5% Rate of goods
4. **Curtailling the Corruption** - Invoice is necessary for validation of any business transactions. So every trader has to show the bills and maintain the proper records. The inspectors used to pressurize the traders to avail the undue advantages. Implementation of VAT is solved these problems.
5. **Largest Source of Revenue**- VAT is the largest source of revenue for state finance. No other tax contributed such amount to the state finance e.g. sales tax, commercial tax etc.
6. **Removing Double Taxation**- VAT has removed double taxation by using multi point tax policy in which tax is imposed on the added value of goods from manufacturing to the last sale to consumer.

CONCLUSION OF THE STUDY

1. Under VAT policy issue of bill is made compulsory for every retailer, wholesalers, and small traders. Same feature should be adopted in any proposed taxation policy.
2. At the time of introduction, the tax free limit was Rs. 5,00,000 To motivate the new businessmen & entrepreneurs it is necessary to increase this limit.
3. The tax applicability & e-filing system provided satisfaction to traders, government & consumers. This should be enhanced in good & service tax policy.
4. Four types of tax rates were applied in value added tax policy which proved to be of extreme convenience. Authors believe that the number of tax rates should be kept minimum even in any future taxation policy.
5. VAT enabled to gain control on the inflation because it is a multi-point taxation system that is imposed on value addition of the goods.
6. The number of tax free goods or exempted goods should be increased.

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ECONOMIC FEASIBILITY STUDY OF PLASTIC MIX BITUMEN ROAD**DEEPIKA SWAIN****ASST. PROFESSOR****DEPARTMENT OF MECHANICAL ENGINEERING****RAAJDHANI ENGINEERING****BHUBANESWAR****Dr. KAILASH MOHAPATRA****PROFESSOR & HEAD****DEPARTMENT OF MECHANICAL ENGINEERING****RAAJDHANI ENGINEERING****BHUBANESWAR****ABSTRACT**

The plastic become integral part of the human requirements in modern society. The plastics are used extensively in manufacturing starting from carry bags, packaging materials, bottles, cups and many others slowly replaced everything made of other materials because of their durability, easy to manufacture, light in weight, unbreakable, odorless and chemical resistant. But the disposal of plastic is a serious problem globally due to their non-biodegradability and hazardous to human health since these are not disposed scientifically thus creates ground and water pollution. The use of these materials in road making which is based on technical, economic, and ecological criteria We conducted comparison study between concrete road and plastic road. It is concluded from the study that the plastic road using waste plastic shows better performance in terms economy, durability, strength as well as load bearing capability.

KEYWORDS

plastic waste, mechanical characteristics, bituminous mix, plastic roads.

NOMENCLATURE

ABS : acrylonitrile butadiene styrene PP: polypropylene
 CPCB : central pollution control board TPD: tones per day
 CRRI : central road research institute TPA: tones per annum
 HDPE : high density polyethylene PVC: polyvinyl chloride
 IRC : Indian road congress PWM: plastic waste management
 LDPE : low density polyethylene PS: polystyrene
 MSW : municipal solid waste PET: polyethylene terephthalata
 PCA : plastic waste coated aggregate

INTRODUCTION

Plastic products have become basic needs and play vital role in our daily life. It is produced on a massive scale worldwide and its production crosses 150 million tons per year. In India approximately 12 million tons of plastics products are consumed every year which is expected to increase many folds during near future. These are specifically used in packaging films, wrapping materials, shopping and garbage bags, fluid containers, clothing, toys, households and industrial products as well as building materials. It is fact that plastics will never degrade and remains on landscape for several years again the recycled plastics are more harmful to the environment than the virgin products due to mixing of colors, additives, stabilizers, flame retardants etc. It is to mention that no authentic estimation is available on total generation of plastic waste in the country but however 70% of total plastic consumption is discarded as waste, thus approximately 5.6 million tons per annum (TPA) of plastic waste is generated in the country, which is about 15342 tons per day (TPD).

In the present work we intend to analyze the applications of plastic wastes which have been considered in road construction with great interest in many developing countries. The use of these materials in road making is based on technical, economic, and ecological criteria. The lack of traditional road materials and the protection of the environment make it imperative to investigate the possible use of these materials carefully. India has a large network of metro cities located in different parts of the country and many more are planned for the near future. Several million metric tons plastic wastes are produced every year in India. By using this technology (plastic waste coated aggregate bitumen mix), several roads have been laid in the states of Tamil Nadu, Maharashtra, Pondicherry, Kerala, Andhra Pradesh and Goa. To evaluate the performance of the built road using plastic waste coated aggregate (PCA) bitumen mix and also to generate data base for evolving standards, Indian Road Congress (IRC) takes leadership.

On heating at 100 - 160°C, plastics such as polyethylene, polypropylene and polystyrene, soften and exhibit good binding properties. Blending of the softened plastic with bitumen results in a mixed that is amenable for road laying. These roads have withstood loads due to heavy traffic, rain and temperature variation. Experimental study performed by Bindu and Beena [1] using waste plastic as stabilizing additive in Stone Mastic Asphalt. It was found that the flexible pavement with high performance and durability obtained with 10% shredded plastic. Modifying asphalt mixture with HDPE polyethylene enhances the properties far more than LDPE polyethylene studied by Awwad and Shbeeb [2]. Modified bitumen with the addition of processed waste plastic of about 5-10% by weight of bitumen increases the longevity and pavement performance with savings in bitumen usage there by consumes large quantity of waste plastics hence these processes are socially highly relevant giving better infrastructures [3]. Experimental study performed by Khan and Gundaliya [4] on process of modification of bitumen with waste polythene enhances resistance to cracking, pothole formation and rutting by increasing softening point, hardness and reducing stripping due to water, thereby improving the general performance of roads over a long period of time. According to them the waste polythene utilized in the mix forms coating over aggregates of the mixture which reduces porosity, absorption of moisture and improves binding properties. Prusty [5] studied the behavior of BC mixes modified with various percentages of waste polythene. Marshall properties such as stability, flow value, unit weight, air voids are used to determine optimum polythene content for the given grade of bitumen (80/100) and concluded that a more stable and durable mix for the pavements can be obtained by polymer modification. Investigations conducted by Swamy et al. [6] that the total material cost of the project is reduced by 7.99% with the addition of plastic to bitumen between ranges of 5-10%. It was found that the problems like bleeding in hot temperature regions and sound pollution due to heavy traffic are reduced and ultimately improves the quality and performance of the road. Polymer modified bitumen results a high elastic recovery (79%) and better age resistance properties i.e. the loss in weight on heating in thin film oven is 6 times higher as compared to the conventional bitumen concluded by Pareek et al. [7]. Sangita et al. [8] suggested to improve road quality by utilizing plastic waste in road construction will save Rs.33,000 crores a year in repairs, plus reduced vehicle wear and tear. Chavan [9] conducted feasibility study of the use of shredded waste plastics in semi-dense bituminous concrete with 60/70 penetration grade bitumen employing dry process over 50 samples with varying percentage bitumen by weight of mix and percentage plastics by weight of binder were evaluated. It was found that there was a 10% saving of

bitumen content which leads to saving in national economy and also an eco-friendly method for the disposal of waste plastics. The stability value of the mix was increased by about 30%, there was less aging of bitumen and no bleeding. Again the coated aggregates showed no stripping even after 96 hours of water immersion and hence avoid the use of ant-stripping agents in bituminous mixes. Water absorption was found to be less as compared to uncoated aggregates indicating its higher degree of water susceptibility. The polythene/polypropylene bags utilized for integrated development of rural and arterial road network for socio-economic growth studied by Vasudevan [10] and it was found that polymer bitumen blend is a better binder compared to plain bitumen resulting higher Marshall Stability and decreasing the possibilities of potholes formation.

PROBLEM DESCRIPTION

Plastics

Different commercial plastic materials that are in use were collected and the following tests were carried out: (i) Softening Point and (ii) Thickness of the Film. Most of plastics get soften below 170°C except Poly vinyl chloride and Polyethylene terephthalate (Table 3.1). There is no evolution of any gas during softening. The molten plastics can be used as a binder using proper technique.

TABLE 1: THERMAL BEHAVIOR OF POLYMERS

Polymer	Solubility		Softening Temp in °C	Products re-ported	Decomposition temp in °C	Products reported on de-composition	Ignition temp range in	Products reported on ignition
	Water	EPT						
PE film	Nil	Nil	100-200	No gas	289-335	CH ₄ , C ₂ H ₆	> 700	CO, CO ₂
PP	Nil	Nil	140-160	No gas	271-329	C ₂ H ₆	> 700	CO, CO ₂
PS	Nil	Nil	110-140	No gas	300-350	C ₆ H ₆	> 700	CO, CO ₂
PE Foam	Nil	Nil	120-125	No gas	309-385	CH ₄	> 700	CO, CO ₂
Tea Cup	Nil	Nil	130-150	No gas	313-420	C ₂ H ₆	> 700	CO, CO ₂

TABLE 2: BINDING PROPERTY

% of plastics coating over aggregate	Compression strength (Tonnes)	Bending Strength (Kg)
10	250	325
20	270	335
25	290	350
30	320	390

Utilization of plastic waste in road construction

The process of road laying using waste plastics is designed and the technique is being implemented successfully for the construction of flexible roads at various places in India.

TABLE 3: PROTOCOL FOR DESCRIPTION OF ROADS LAYING PROCESS

Sl.No	Process	Executing Agency
1.	Collection and segregation of plastic waste (except chlorinated/brominated plastic waste)	Municipal corporation, Nagar Nigam, Nagar Parishad & Nagar and Gram Panchayat
2.	Transportation and storage of plastic waste	Municipal corporation, Nagar Nigam, Nagar Parishad & Nagar and Gram Panchayat
3.	Cleaning and sun drying of plastic waste	Municipal Body or PWD
4.	Shredding of plastic waste (2 to 4 mm size)	Municipal Body or PWD
5.	Heating of stone aggregate (160°C-170°C)	Municipal Body or PWD
6.	Adding of shredded plastic waste (5-10% w/w for 30 to 40 seconds)	Municipal Body or PWD
7.	Coated aggregate is mixed with hot bitumen (Temp 155-163°C)	Municipal Body or PWD
8.	The mix-plastic aggregate bitumen mix (130-140°C). the mix can be used for road laying	Municipal Body or PWD

A brief description of the process is mentioned in the Table 3 and the schematic flow diagram of the process is shown in Figure 1.

FIGURE 1: FLOW DIAGRAM FOR UTILIZATION OF PLASTIC WASTE IN ROAD CONSTRUCTION

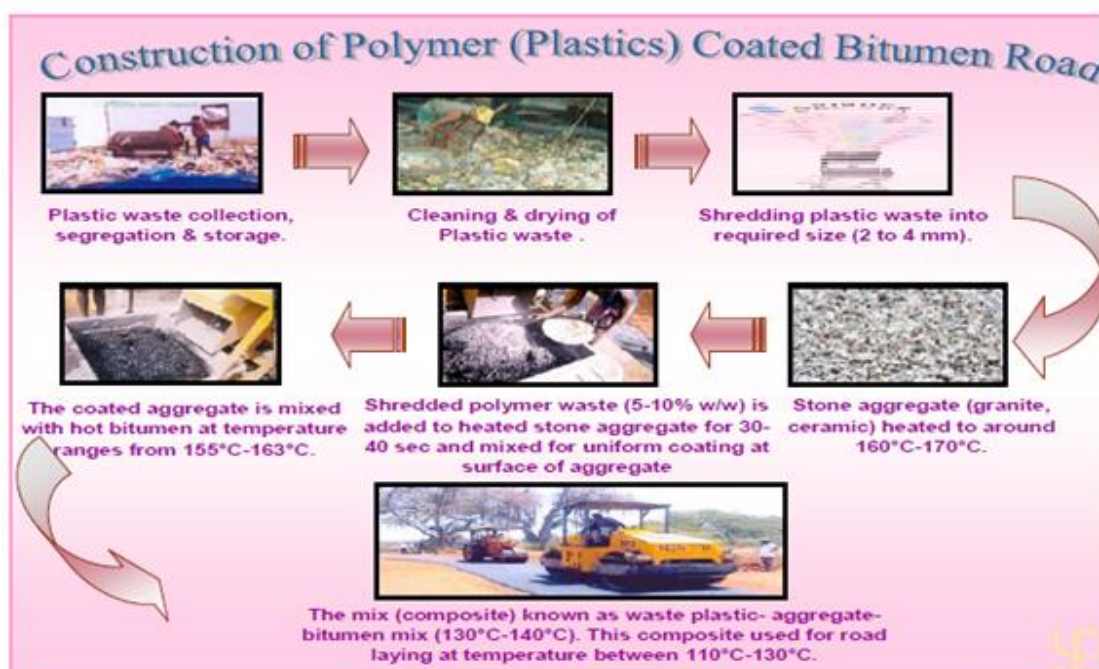
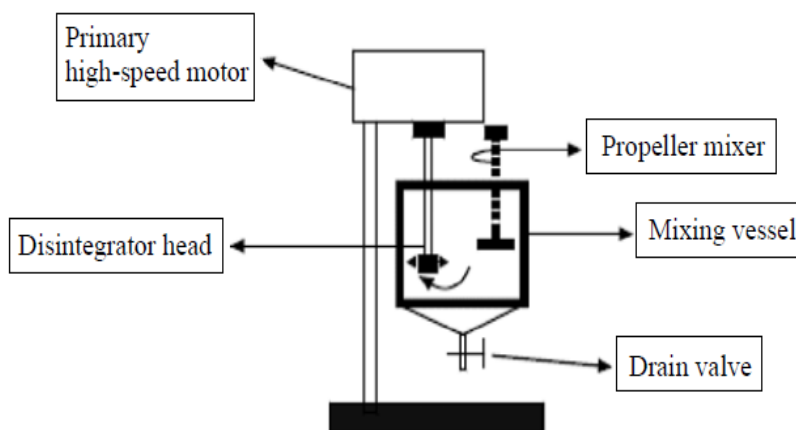


FIGURE 2: POLYMER-BITUMEN MIXING ASSEMBLY



The molten plastics waste exhibits good binding property. Various raw materials like granite stone, ceramics etc. were coated with plastics and then molded into a stable product. On cooling, it was tested for compression and bending strengths (Table 3.2). Moreover, the coated plastics did not leach out by the leaching liquid (5% acetic acid).

Waste plastic bags of various polymers cited above, were cut into pieces using a shredding machine. It was sieved and the plastics pieces passing through 4.75 mm sieve and retaining at 2.36 mm sieve were collected. These samples prepared, were added slowly to hot molten bitumen of temperature around 170-180 °C.

All samples were first mixed at low polymer concentrations as follows:

- For mixing with 60/70 grade bitumen: Beginning with 2% by weight of the bitumen, further in the concentrations of 4%, 6%, 8%, 10% and 12%.
- For mixing with 80/100 grade bitumen: Beginning with 1% by weight of the bitumen further in the concentrations of 1%, 2%, 3%, 4%, and 5%.

The mixture was stirred well using stirrer for about 20-30 minutes. Blends of different compositions were prepared.

Bitumen

The bitumen was 60/70 & 80/100 penetration grade obtained from H.P.C.L. Mumbai. Physical properties of the bitumen were presented in Table 4.

TABLE 4: SPECIFICATIONS OF BITUMEN 60/70 AND SPECIFICATIONS OF BITUMEN 80/100

Characteristic	Test result		Test method	
	60/70 Grade	80/100 Grade	ASTM	IS
Specific gravity @25°C	1.01/1.06	1.01/1.05	D-70	IS:1202-1978
penetration @25°C	60/70	80/100	D-5	IS:1203-1978
Softening point @25°C	49/56	45/52	D-36	IS:1205-1978
Ductility @25°C, cm	100	100	D-113	IS:1208-1978
Flash & fire point (°C)	> 250	> 225	D-92	IS:1209-1978
Loss on heating (wt. %)	< 0.2	< 0.2	D-6	IS:1212-1978

Aggregates

Aggregate was obtained from a local Quarry. The physical properties of aggregates are given in Table 3.6. Recommended gradation limits for BT works are shown in Table 3.7.

TABLE 5: PHYSICAL PROPERTIES OF AGGREGATES

Test description	Specification	Values
Combined flakiness & elongation index (%)	IS 2386 (Pt I – 1963)	18
Water absorption (%)	IS 2386 (Pt III – 1963)	0.5
Specific gravity	IS 2386 (Pt IV – 1963)	2.65
Impact value (%)	IS 2386 (Pt IV – 1963)	16

TABLE 6: GRADATION OF AGGREGATES FOR PAVEMENT PURPOSE

Sieve size (mm)	Percentage of passing of stone aggregates						
	19	12.5	9.5	4.75	2.36	0.60	0.30
Permissible limits (%)	100	85-95	75	20-28	16-24	12-16	10-14

Material balance

According to Law of conservation of mass Energy can neither be created nor be destroyed, only one form of energy can be converted to other. In its general form it can be written as:

$$(\text{Mass flow in the system}) = (\text{Mass leaving the system}) + (\text{Mass accumulated in the system})$$

As there is no specific reaction taking place, during blending, between bitumen and polymer, there is no specific change in terms of mass takes place. Material balance for samples, various types of plastic waste added to virgin bitumen is given in Table 4.1.

TABLE 7: LAYER WISE REQUIREMENT OF BITUMEN FOR ROAD CONSTRUCTION

Pavement layer of road	Thickness	Bitumen required (Kg/sq m of road)
BBM on WBM surface	50 mm	1.75
	75 mm	2.00
BBM on existing BT	50 mm	2.25
Surface	75 mm	2.50
Carpet	20 mm	2.06
Sealcoat	06 mm	1.12
Total bitumen consumption	50 mm	5.43
	75 mm	5.68

TABLE 8

Sl.No	Stretch	NH No.	Length (KM)	Total project cost (Rs.Cr.)	Funded by	Awarded by	Date of start	Date of completion	Contractor	Status	Total cost of bitumen in New Road (Rs. Cr.)	Total savings from 8% plastic mix bitumen (Rs. Cr.)
1.	Panikholi-Rimoli(approved length 106 km)	215	163	1410	BOT	Aug-11	May-13	Jun-16	Gayatri Project Ltd Sai consulting Engg. Pvt Ltd- Indian	Under implementation & ongoing	14.5885	0.83293
2.	2/4 laning of Talcher-Dubari-Chandikhole	23 & 200	132.35	996.37	NHAI	Oct-14	Jun-15	Dec-17	Corson corviam construction S.A-Indian	Under Implementation	11.845325	0.6763085
3.	Krishnanagar-Berhampore	34	78	702.16	Annuity	Feb-11	Feb-12	Feb-17	SEW Infra and YJ Eng. Company Ltd. In association with Feedback Infra. Services Pvt. Ltd-Indian	Under Implementation	6.981	0.39858
4.	4-Laning of Madurai-Ramanathapuram & 2-Laning with PS KM 81	49	115	1387.11	NHAI	Apr-15	May-15	Nov-17	KNR construction Ltd-Indian	Under implementation	10.2925	0.58765

Concrete road vis-s-vis plastic road

The durability of the roads laid out with shredded plastic waste is compared with roads with asphalt with the ordinary mix. Roads laid with plastic waste mix are found to be better than the conventional ones. The binding property of plastic makes the road last longer besides giving added strength to withstand more loads. While a normal 'highway quality' road lasts four to five years it is claimed that plastic-bitumen roads can last up to 10 years. Rainwater will not seep through because of the plastic in the tar. So, this technology will result in lesser road repairs. And as each km of road with an average width requires over two tones of polyblend, using plastic will help reduce non-biodegradable waste. The cost of plastic road construction may be slightly higher compared to the conventional method. However, this should not deter the adoption of the technology as the benefits are much higher than the cost. Plastic roads would be a boon for India's hot and extremely humid climate, where temperatures frequently cross 50°C and torrential rains create havoc, leaving most of the roads with big potholes. Already, a kilometer long test-track has been tested in Karnataka using this technology. The government is keen on encouraging the setting up of small plants for mixing waste plastic and bitumen for road construction. It is hoped that in near future we will have strong, durable and eco-friendly roads which will relieve the earth from all type of plastic-waste.

Analysis of the materials (with plastics/without plastics)

A detailed description of the material required for laying of semi dense bituminous concrete (SDBC) 25 mm road (on existing road) is described below:

TABLE 9

Stone aggregate	% of plastic	Moisture absorption	Soundness	Aggregate impact value	Aggregate crushing test	Los Angel's abrasion value	Voids
Without plastic coating	0	4%	5+/- 1%	25.4	26%	37%	4%
With plastic coating	1%	2%	Nil	212	21%	32%	2.2%
	2%	1.1%	Nil	18.5	20%	29%	1%
	3%	Traces	Nil	17.0	18%	26%	Nil

Process features of the polymer-waste-bitumen mix road

Plastic is coated over stone coating easily and the temperature needed is the same as the road laying segregating plastic from the MSW at municipal yard involves application of resources, the cost of which runs into crores of rupees. A substantial amount of this can be saved. Lab tests and real time tests have revealed that the life expectancy of a plastic road, compared to a normal road is at least 100% more. This technique adds a cumulative benefit to national economy also gives contribution to environmental benefits, employment generation and agricultural efficiency.

RESULTS AND DISCUSSIONS

In wet process, waste plastic is used for modification of bitumen, whereas in dry process, waste plastic is used for coating over aggregates.

A detailed description of the material required for lying of Semi Dense Bituminous Concrete (SDBC) 25 mm road (on existing road) is described below:

Cost of waste plastics Rs. 7/- per Kg.

Cost of processing: Rs. 5/- per Kg.

Total cost of waste plastics: Rs. 12/- per Kg.

Optimum percentage of plastic in the blend as per the test results is around 8% (% wt. of bitumen). Generally, roads in India are constructed in basic width of 3.0 m, 3.75 m. and 4.0 m.

Consider 1Km length road of width 3.75 m and thickness 25 mm. It uses approximately 21300 kg (for new work) and 11925 Kg (for up gradation).

Cost of Bitumen per drum (200Kg) – Rs. 8400 /-

Cost of Bitumen per Kg – Rs.42 /-

A. COST OF NEW ROAD/ KM

TABLE 10

BBM, Carpet and seal coat in Rs.	Bitumen Kg/Km	Cost of bitumen in Rs.	Waste plastic, co-processed with bitumen for PMB (8% by wt.) in Kg.	Cost of waste plastic in Rs.	Cost of bitumen saved in Rs.	Total savings in Rs.
18,95,000/-	21,300	8,95,000/-	1,704	20,450/-	71,550/-	51,100/-

B. COST OF ROAD (UPRADATION)/KM

TABLE 11

Carpet and Seal coat in Rs.	Bitumen Kg/Km	Cost of Bitumen in Rs.	Waste plastic, co processed with bitumen for PMB (8% by wt.) in Kg.	Cost of waste plastic in Rs.	Cost of Bitumen saved in Rs.	Total savings in Rs.
10,80,000/-	11,925/-	5,01,000/-	954	11,450/-	40,050/-	28,600/-

Optimum amount of waste plastic used in dry process – 10% (by weight of aggregates).

Total amount of aggregates used in road construction ($1\text{Km} \times 3.75 \text{ m} \times 25 \text{ mm}$) = $3750 \text{ m}^2 \times 12.5 \text{ kg/m}^2$ (avg). = 46,875 Kg.

Therefore, the total amount of waste plastic used in road (10% by weight) = 4687.5 kg.

The total amount of waste plastic used in road construction using both the processes together (i.e combination of wet and dry process) = $1704 + 4687.5 = 6391.5$ kg.

So, the total cost of waste plastic used in road using mix process = Rs, 76,700/-

Extra cost for construction of road (cost of waste plastic used in road construction – total savings using modified bitumen) = $76,700/- - 51,100/- = \text{Rs. } 25,600/-$ per Km

C. IMPLICATIONS OF POLYMER-WASTE-BITUMEN MIX ROAD

As road pavement life is doubled when we use this novel technique for road construction, we have to pay only Rs. 25000/- more, instead of spending Rs. 10, 80,000/- for its up gradation in just 2-3 years, thus saving Rs. 10, 50,000/- per Km.

In India more than 4.25 million Km of road is available. If only some of them are constructed or repaired using this technique, there will be less waste plastic littered on the road. The process is eco-friendly. Some of the additional benefits are as follows:

- Road strength is twice stronger than normal roads, resistance towards water stagnation i.e. no potholes are formed, less bleeding during summer and doesn't involve any extra machinery.
- Burning of plastics waste could be avoided
- It doesn't increase cost of road construction and it helps to reduce the consumption of bituminous mix vis-à-vis reduce cost
- It is observed that addition of plastics waste upto 10-15% by weight of bitumen resulted into higher values of softening point and lower values of penetration, which are appreciable improvements in the properties of the binder.
- This has resulted and withstood higher traffic load and high temperature variation.
- Several experimental stretches have been laid in more than 15 locations in Tamilnadu using both Mini hot-mix and Central mixing plant.

CONCLUSION

In the modified process (dry process) plastics-waste is coated over aggregate. This helps to have better binding of bitumen with the plastic-waste coated aggregate due to increased bonding and increased area of contact between polymer and bitumen. The polymer coating also reduces the voids. This prevents the moisture absorption and oxidation of bitumen by entrapped air. This has resulted in reduced rutting, raveling and there is no pothole formation. The road can withstand heavy traffic and show better durability. This technique adds a cumulative benefit to national economy also gives contribution to environmental benefits, employment generation and agricultural efficiency.

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THE ECONOMICS OF PUBLIC SERVICE ADVERTISING OF HEALTH CARE SERVICE SECTOR – A LITERATURE REVIEW

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ABSTRACT

Management of the economics of public service advertising of health care service sector shall be followed very efficiently and effectively by any nation proactive to human beings or society in general. In this context the main objective of this study is to review the literature on the economics of public service advertising of health care service sector from the secondary sources. This study is mainly based on the secondary data collected from the various sources like Published report, Web Articles, Journals and research report etc. Comparative study for this research have been done through the assessment of existing research report, articles related to the literature for the economics of public service advertising of health care service sector. It is observed that all the study has provided some positive outcome and further expansion of field study frequently basis may give more effective and efficient social wellbeing's.

KEYWORDS

literature, assessment, economics, public service ad, health care industry.

INTRODUCTION

Health Economics covers the branch of economics concerned with problems associated to effectiveness, efficacy, value and behavior in the creation and use of healthcare service sector. Broadly, health economists study the operation of overall healthcare systems and health-moving manners such as smoking, Immunization etc. Health economists need to appraise various categories of financial information like costs and expenditures. Health economics also deals with the promotion of health through the study of health care service providers, hospitals and clinics Ads and public health promotion activities.

In public health promotion activities Public service advertising is used to inform the public on issues that are frequently considered to be in the general best interests of the community at large.

Typically, it reflects a social wellbeing, philosophical theory and humanitarian notion. It is also commonly referred to as a public service announcement (PSA) or a community service announcement (CSA). The ads are usually broadcast on radio or television, but may also appear in newspapers or magazines. Public service advertising is commonly aimed at altering public attitudes by raising consciousness about particular issues. The public service advertising campaigns are often sponsored by government, trade associations, civic organizations, non-profit institutions or religious groups.

In India Public service advertising related to health care service sector regularly carried out by the Central and State Government. Some important health care service sector related public awareness campaign are Dengue, Women health, Smoking, Swine Flu, HIV / AIDS, Don't drink and drive, Anti-Alcohol, Cancer, Polio, Typhoid, Thalassemia, Drinking and smoking, Family Planning, Malaria, Iodine salt, Immunization for kids in government Hospital etc.

To promote these philanthropic causes central and state government spends lot of money every year but it need to be measure that actually these public service advertisements related to health care service sector produces what nature of effective and efficient result.

OBJECTIVES

The main objective of this study is to review the literature for the economics of public service advertising of health care service sector from the secondary sources.

METHODOLOGY

This study is mainly based on the secondary data collected from the various sources like Published report, Web Articles, Journals and research report etc. Comparative study for this research have been done through the assessment of existing research report, articles related to the literature for the economics of public service advertising of health care service sector.

STATEMENT OF THE PROBLEM

By and large Indian healthcare Industry projected to increase to US\$ 280 billion by 2020, having a composite annual growth rate of 22.9 per cent. Healthcare service sector in India provide service in the area like, hospitals, nursing homes, diagnostics centers and pharmaceuticals which comprises of 65 per cent of the total market. There is an important opportunity for improving healthcare related services taking into consideration that healthcare related expenditure as a percentage of Gross Domestic Product (GDP) is increasing. In India, approximately 70 per cent of the population staying in rural areas, which is an emerging segment for health care service and potential demand, may arise. In context to that the Government also promotes important health care service sector related public awareness campaign are Dengue, Women health, Smoking, Swine Flu, HIV / AIDS, Don't drink and drive, Anti-Alcohol, Cancer, Polio, Typhoid, Thalassemia, Drinking and smoking, Family Planning, Malaria, Iodine salt, Immunization for kids in government Hospital etc. Since the nineteenth century, advertising like outdoors advertising, electronic advertising and print advertising have continued to compete as a top communication channel. State Government and Central Government spends huge amount of money for promoting the social issues related to the health care service sector in India. Therefore, the purpose of the research work is to understand the literature for the economics of public service advertising of health care service sector from the secondary sources which may make the Public Service Advertising Related Health Care Service Sector more effective and successful.

MOTIVATION AND PRACTICAL UTILITY OF THE STUDY

The results of this study shall help to know the literature to measure the Economics of Public Service Advertising of Health Care Service Sector. This study will also help to improve Public Service Advertising of Health Care Service Sector economic efficiency. This study will help to identify the economics of selected health care service sector related public service outdoors advertising, specifically pertaining to the internal and external elements that make them effective and successful for

both publics or consumers and the government. This study also helps to find out influence of selected health care service sector related public service television advertising in electronic media and its effect in pursuing the announcement made for public cause. This study again helps to find out influence of selected health care service sector related public service print media advertising and its effect in pursuing the announcement made for public cause. Medium term benefits of this study may be altered arrangements in the Public Service Advertising of Health Care Service Sector. Long term benefits of this study may be the results can be useful to institute, government departments, NGOs, State Marketing Board, Private companies' etc. It will help to formulate ways and means of efficient functioning of Public Service Advertising of Health Care Service Sector which would in turn help the all public in general gaining additional health benefits and shall help in reducing the health deficit at national level.

RESEARCH GAPS

It can be seen from the review of literatures related to The Economics of Public Service Advertising of Health Care Service Sector in Tripura, India, that no study on economics of Public Service Advertising of Health Care Service Sector has been conducted for the state of Tripura. Hence, present study having in depth economic analysis of Public Service Advertising of Health Care Service Sector state perspectives covering various aspects like outdoors, television and print media advertising is very significant for sustainable development of Health care service sector of Tripura, India.

LITERATURE REVIEW

In order to build up an appropriate perception of the research problem recognition and to expand a theoretical structure to carry out the assessment of existing literature for the economics of public service advertising of health care service sector from the secondary sources, the following literature have been reviewed. Martin S (2016) article on Word-of-mouth in the health care sector: a literature analysis of the current state of research and future perspectives reveals that Word-of-mouth (WOM) might spread in networks and influence large groups of people, stakeholder theory further proposes considering Word-of-mouth (WOM) as a possible way to distribute specific health care recommendations.

Islam M., Sheikh S. (2016) study on college students reveals that in Korea students pay much more attention on clarity of the emotional advertisements and found more effective in changing people mind to quit smoking and recommended that Government should play vital role to select emotional ads and broadcast frequently to reduce number of smoker and improve health condition of its citizen.

Hinde S et al. (2015) Concluded that Subject to the accessible proof, the analysis on Modeling the cost-effectiveness of public awareness campaigns for the early detection of non-small-cell lung cancer advocates that early consciousness movements in lung cancer have the possibility to be cost-effective. In addition to that the projected ordinary history model presents before was unavailable to forecast of the occurrence and speed of disease development in the undiagnosed populace.

Thomas (2015) study proved that there are common internal and external elements on billboards which brands strategically implement for them to receive a large return on their investment.

Clayforth *et al.* (2014) accomplished a study on cost-effectiveness analysis of online, radio and print tobacco control advertisements targeting 25-39 year-old males and found out that online advertising may be a highly cost-effective channel for low-budget tobacco control media campaigns. This finding is contrary to the current assumption that the use of a consistent message across multiple media simultaneously is the most cost-effective way of reaching and affecting target audiences.

Hsu *et al.* (2012) study on Comparative costs and cost-effectiveness of behavioral interventions as part of HIV prevention strategies suggests that while individual involvements are an attractive use of resources to raise awareness, this may not translate into a cost-effective impact on behavior change. The study found that the extensive reach of public outreach events did not seem to influence behavior change as cost-effectively when compared with magazines or radio broadcasts. Behavioral interventions are context-specific and their effectiveness influenced by a multitude of factors. Further analyses using a quasi-experimental design would be useful to programme implementers and policy makers as they face decisions regarding which HIV prevention activities to prioritize.

Unlike television and print ads, in outdoor advertising billboards advertising cannot be turned off or leave out. Iveson (2011) mentioned that how billboards have become the only mass medium capable of reaching consumers as they go about their everyday lives.

Bora (2010) has mentioned that Promoting significant social concerns which normally go ignored, public service advertising is well thought-out to be one of the most effective way to generate and nurture social awareness and bring about a transformation.

Bhatia (2009) has pointed out about public awareness campaigns ongoing in rural India in 1990s. Some of the vital campaigns are AIDS awareness, children's, women welfare, and clean water programs.

Hurley and Matthews (2008) carry out a survey on Cost-effectiveness of the Australian National Tobacco Campaign in Australia. It was establish that the quit benefits model (QBM) predicted that the NTC avoided over 32 000 cases of COPD, 11 000 cases of AMI, 10 000 cases of lung cancer, and 2500 cases of stroke. Prevention of around 55 000 deaths, gains of 323 000 life-years and 407 000 QALYs, and healthcare cost savings of \$A740.6 million were predicted. The NTC was therefore both cost saving and effective and concluded that reducing smoking prevalence, the NTC was unequivocally cost-effective.

Kahende *et al.* (2008) research work on A Review of Economic Evaluations of Tobacco Control Programs found that smoking cessation therapies, including nicotine replacement therapy (NRT) and self-help are most commonly studied. There are far fewer studies on other important interventions, such as price and tax increases, media campaigns, smoke free air laws and workplace smoking interventions, quitlines, youth access enforcement, school-based programs, and community-based programs. Although there are obvious gaps in the literature, the existing studies show in almost every case that tobacco control programs and policies are either cost-saving or highly cost-effective.

Peterson M (2008) researched on Cost-effectiveness analysis of a statewide media campaign to promote adolescent physical activity and their study reveals that A cost-effectiveness analysis of a statewide social marketing campaign was performed using a statewide surveillance survey distributed to 6th through 12th graders, media production and placement costs, and 2000 census data. Exposure to all three advertisements had the highest impact on both intent and behavior with 65.6% of the respondents considering becoming more active and 58.3% reporting becoming more active. Average cost of the entire campaign was \$4.01 per person to see an ad, \$7.35 per person to consider being more active, and \$8.87 per person to actually become more active, with billboards yielding the most positive cost-effectiveness. Findings highlight market research as an essential part of social marketing campaigns and the importance of using multiple marketing modalities to enhance cost-effectiveness and impact.

Chadha, A., Mehdi, A., and Malik, G. (2007) Working Paper No. 198 on "Impact of Preventive Health Care on Indian Industry and Economy." suggested solutions for effective delivery of health care by stressing the importance of prevention through a system of health vouchers issued by the employers for the benefit of employees to be used at their convenience.

Farrelly *et al.* (2007) studied on Effectiveness and cost effectiveness of television, radio and print advertisements in promoting the New York smokers' quitline and found that there was a positive and statistically significant relation between call volume and expenditures for television ($p < 0.01$) and radio ($p < 0.001$) advertisements and a marginally significant effect for expenditures on newspaper advertisements ($p < 0.065$).

Finally, concluded that Television, radio and print media all effectively increased calls to the New York smokers' quitline. Although increases in expenditures for television were the most effective, their relatively high costs suggest they are not currently the most cost effective means to promote a quitline.

Elder *et al.* (2004) studied on Effectiveness of Mass Media Campaigns for Reducing Drinking and Driving and Alcohol-Involved Crashes and found out that according to Community Guide rules of evidence, there is strong evidence that mass media campaigns are effective in reducing alcohol impaired driving (AID) and alcohol-related crashes

McAlister *et al.* (2004) used a randomized testing to estimate the American Cancer Society's telephone counseling service to help smoker's eagerness to give up. The study establishes that psychotherapy almost increase tremendously a smoker's probability of giving up and upholding cessation condition for a year. They recommended that the charge for each case of continued cessation attributable to counseling accessibility.

Hutubessy *et al.* (2003) examined the Generalized cost-effectiveness analysis for national-level priority-setting in the health sector and concluded that Health policy-makers and programmed managers can use results from WHO-CHOICE as a valuable input into the planning and prioritization of services at national level, as well as a starting point for additional analyses of the trade-off between the efficiency of interventions in producing health and their impact on other key outcomes such as reducing inequalities and improving the health of the poor.

Pechmann and Reibling (2000) published their paper on Anti-smoking advertising campaigns targeting youth: case studies from USA and Canada and their study indicates that improvements in campaign cost effectiveness may ultimately increase the likelihood and funding will be sustained until the problem of adolescent smoking is significantly alleviated.

Flora, J. A., Maibach, E. (1990) study shows that in the public service announcement message appraisal it was found that the emotional appeal advertising is better remembered than rational advertising appeal.

FINDINGS, SUMMARIZATIONS AND CONCLUDING OBSERVATION

From the above assessment and chat it reveals that healthy and sustenance literatures for the economics of public service advertising of health care service sector are available. Comparative study for this research have been done through the assessment of existing Published report, Web Articles, Journals and research report etc. related to the literature for the economics of public service advertising of health care service sector. It is very much clear that the developed nations are more conscious then the developing and underdeveloped nation on the subject of investigations. It was found that the analysis on Modeling the cost-effectiveness of public awareness campaigns for the early detection of non-small-cell lung cancer advocates that early consciousness movements in lung cancer have the possibility to be cost-effective, a study on cost-effectiveness analysis of online, radio and print tobacco control advertisements targeting 25-39 year-old males and found out that online advertising may be a highly cost-effective channel for low-budget tobacco control media campaigns, Promoting significant social concerns which normally go ignored, public service advertising is well thought-out to be one of the most effective way to generate and nurture social awareness and bring about a transformation, a survey on Cost-effectiveness of the Australian National Tobacco Campaign in Australia was found out cost saving and effective and concluded that reducing smoking prevalence, the NTC was unequivocally cost-effective, Another study on Effectiveness and cost effectiveness of television, radio and print advertisements in promoting the New York smokers' quitline and found that there was a positive and statistically significant relation between call volume and expenditures for television and radio advertisements and a marginally significant effect for expenditures on newspaper advertisements, A mass media campaigns are effective in reducing alcohol impaired driving (AID) and alcohol-related crashes. Finally, it is observed that all the study has provided some positive outcome and further expansion of field study frequently basis may give more effective and efficient social wellbeing's.

SCOPE FOR FURTHER STUDY

The present study is an effort to present an overview of the literature on the economics of public service advertising of health care service sector from the secondary sources after considering a set of variables with specific objectives. However, the study might not have included certain other important variables essential for effective and efficient assessment of the literature on the economics of public service advertising of health care service sector. Hence a more comprehensive study covering a wide range of public service advertising or public awareness campaign of health care service sector and larger area coverage could generate more interesting findings and policy recommendations. Further, a comprehensive primary data collection shall be carried out using few models of economic evaluation with the selection of some areas to know that current practical scenario for interesting findings and policy recommendations. However, niche area in health care service sector related public awareness campaign like Dengue, Women health, Smoking, Swine Flu, HIV / AIDS, Don't drink and drive, Anti-Alcohol, Cancer, Polio, Typhoid, Thalassemia, Drinking and smoking, Family Planning, Malaria, Iodine salt, Immunization for kids in government Hospital etc., developing typology of health care service sector related public awareness campaign, deficiencies in health care service sector related public awareness campaign, technological options available to improve the health care service sector related public awareness campaign, knowing the impact of seasonal fluctuation in the health care service sector related public awareness campaign etc. are some vital areas which may be beneficial also.

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IMPACT OF RURAL DEVELOPMENT PROGRAMMES ON ASSET, INCOME AND EMPLOYMENT IN HIMACHAL PRADESH: A CASE STUDY OF MANDI DISTRICT

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ABSTRACT

The paper analyses the impact of rural development programmes on assets, income and employment in Himachal Pradesh: A case study of district Mandi. The data collected from 300 households scattered over 12 villages in all selected developed blocks of district Mandi. The required information has been collected with the help of pre-tested scheduled from the sample households.

KEYWORDS

Mandi district, rural development programmes.

INTRODUCTION

Rural development and poverty alleviation have been the major areas of concern and thrust for the nation since independence. The Community Development Programme, consisting of various sets of schemes, was launched on 2nd October, 1952 throughout the country with an objective of overall development of rural areas with the active participation of community. Development blocks were created and considered pivotal for planning and implementation of various rural development schemes.¹ Several other development programmes adopted during the different five year plans were, Intensive Agricultural District Programme (IADP), Intensive Agriculture Area Programme (IAAP), Small Farmers Development Agency (AFDA), Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self Employment (TRYSEM), National Rural Employment Programme (NREP) etc.

Mehrotra, Parida, Sinha and Gandhi (2014, pp. 49-57)² conducted a study on explaining employment trends in the Indian economy: 1993-14 to 2011-12. They used various round of National Sample Survey unit level data. They concluded that structural transformation with an absolute fall in agricultural employment and a rise in non-agricultural employment, increasing participation in education, decline in child labour, and mechanization of agriculture and rising living standard in rural areas due to a growth in rural wages which led to a decline in workforce, most of which was of women leaving the workforce. They also concluded that a fall in demand for manufacturing exports, increasing capital intensity and a decline in manufacturing employment during 2004-05 to 2009-10. This study estimated approximately 17 million jobs per annum need to be created in non-agriculture during 2012-17 based on these estimates, they suggested that policy makers should increase non-agricultural employment in India. Sharma and Chakraborty (2016, pp. 165-180)³ conducted a study why Arunachal Pradesh's social sector development is asymmetrical: a cross-district investigation. This study is based on secondary data. Principal component analysis (PCA) method has been used to construct that first, a massive dose of funding is required to decrease the infrastructure gap in the form of connectivity, electrification and creation of many social assets such as school, hospitals and the like. Second, as the cost of the delivery of basic social services, such as primary health care and education, are prohibitive in Arunachal Pradesh because of remote locations and accessibility. Third, as basic amenities such as water supply, sanitation, drainage and sewerage are inadequate. They suggested that these areas should be looked into on a priority level for planning. Although, pumping of finance into the social sector will not improve the human resource situation, investment should be undertaken in agricultural and allied sectors because income generated through these areas will definitely have some backward and forward linkages with social capital.

OBJECTIVES

In this paper an attempt has been made to estimate the impact of rural development programmes on the sample household of rural area of Mandi district in Himachal Pradesh.

METHODOLOGY

SAMPLING

For the empirical investigation, district Mandi has been selected purposely. The required information has been collected from 300 sample households of twelve villages selected randomly from two development blocks of the district.

NATURE OF DATA COLLECTED

An experimental test was developed by the investigator with the help of pre-tested schedule information pertaining to age and sex wise family composition, educational status, occupational as well as the value of the household assets has been recorded from all the sample households, as it exists at the time of the survey. Further, introduction related to rural development has been incorporated in the present study.

RESULTS AND DISCUSSION

This analysis is important because it brings out the different facet of the nature of economic activities as well as the levels of living. Population in any area plays an important role in affecting the income and consumption level and thereby the living standard. In the present empirical study, there are 300 sample households consisting of 778 males, 718 females and 622 children. Out of the total 300 households, 181 households fall in the category of marginal size of holding having land less than one hectare, 88 households fall in the category of small size of holdings having land between 1 to 2 hectares, 19 households are of the medium size of holding having land 2 to 4 hectares and the remaining 12 households fall in the category of large size of holdings having land more than 4 hectares.

In Himachal Pradesh, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was made effective from 2nd February, 2006 in Chamba and Sirmour districts, and covered all districts up to 1st April, 2008. The objective of this scheme is to provide livelihood security to the households in rural area of the state by ensuring 100 days generated employment in each financial year to every household whose adult members volunteer to do unskilled manual work. During the 11th plan, 1076.26 lakh mandays have been generated.⁴

During last four decades, various centrally and state sponsored rural housing schemes have been implemented through the Department of Rural Development. The Indira Awas Yojana (IAY) was launched as an independent and major housing device on 1st January, 1996 to provide assistance for the construction and up-gradation of the dwelling units for the BPL rural households. The selection of beneficiaries is done by the Gram Sabha. This scheme is being implemented in the ratio of 75:25 between the Government of India and the State Government. During the period of 11th Five Year Plan, Rs. 11607.98 lakh have been released for the construction of dwelling in rural areas and 50,117 houses were constructed under the scheme.⁵

The total amount of subsidy received, assistance received, the value of assets created out of this assistance, as well as the income and employment opportunities generated under the various Rural Programmes has been presented in Table 9.1. This table clearly indicates that the percentage share of subsidy on food-items to the total amount of subsidy has been worked out 98.27, 86.64, 80.96 and 73.74 percent on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this percentage came out 93.30. The percentage amount of subsidy on food-items shows a decreasing tendency with an increase in the size of holding. The percentage amount of subsidy on food-items is the highest on the marginal and small holdings group mainly due to the reason that the Government provides food-items on subsidized rate to the BPL families and the maximum BPL families belong to the marginal and small holdings group. The percentage share of subsidy on fertilizers to the total amount of subsidy has been worked out 1.73, 13.36, 19.04 and 26.26 percent on the marginal, small, medium and large size of holdings respectively. Among all the holding groups together this percentage came out 6.70. The percentage value of subsidy on fertilizers shows an increasing tendency with an increase in the size of holdings. The percentage value of subsidy on fertilizers is the highest on the large holding groups mainly due to the reason that these farmers use more fertilizer as comparatively to small holdings. The per household share of assistance received from the Government for the construction of houses has been worked out Rs. 4500, Rs. 3500, Rs. 2000 and Rs. 0.00 on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this amount came out Rs. 3868.33. The percentage value of assets created out of this assistance to the total value of household assets under the Rural Development Programmes has been worked out 92.73, 90.39 and 100.00 percent on the marginal, small and medium size of holdings respectively, whereas, among all the holdings together this percentage came out 92.32. The percentage increase in household income through assistance received from the Government for the construction of houses under Rural Development Programmes has been worked out to 39.94, 38.13, 48.44 and 0.00 percent on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this percentage came out 39.16. This percentage of family human labour man-days utilization in gainful activities increased by 4.55, 5.69, 3.89 and 0.00 percent on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this percentage came out 4.76. Thus, the percentage increase in the value of household assets, income and employment on the account of the assistance received from the Government for the construction of houses shows that under the rural development programmes among the marginal, small, medium and large size of holding groups the least better-off household benefited the most and the better-off benefitted the least. It happened mainly due to the reason that the Government provides assistance for scheduled cast, scheduled tribe and BPL families for construction of houses under various schemes. The per household share of loans received under rural development programmes for livestock, i.e. mainly for the purchase of milch cattle, sheep, goats etc. have been worked out Rs. 352.60 and Rs. 372.19 on the marginal and small size of holdings respectively. The value of household assets increased on account of these loans to the total value of household assets created under these programmes has been worked out 7.27 and 9.61 percent on the marginal and small size of holding respectively. The percentage of household income increased through livestock received under the integrated rural development programmes to the total household income increased through the different development programmes has been worked out 1.43 and 2.00 percent on the marginal and small size of holding respectively. The percentage of family human labour man-days increased in livestock activities has been worked out 2.58 and 1.61 percent on the marginal and small size of holdings respectively. In the study area MANREGA plays an important role to provide employment opportunities to the sample household. The percentage of family human labour man-days generated in MANREGA has been worked out 92.87, 92.71, 96.11 and 100.00 percent on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this percentage came out 93.03. The percentage amount of assistance received from the Government for old age pension as well as fee concession and fellowship to the total amount of income received under various rural development programmes has been worked out 1.54, 2.01, 3.42 and 4.57 percent on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this percentage came out 1.74.

Thus, it can be concluded from the above empirical results that the percentage amount of subsidy on food-items shows a decreasing tendency with an increase in the size of holdings. The percentage amount of subsidy on food-items is the highest on the marginal and small holdings group mainly due to the reason that Government provide food-items on subsidized rate to the BPL families and the maximum BPL families belong to the marginal and small holdings group, whereas contrary to it, the percentage amount of subsidy on fertilizers shows an increasing tendency with an increase in the size of holding. The percentage value of subsidy on fertilizers is the highest on the large holdings group mainly due to the reason that these farmers use more fertilizers as comparatively to small holdings. The percentage increase in the value of household assets, income and employment on the account of the assistance received from the Government for the construction of houses shows that under rural development programmes among the marginal, small, medium and large size of holding groups the least better-off household benefited the most and the better-off benefited the least. It happened mainly due to the reason that the Government provides assistance for scheduled cast, scheduled tribe and BPL families for the construction of houses under various schemes. The percentage of assistance received from the Government for old age pension, fee concession and fellowship received by the sample household shows an increasing tendency with an increase in the size of holdings. This clearly reveals that under the rural development programmes in case of employment scheme the poor benefited the most and least poor benefited the least. Thus, in the sample area, rural development programmes and employment schemes seem to have improved the socio-economic conditions of the poor rural households.

PROBLEMS AND SUGGESTIONS

The rural development programmes have not been implemented successfully in the study area. The poorest benefited the least and least poor benefited the most under the Integrated Rural Development Programmes mainly due to the favoritism prevailing while preparing the list of the beneficiaries and distributing the benefits. The Poverty Alleviation Programmes (except the self-employment scheme) have fallen short of their expectations in the rural areas of district Mandi, because the empirical results of the present study clearly established the fact that through these programmes the better-off benefited the most and least better-off benefited the least. About 60 percent of the sample households have said that they are satisfied with the facilities provided from Gram Panchayats. Nearly 75 percent of the sample household has got the representation in the co-operative societies. The rural households of Mandi district are very firm in their faiths and beliefs. About 65 percent of rural households of Mandi district are superstitious. They believe that the blessings of God can remove mental illness, ailments, misfortune and natural calamities. Dowry system is prevalent among the rural households of district Mandi. About 35 percent of the households favoured the dowry system, but dowry is never demanded and never insisted upon. About 20 percent of sample households favoured the joint family system mainly due to the reason that land is the mother and they don't want to divide it, whereas, 80 percent sample households favoured the nuclear family system because of economic independence.

CONCLUSION

It can be concluded from the present empirical investigation that there exists a lot of disparities on different stages on different holding groups which resulted in wide variations in the levels of living of the sample households. In order to reduce the disparities as well as raise the levels of living, the planners, policy makers and administrators should implement the poverty eradication programmes more effectively in the area in such a way so that most of the poor be benefited the most and the least poor be benefited the least.

TABLE 1: IMPACT OF RURAL DEVELOPMENT PROGRAMMES ON THE DISTRIBUTION OF HOUSEHOLD ASSETS, INCOME AND EMPLOYMENT IN THE RURAL AREA

OF DISTRICT MANDI (Value in Rs.)						
Sr. No.	Items	Marginal Holdings	Small Holdings	Medium Holdings	Large Holdings	All Holdings
1	Subsidy					
	Subsidy on Food Items	3156	2367	2250	2000	2820.94
		(98.27)	(86.64)	(80.96)	(73.74)	(93.30)
	Subsidy on Fertilizers	55.6	365	529.26	712.36	202.63
		(1.73)	(13.36)	(19.04)	(26.26)	(6.70)
	Total (I + ii)	3211.6	2732.00	2779.26	2712.36	3023.57
		(100.00)	(100.00)	(100.00)	(100.00)	(100.00)
2	Assistance from Government for Construction of Houses Under Various Schemes					
i)	Total Amount Received (Rs.)	4500.00	3500.00	2000.00	0.00	3868.33
ii)	Assets (Houses)	4500.00	3500.00	2000.00	0.00	3868.33
		(92.73)	(90.39)	(100.00)	(0.00)	(92.32)
ii)	Income	4500.00	3500.00	2000.00	0.00	3868.33
		(39.94)	(38.13)	(48.44)	(0.00)	(39.16)
i)	Employment (Man-days)	3.15	3.26	0.90	0.00	2.91
		(4.55)	(5.69)	(3.89)	(0.00)	(4.76)
3	Livestock					
i)	Total Amount of Loan	352.60	372.19	0.00	0.00	321.91
		(100.00)	(100.00)	(0.00)	(0.00)	(100.00)
ii)	Assets	352.60	372.19	0.00	0.00	321.91
		(7.27)	(9.61)	(0.00)	(0.00)	(7.68)
iii)	Income	161.23	183.33	0.00	0.00	151.05
		(1.43)	(2.00)	(0.00)	(0.00)	(1.53)
iv)	Employment (Man-days)	1.79	0.92	0.00	0.00	1.35
		(2.58)	(1.61)	(0.00)	(0.00)	(2.21)
4	Employment					
i)	Employment in MANREGA (Man-days)	64.32	53.12	22.21	27.00	56.87
		(92.87)	(92.71)	(96.11)	(100.00)	(93.03)
ii)	Income	6432.32	5312.33	1988.00	2300.00	5687.88
		(57.09)	(57.87)	(48.15)	(95.43)	(57.57)
5	Other Assistance (old age pension, fee concession and fellowships, etc.)					
i)	Total Amount	173.63	184.56	141.11	110.13	172.24
ii)	Income	173.63	184.56	141.11	110.13	172.24
		(1.54)	(2.01)	(3.42)	(4.57)	(1.74)
iii)	Assets	0.00	0.00	0.00	0.00	0.00
		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
iv)	Employment (Mandays)	0.00	0.00	0.00	0.00	0.00
		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
6	Grand Total					
i)	Total Amount of Loan	352.60	372.19	0.00	0.00	321.91
		(100.00)	(100.00)	(0.00)	(0.00)	(100.00)
ii)	Assets	4852.60	3872.19	2000.00	0.00	4190.24
		(100.00)	(100.00)	(100.00)	(0.00)	(100.00)
iii)	Income	11267.18	9180.22	4129.11	2410.13	9879.50
		(100.00)	(100.00)	(100.00)	(100.00)	(100.00)
iv)	Employment (Mandays)	69.26	57.30	23.11	27.00	61.13
		(100.00)	(100.00)	(100.00)	(100.00)	(100.00)

Note: Figures in Parenthesis indicate percentage.

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A STUDY ON THE PROBLEMS FACED BY THE FARMERS CULTIVATING SUGARCANE WITH SPECIAL REFERENCE TO ERODE AND TIRUPUR DISTRICTS

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ABSTRACT

The traditional occupation of most of the Indian citizens is farming. More than 65 percent of the population in India is residing in rural areas of the country. Out of them about 80 percent of the public depend on agriculture and allied industries of agriculture. In olden days particularly before independence the Indian agriculture was very backward when compared with the developed nations because of lack of advanced technology and also using of traditional pattern of farming. After independence much importance was given by the then governments to develop agriculture. In all budgets considerable amount is being allocated to agriculture sector. Due to the efforts made by the government we experienced considerable development in agriculture. Modern equipments and machineries are being used in all phases of agriculture starting from ploughing of land to harvesting of crop. Further in many ways the government announces subsidies to the farmers for few crops and for some of the agricultural works like trip irrigation, supply of fertilizers at a subsidized rate. Only limited farmers get huge income from agriculture. All other farmers could not earn income as like in the case other activities involved by the human being. The farmers are affected due to various factors like shortage of rainfall, problems of diseases in the crop, seed failure, and heavy rainfall at the time of harvesting, fluctuation in the price of the agricultural produces. The farmers are affected irrespective of the nature of the crops either cash crops or food grains due to low income from their crops. The period of the study for this research is taken from 2015 to 2016. The study is based on primary and secondary data. The data required for the study has been collected from Questionnaire, Journals, reports, etc.

KEYWORDS

Tirupur, Erode, farmers problems in cultivating sugarcane.

1.1 INTRODUCTION

Sugarcane is well known to all of us. Sugarcane is the basic raw material for all forms of sugar. Hence sugarcane cultivation is fully encouraged by the government. More cottage industries and large scale industries were established for manufacturing sugar. Simultaneously the necessity for cultivation of sugarcane was increased. In all parts of the country where the water level is good and the irrigation from river and dam water is available, the farmers started to cultivate sugarcane. Being sugar is the basic necessary domestic commodity; the demand for the sugar is going on increasing year by year. Hence the necessity for cultivation of sugarcane is also simultaneously increased.

The prices of agricultural commodities are usually determined by market factor of demand and supply, if there are many farmers producing the same commodity then they will fetch lesser prices for their produce. When there is great demand from farmers for a certain commodity, then farmers can expect to get higher prices. These prices keep changing daily. Other factors that determine the prices of the product are its quality, yield and pest free status. Climatic conditions, international prices, cost of production and new laws may also affect the prices of agricultural commodities. The prices at different markets may be different.

1.2 STATEMENT OF THE PROBLEM

In India normally all farmers are struggling lot for survival irrespective of total area of the cultivation, type of crop cultivated, etc. All the farmers say their views and reasons for the difficulties. The farmers who are cultivating sugarcane are forced to borrow amount from outside, because of some administrative difficulties in the sugar mills, the dues from sugar mills to the farmers getting delay for settlement. For starting the cultivation of next crop they are in need of finance. Hence they approach the money lenders for financial support where they have to pay high rate of interest. The crops failure also makes them further weak in their financial position. In Tirupur and Erode district due to industrial development, there are huge amount of employment opportunities with reasonable wage or salary package. The entire farming labourers turn to industrial sectors due to working conditions. For agriculture work there is heavy demand for labourers but only few workers are available. This caused high rate of labour cost in agriculture. The fertilizers and pesticides' rate is also high. A farmer who has minimum acres of land for cultivating sugarcane cannot afford the input cost till the harvesting of sugarcane.

1.3 OBJECTIVES OF THE STUDY

This study aims to portrait present condition and problems faced by the farmers cultivating sugarcane. The objectives are:

1. To analyze the various issues and problems faced by the farmers from cultivation to harvest of sugarcane.
2. To uncover out the causes and reasons for the problems.

1.4 REVIEW OF LITERATURE

Rao I.V.Y. Rama (2012) in his study entitled that Efficiency, yield gap and constraints analysis in irrigated vis-à-vis rain fed sugarcane in north coastal zone of Andhra Pradesh shows that the value of BCR is higher for plant crop in irrigated (1.49%) than in rain fed (1.43%) regions. The most important constraint in sugarcane cultivation is shortage of labour during crucial operations.

Jaswanth Singh, R.D.Singh, S.I.Anwar and S.Solomon (2011) in their paper entitled that 'Alternative Sweeteners Production from sugarcane in India: Lump Sugar (Jaggery)'. Importance of sweeteners has long been recognized in Indian diets. Sweetness and flavor are very important as regards consumers' acceptability. Industry has flourished in different states of the country viz., Uttar Pradesh, Tamilnadu, Karnataka, Maharashtra and Andhra Pradesh.

Murali P., Balakrishnan R. (2011) In the recent past, labour scarcity coupled with high labour wage rate has greatly affected the irrigation and harvesting of sugarcane crop in time. It has reduced sugarcane area from 3.91 lakh ha in 2006-07 to 3.14 lakh ha in 2009-10 in Tamil Nadu. Modern sugarcane machinery and labour-saving devices were introduced on a large scale to reduce dependency on labour, and finish different farm operations in time and found the mechanical operations to be superior to manual operations in sugarcane cultivation.

I.V.Y Rama Rao., G Sunil Kumar Babu (2011): The present study was an attempt to work-out costs and returns in value added products of Sugarcane viz., sugar, jaggery and sugarcane juice, in order to suggest the sugarcane growers, the profitable and sustained way to deal with sugarcane. The results revealed that cost of cultivation of sugarcane is the prime factor in the various value added products. Among the value added products, sugarcane juice production was found more profitable, which needs further study of technical and financial feasibility of keeping quality in order to produce on large scale.

1.5 RESEARCH METHODOLOGY

1.5.1 SOURCES OF DATA

The data required for the study have been collected from both primary and secondary data. Primary data were collected from the sample respondents with the help of a questionnaire / Interview schedule. Further, for the purpose of analysis, detailed information was collected from the secondary sources such as Books, Periodicals and Journals.

1.5.2 SAMPLE SELECTION

Due to the development in the economy, social status and the changing trends among the farmers led cultivation of cash crops than the food grains and the pulses. Erode and Tirupur districts are considered one of the districts where sugarcane is cultivated more. As the population for the study is numerous, 800 respondents were selected at random by using convenient sampling method. In Erode district among 7 revenue blocks 20 villages where sugarcane is cultivated are chosen for the selection of the respondents. In each village 20 farmers who cultivate sugarcane were identified and selected as sample respondents from the total population. Likewise, in Tirupur district there are seven revenue blocks where only in four blocks the sugarcane is being cultivated. Among four blocks 20 villages were chosen by using stratified random sampling. Then 20 farmers per village, who are involved cultivation of sugarcane, have been selected as sample respondents. The sample respondent consists of both the male and female from middle class and lower class people.

1.5.3 STUDY PERIOD

The data collected from the primary sources took 4 months. The secondary data collection 2 months, preparing the master table, data analysis and interpretation consumed 4 months. To present the data in the form of the report took another 2 months. The same was confined only to the study area and was related to 1-year period starting from November 2015 to October 2016.

1.5.4 FRAMEWORK OF ANALYSIS

The core of the study being 'A study on the problems and prospects of the farmers cultivating sugarcane with special reference to Erode and Tirupur districts, the study centered on two dependent variables viz., opinion about the initiatives taken by the government for the welfare of the farmers and the satisfaction level of the farmers regarding the social status and their wellbeing.

1.6 LIMITATIONS OF THE STUDY

1. The data was collected from the farmers cultivating sugarcane in Erode and Tirupur districts only. So the findings of the study may not be considered for other districts where sugarcane is cultivated.
2. We cannot expect full co-operation from the respondents at the time of questionnaire or interview schedule. So the findings may be based on the information given by the respondents. There may be possibility for bias in the information provided by the respondents.
3. The survey was conducted only with the farmers who cultivate sugarcane. So it may not be considered for taking policy decisions for the farmers cultivating other crops in Erode and Tirupur districts.

1.7 RESULTS AND DISCUSSIONS**HENDRY GARRET RANKING METHOD****TABLE 1: PROBLEMS FACED BY THE FARMERS WHILE CULTIVATING THE SUGARCANE**

Sl.No	Problems faced by the respondents	Rank							Total
		1	2	3	4	5	6	7	
1	shortage of labour	120	150	104	155	99	86	86	800
2	seed problem	121	140	104	156	105	78	96	800
3	water shortage	123	148	100	141	103	98	87	800
4	power problem	142	143	96	146	104	79	90	800
5	High cost of labour	121	152	103	152	104	84	84	800
6	shortage of fertilizers	134	152	93	143	101	85	92	800
7	lack of financial assistance	128	149	102	159	102	77	83	800
Total		889	1034	702	1052	718	587	618	5600

TABLE 2: GARRETT RANKING TABLE

Sl.No	Problems faced by the respondents	Rank							Total Score	Average	Rank
		S7	S6	S5	S4	S3	S2	S1			
1	Shortage of labour	7920	7050	6032	7750	4257	3010	1892	37911	47.388	IV
2	Seed problem	7986	6580	6032	7800	4515	2730	2112	37755	47.193	VI
3	Water shortage	8118	6956	5800	7050	4429	3430	1914	37697	47.121	VII
4	Power problem	9372	6721	5568	7300	4472	2765	1980	38178	47.722	II
5	High cost of labour	7986	7144	5974	7600	4472	2940	1848	37964	47.455	III
6	Shortage of fertilizers	8844	7144	5394	7150	4343	2975	2024	37874	47.342	V
7	Lack of financial assistance	8448	7003	5916	7950	4386	2695	1826	38224	47.780	I

From the above table it is under stood that among the problems based by the respondents power problem is given first rank with a Garrett score of 38178 and an average of 47.722 followed by the problem "high cost of labour gets second rank with a Garrett point 37964 and with an average of 47.455. The third rank given to the problem "shortage of labour" with a Garrett point 37911 and an average of 47.388. The fourth rank given to the problem "shortage of fertilizer" with a Garrett point 37874 with an average of 47.342 and the fifth rank goes to the "seed problem" with a Garrett point of 37755 and an average of 47.193 and finally the sixth rank is given to the problem "water shortage" with a Garrett score of 37697 and average of 47.121

The problems faced by the farmers while transporting the sugarcane was studied by collecting the responses from the respondents by choosing six major problems in cultivating the sugarcane. They are 'High freight charges, 'Damages of produce', 'Dry and weight loss due to heat, 'Poor service of the transporter, 'Delay in loading and unloading, and 'More cost' The respondents were asked to rank the problems according to their perception and the order of merit given by the respondents was converted into ranks using Garrett ranking method.

TABLE 3: THE OVERALL PROBLEMS FACED BY THE RESPONDENTS

Sl no	Problems	Rank											Total
		S11	S10	S9	S8	S7	S6	S5	S4	S3	S2	S1	
1	Transport problems	47	115	108	90	68	108	48	47	74	61	34	800
2	More amount of commission	46	118	107	97	72	106	46	46	70	58	34	800
3	More transport cost	53	114	106	106	76	100	46	46	69	54	30	800
4	Delay in getting the amount	43	128	99	93	72	105	50	49	63	56	42	800
5	Insufficient rate per tonne	32	96	112	80	88	120	48	56	88	64	16	800
6	Inconvenient for loading and unloading	45	131	98	107	75	99	47	47	60	53	38	800
7	Loss of weight	32	88	128	64	88	120	40	64	96	64	16	800
8	Problem from intermediaries	43	127	120	94	68	93	51	51	69	60	42	800
9	Shortage of supporting manuals	37	97	104	88	83	119	51	51	88	67	15	800
10	Inadequate price	42	146	82	106	82	97	50	49	49	49	48	800
11	Non availability of finance	45	126	98	116	80	105	44	44	62	53	27	800
	Total	465	1286	1162	1041	852	1172	521	550	788	639	342	8800

TABLE 4: RELATIVE CONTRIBUTION OF DISCRIMINANT SATISFACTION LEVEL OF FARMERS IN TOTAL DISCRIMINANT SCORE

Sl. No.	Discriminant satisfaction level	Discriminant Coefficient	Mean Difference	Product	Relative Contribution in TDS
1.	Satisfaction about the yielding	0.0445	0.6650	0.0296	7.89
2.	Availability of labour	0.1246	0.5401	0.0673	17.93
3.	Satisfaction about the rainfall	0.0997	0.4727	0.0471	12.55
4.	Supply of power	0.0884	0.5293	0.0468*	12.47
5.	Labour cost	0.1899	0.5793	0.1100	29.31
6.	Profitability	0.1366	0.5451	0.0745	19.85
	Total	-	-	0.3753	100.00
Per cent of Cases Correctly Classified: 74.02					

Source: Calculated from Primary Data

* Significant at five per cent level

The higher discriminant coefficients are identified in the case of satisfaction level since their discriminant coefficients are 0.1366 and 0.1899 respectively. It shows the higher influence of above said satisfaction level of respondents in discriminant function. The higher relative contribution of discriminant two satisfaction level is identified in the case of labour cost and profitability since their relative contributions are 29.31 and 19.85 per cent respectively. The estimate two group discriminant function correctly classifies the cases to the extent of 74.02 per cent. The analysis reveals that the important discriminant satisfaction level which are highly perceived by the farmers having own land than the farmers having leased land.

CLUSTER ANALYSIS

TABLE 5

Serial No	Final Cluster Centers Variables	Cluster				
		1	2	3	4	5
1	Satisfaction about the yielding	2.48	2.49	3.26	2.70	2.86
2	Availability of labour	2.61	2.42	2.51	3.42	3.10
3	Satisfaction about the rainfall	2.42	3.15	2.67	3.05	2.79
4	Supply of power	2.66	3.14	2.92	2.60	2.99
5	Labour cost	2.86	2.68	3.17	2.37	2.91
6	Profitability	2.52	2.61	2.61	2.68	3.53
7	Price for the sugarcane cultivated	2.64	3.11	3.37	2.61	2.71
8	Climate	2.81	2.20	2.62	2.81	3.16
9	Grading the produce	2.98	2.56	2.57	2.96	3.06
10	Regarding rate fixed	2.63	2.67	3.16	2.88	2.88
11	Services charges levied	2.72	2.60	2.78	3.02	3.06
12	Facilities provided	2.46	2.72	2.65	2.78	3.67
13	settlement of the amount	2.67	2.61	2.97	2.52	3.28
14	method adopted for selling the produce	1.55	1.69	2.36	2.28	2.04
15	Secret tender	2.52	3.03	2.72	3.48	2.56
16	Other materials used for manufacturing sugar	1.18	1.28	1.15	1.15	1.24
17	Opining about the charges for processing	2.08	3.23	3.48	2.92	2.32
18	Opinion about other ways of preparing sugar	1.15	1.21	1.29	1.25	1.12
19	Material used for manufacturing sugar	1.21	1.46	1.33	1.30	1.39
20	Satisfaction about the current status	2.38	3.15	3.03	2.62	2.24
21	Mode of payment	3.53	2.16	2.56	2.28	2.34
22	Loss of weight	2.52	2.45	3.00	2.34	2.75
23	Income from sugarcane cultivation	2.48	2.17	2.76	3.57	2.43
24	Development	2.73	3.17	2.59	1.95	2.77
25	Social status	2.23	2.46	2.99	2.35	3.34
26	Income from other crops along with sugarcane	2.36	2.35	2.69	2.58	3.13
27	Support from the intermediaries	2.77	1.95	3.65	2.42	2.44

To study the variables which are statistically significant across the five clusters, ANOVA tool was employed and the result obtained is given in the following table.

TABLE 6

ANOVA

Sr. No	Statements	Cluster		Error		F	Sig.
		Mean Square	D.o.f	Mean Square	df		
1	Satisfaction about the yielding	12.400	4	.894	637	13.873	.000
2	Availability of labour	22.193	4	.912	637	24.336	.000
3	Satisfaction about the rainfall	11.542	4	.937	637	12.320	.000
4	Supply of power	6.450	4	.999	637	6.453	.000
5	Labour cost	10.187	4	.972	637	10.485	.000
6	Profitability	23.887	4	.860	637	27.790	.000
7	Price for the sugarcane cultivated	13.166	4	.959	637	13.726	.000
8	Climate	14.661	4	.985	637	14.884	.000
9	Grading the produce	6.952	4	1.003	637	6.928	.000
10	Regarding rate fixed	5.391	4	.995	637	5.420	.000
11	Services charges levied	4.978	4	1.012	637	4.919	.001
12	Facilities provided	31.226	4	.840	637	37.165	.000
13	Settlement of the amount	12.870	4	.929	637	13.846	.000
14	Method adopted for selling the produce	16.516	4	.986	637	16.749	.000
15	Secret tender	20.810	4	.893	637	23.314	.000
16	Other materials used for manufacturing sugar	.391	4	.159	637	2.456	.045
17	Opining about the charges for processing	46.576	4	1.166	637	39.933	.000
18	Opinion about other ways of preparing sugar	.600	4	.156	637	3.841	.004
19	Material used for manufacturing sugar	1.218	4	.362	637	3.366	.010
20	Satisfaction about the current status	19.443	4	1.126	637	17.262	.000
21	Mode of payment	46.798	4	.979	637	47.786	.000
22	Loss of weight	7.904	4	1.174	637	6.730	.000
23	Income from sugarcane cultivation	34.755	4	1.032	637	33.664	.000
24	Development	23.011	4	1.148	637	20.053	.000
25	Social status	30.764	4	1.237	637	24.873	.000
26	Income from other crops along with sugarcane	13.985	4	1.117	637	12.524	.000
27	Support from the intermediaries	43.446	4	1.042	637	41.691	.000

The F tests should be used only for descriptive purposes because the clusters have been chosen to maximize the differences among cases in different clusters. The observed significance levels are not corrected for this and thus cannot be interpreted as tests of the hypothesis that the cluster means are equal.

TABLE 7

Number of Cases in each Cluster			%
Cluster	1	198.000	24.75
	2	147.000	18.37
	3	136.000	17.00
	4	150.000	18.75
	5	169.000	21.13
Valid		800.000	100.00

The ANOVA table identifies 27 statements which are significant across the five clusters. The last column in the table indicates that all the statements are significant at 0.05 levels as they have probability values less than 0.01.

The validity and stability of the clusters were checked by splitting the samples in to strata of 400 each and repeating the same procedures of cluster analysis in two. The results showed five cluster solutions on both the samples.

The table shows the number of respondents in each cluster segments. Out of the 800 first clusters were grouped by 198 (24.75%) respondents, second cluster was grouped by 147 (18.37%) respondents, and third cluster was grouped by 136 (17%) respondents, fourth cluster by 150 (18.75%) respondents and the fifth cluster were grouped by 169(21.13 %) respondents.

The ANOVA identifies 27 statements which are significant across the five clusters. The last column in the table indicates that all the statements are significant at 0.05 levels (equivalent to 95% confidence level) as they have probability values less than 0.01.

The validity and stability of the clusters were checked by splitting the samples in to strata of 400 each and repeating the same procedures of cluster analysis in two stages (Hierarchical and non-hierarchical). The results showed five cluster solutions on both the samples.

FINDINGS

From the analysis it is found that among the problems faced by the respondents while marketing and selling the sugarcane Problem from intermediaries 'is given first rank with a Garrett score of 43942 and an average of 54.92 followed by the problem "More transport charges" gets second rank with a Garrett point 43614 and with an average of 54.51 third rank given to the problem "Inconvenient for loading and unloading" with a Garrett point 43492 and an average of 54.36. The fourth rank given to the problem 'Inadequate price' with a Garrett point 43410 with an average of 54.26 and the fifth rank goes to the problem "More amount of commission" with a Garrett point of 43141 and an average of 53.92 and the sixth rank given to the problem "Delay in getting the amount" with a Garrett score of 42956 and average of 53.69, the seventh rank goes to 'Transport problems' with a Garrett score of 42896 with an average of 53.63, the problem 'Non availability of finance' gets eighth place with Garrett point 43860 with an average of 53.62 and the ninth rank goes to the problem 'Shortage of supporting manual' with a Garrett point of 42411 with an average of 53.01, the tenth rank goes to the problem 'Insufficient rate per tonne' with a Garrett point 42280 with an average of 52.85 and finally the problem 'loss of weight' gets eleventh place with a Garrett point 42000 with an average of 52.50.

CONCLUSION

Farmers are considered as the main heart of India because of the contribution by the farming sector in the economic development of the country. Whatever may be the crop or whoever may be the person and whichever may be the area, it is necessary to all the government officials and the authorities to see the welfare of the farmers in the particular area. In the study area the farmers cultivating sugarcane face various issues relating to cultivation and marketing of sugarcane. In this regard researcher identified the causes for the problems and the remedial measures to solve the plight of the farmers in the study area. Adequate rate for the produce, power supply without any power cut, supply of fertilizers with concessional rate and providing the financial assistance and inputs to the cultivation and concessional rate Further the shortage of labour in the farming sector especially can be solved by introducing the machineries in the cultivation and harvesting related works of sugarcane simultaneously it will reduce the cost of input to the farmers in the study area. Hence the government and the authorities concerned

in the department should see that the farmers are provided with the above stated facilities to bring betterment in the life of the farmers in Tirupur and Erode districts which will lead to the balanced development of the districts including the rural parts of the study area.

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DYNAMICS AND DETERMINANTS OF IPO INVESTING BY RETAIL INVESTORS: EVIDENCE FROM INDIAN STOCK MARKET

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ABSTRACT

In this paper we tried to investigate the major drivers of the IPO investing dynamics of the retail investors. In order to realise the stated objectives the researchers have identified seven major determinants namely, Offer Price (F1), Issue Size (F2), Underwriter reputation (F3), Lock-in Period (F4), Return (F5), Procedural constraints (F6) and Problems in IPO (F7). The sample size of the current study was restricted to 150 respondents. For the purpose of the study a structured questionnaire was prepared. The validity of the questionnaire was adjudged, using Cronbach's coefficient (α) was calculated to test the reliability and internal consistency of the responses. Later, the researchers run the frequencies and cross tabulations which includes descriptive statistics, mean, standard deviations. On performing detailed analysis, the patterns from the data is further put for validation through testing of hypothesis. Later a robust multiple regression model has been run to identify the major determinants of IPO issues. The study revealed that the major determinants that drives the investors investing pattern on IPOs were Offer Price (F1), Issue Size (F2), Lock-in Period (F4) and Problems in IPO (F7). However, Underwriter reputation (F3), Return (F5) and Procedural constraints (F6) were not the major drivers of the IPOs investing pattern in India.

KEYWORDS

IPOs, issue size, underpricing, book building, Cronbach's alpha.

I. INTRODUCTION

The economic development of any nation is reflected in the progress of various economic sectors such as corporate, quality of governance and household sector. There are people with savings or with a deficit. Financial system functions as an intermediary and facilitates the flow of funds from savings to deficit. Capital formation is inadequate in most of the undeveloped economies. Capital formed is not used for the productive purpose in many nations. Generally, new issue of equity, preference shares and debt instruments are offered in the primary market and the existing securities are actively traded in the secondary market. Further, investors have very little knowledge to invest in secondary market. Therefore, Initial Public Offer (IPO) has become one of the prominent avenue for the uninformed investors. There is a blooming market for Initial Public Offer in India. The primary market or IPO market provides the avenue for sale of new equities. In India, the major instruments offered to public in the primary market are common stocks, debt instruments such as debentures and a variety of convertibles. This IPO can be made through the fixed price method, book building method or a combination of both. In the recent times many start-ups and private companies have come up with IPOs to raise funds to finance their projects, expansions and growth. However, the performance of an IPO varies in accordance with the conditions of the market.

Stock market plays a major role in the global economy. It is a platform for the public to be a part owner in major corporates, as well as serve as a floor for flow of funds into the market from investors who have excess funds to the companies seeking funds by offering the shares. Initial public offering (IPO) which involves sale of securities (equity and debt) by companies using the stock exchange as a platform to public investors or to the public at large to finance its projects. The IPO is nothing but the first public offering of common stocks of a private corporate, which is followed by a listing of its shares on a recognised stock exchange and are publicly traded. Generally, IPOs are treated as a complex decision, which calls for carefully weighing the benefits against costs. Apart from providing access to a larger pool of capital for companies, IPOs have great potential to get market access by retail investors too. The companies invest in huge value but the volume is low, whereas the retail investors trading is low but has huge volume. IPOs have traditionally been perceived as a good investment opportunity by retail investors in India for their attractive price and returns. Before 1993, Indian IPO market was regulated by a government run agency and fixed pricing mechanism was the only one option available for the companies for IPO issues. In the opinion of Prithvi Haldea (2017) the Founder-Chairman of PRIME Database, IPO market in India has foreseen many violations with respect to disclosures requirements, miss allocation of shares, procedural delays, unfair practices, aggressive pricing and structural weaknesses in the issue process. This has resulted in the declining retail investor's participation in IPO. Later, SEBI is able to restore the confidence amongst investors and increase the retail investor participation in the IPO market. India's IPO market is a great transformation of ample malpractices to more transparent and popular platform for investors, thanks to SEBI for introducing a plenty of regulations and filling the loopholes, triggering a complete makeover. According to EY (2017) reports worldwide the IPO movement, for the current year, listed 772 IPOs raising \$ 83.4 billion. In terms of amount raised, the top three sectors of IPOs till June 2017 were technology thirteen issues raising \$1.5 billion, industrials twelve issues for \$3.2 billion and health care 11 issues worth \$2.3 billion. In India, the report said, 57 IPOs issues raising \$2.3 billion till the end of June 2017.

TABLE 1.1: FUND GENERATED THROUGH IPO'S - YEAR WISE (SINCE 2007)

Year	No. of IPOs	Amount Raised (In Rs Cr)	Issue Succeeded	Issue Failed
2007	108	33,946.22	104	4
2008	39	18,339.92	36	3
2009	22	19,306.58	21	1
2010	66	36,362.18	64	2
2011	40	6,043.57	37	3
2012	13	6,770.17	11	2
2013	5	1,283.95	3	2
2014	7	1,200.94	5	2
2015	21	11,362.30	21	0
2016	27	26,372.48	26	1
2017 *	15	18,699.27	15	0

Source: chittorgarh.com

The prime objective of the current empirical study is on retail investor's behaviour towards IPO market. The focus of the study is to understand the concerns, perceptions, expectations, and various factors influencing retail investors with respect to their investment behaviour in IPOs. For a market to be efficient, investors need sufficient information in selecting their investment opportunities. Due to constant change in the investor's behaviour, market efficiency is not achieved. The investors exhibit both unpredictability and irrational behaviour in the market. It can be the case of over confidence of investors during IPOs and under confidence in daily business non IPOs, leading to fear of making losses from their investments and greed derived from miscalculated speculations to make quick money in short term. Retail investors are generally influenced by the media. They tend to buy, hold, and sell stocks based on the news published in media. This attention based buying can lead investors to trade speculatively and has the potential to influence the pricing of stocks.

The current empirical study comprises of five sections including the current one. Chapter two provides the review of previous studies undertaken on IPOs. While section three outlines the research objectives and the methodology employed to realise the stated objectives by the researchers. Section four discusses the analysis of the determinants influencing investment pattern in IPO market and in the final part, a brief discussion has been made, conclusion have been drawn and the findings of the study are compared with the possible evidence.

II. LITERATURE REVIEW

The concept of investor's behaviour has been extensively investigated in the literature. However, in the literature, a dominant theme is investor's behaviour towards stock market with sub themes like investor's attitude (Selden (1912); Weinstein, N. (1980)), awareness (Verma. P. (2012)), individual investment choices (Warren et al. (1990) and Rajarajan (2000)), behavioural dimensions of investors in capital market (Szyska Adam (2008); Lovric M. et al., (2008); Szyska Adam (2008); Shanmuga Sundaram V. (2011)), trading behaviour (Hvidkjaer S (2008)), relationship between various demographic factors and the investment personality exhibited by the investors (Mittal M. and Vyas R.K. (2008)), information asymmetric (Annaert et al., (2005)), Investors' Perception (Gagan Kukreja 2012)), risk management techniques (Nair Rajagopala and Elsamra Joseph (1999); Gerela.S.T and Balsara. K.A (2001)). The study of institutional investor performance (Grinblatt and Titman (1989)), demographic factors and investment pattern (Korniotis and Kumar (2009)). Another stream of empirical studies has been conducted by focusing on financial literacy and stock exchange investments at the individual investor level (Derrien, (2005); Gillan, et al. (2007) and De Bondt (1998)), sources of investment information to the investors (Cornelli, (2004) and Daily, (2005)). Yet another stream of researchers focusses their attention on influence of gender while investing in stocks (Agnew et al. (2003); Mitchell et al. (2006); Barber and Odean (2001); Deaux and Farris, (1977) they concluded that men were more active traders than women. One more stream of researchers focused on overconfident behaviour of investors while investing (Benos (1998); Caballe and Sakovics (2003); Daniel et al. (1998); Gervais and Odean (2001); Hong et al. (2006); Kyle and Wang (1997); Odean (1998); Peng and Xiong (2006); Scheinkman and Xiong (2003); and Wang (2001)), behavioural economics and finance (Rabin (1998); Hirshleifer (2001); Daniel, et al. (2002); Barberis and Thaler (2003); Campbell (2006); Benartzi and Thaler (2007); and Kaustia (2010)).

In an empirical study conducted by Jignesh et al. (2013) suggested SEBI to put cap on recent IPO scams in India as it expected to lose the investors' confidence. Therefore, SEBI should make use of KYC and UIN (unique identification number) as a compulsory document for investors before applying for an IPO.

Anil Nagtilak and Nilesh Kulkarni (2015) in an empirical study concluded that, IPO procedures are very complicated hence, the SEBI should take appropriate steps to simplify the procedures, apart from it, and their study revealed that majority of the respondents faced problems such as delay in crediting the allotted shares and refund problem. Therefore, they suggested SEBI to take tough measures to handle these grievances.

In an empirical study by Mittal M. and Vyas R.K. (2008) tried to investigate the relationship between demographic factors and the investment personality of the retail investors. The results revealed that the major demographic determinants were qualification, marital status. These two demographic factors significantly affect individual investment decision. Similar findings were documented by DeBondt (2000)

A study conducted by Malkiel, (2003) concluded that retired and economically weaker section invests on stocks which fetch consistent or high dividend. However, economically stronger investors prefer capital appreciation rather than a steady income.

However, in case of IPO market, majority of the studies are underpricing of IPO issues for example, Reilly and Hatfield (1969); Ritter, (1984); Ibbotson (1975), Ibbotson and Jaffe (1975); Allen and Faulhaber (1989); Aggarwal, Krigman and Womack (2002); Grinblatt and Hwang (1992); Baral & Obaidullah (1998); Madan (2003); Ghosh (2006); Fu and Li, (2007); Hoberg, (2007); Garg et al. (2008); Welch (1989); Beatty and Ritter (1986); Loughran, Ritter and Rydqvist (1994); Gordon, (2003); Chen, (2008); Lowery (2008); Madhusoodanan, and Thiripalraju (1997); Chen & Firth (2004); Mandelker and Raviv (1977); Rock (1986); Jegadeesh, Weinstein, and Welch (1993); Agarwal et. al. (2002); Pande & Vaidyanathan (2009); Sahoo & Rajib (2010); Su and Fleisher (1997) and Hunger (2005)).

Yet another stream of researchers has investigated the major determinants of going public by private companies for example, Booth and Smith, (1986); Ritter, (1987) and even post issue performance (Beatty and Ritter, (1986); Michaely and Shaw, (1994) and Brav, et al. (2000)). According to Steven Davidoff Solomon (2011) on an average, underpricing in the US from 1990 to 1998 was about 14.8 %, 51.4 % from 1999 to 2000 and 12.1% from 2001 to 2009. Majority of the studies documented that asymmetric information between the offering parties and the investors about the demand and supply factors were the prime cause for IPO underpricing (Ritter and Welch (2002); Benveniste and Spindt (1989) followed by agency problem (Ljungqvist and Wilhelm (2003); Baron and Holmstrom (1980) and Baron (1982) Mandelker and Raviv (1977)), bribery and corruption factors (Su and Fleisher (1999)) and irrational behaviour on the part of the investors (Aggarwal and Rivoli, (1990); Bossaerts and Hillion, (1999)). In a study by Hanley (1992) conclude that the concept of underpricing in IPO market is partial adjustment mechanism. In a study by Giudici and Pleari (1999), documented that there is no significance difference in underpricing between fixed-price and book-building offers. In a study by Lin & Hsu (2008) found that allotment ratio was the most consistent determinant for IPO underpricing in the Hong Kong and Taiwan capital market. In a study by Kiran Kanubhai Mungara (2014) found a significant relationship between high price (issue price) and on the very first day's close. Bulk of the available literature on IPO have been done with an intention to investigate short run and long run performance of the IPO issues across the global stock markets for example, Stoll and Curley (1970); Mc. Donald and Fisher (1972); Logue (1973); Rock (1986); Dawson (1987); Keloharju (1993); Kim et al. (1994); Lee, Taylor and Walter (1994); Allen and Morkel (1999); Howe et al. (2000); Deffien (2005); Jovanovic and Szentes (2007); Dimovski (2009). In an empirical study by Shah (1995) found a whopping 105.6 percent excess return over the offer price in India. Similar findings were documented by Kakati (1999), he found the short run underpricing to the extent of 36.6 percent. However, he documented a long-run overpricing to the extent of 40.8 percent. In an empirical study Madan (2003) investigated the various factors that drives the return on IPO issues and found a significant relationship. Ranjan and Madhusoodanan (2004) studied the dynamics of book building mechanism on IPO pricing and found more underpricing for smaller issues. In a study by Deb and Marisitty (2011) to investigate the impact of IPO grading on underpricing of IPO found out a significant relationship between IPO grading and underpricing.

The aim of the current paper is to identify, the IPO investors behaviour and factors that drives the investment pattern in IPO market. The review of the literature on IPO, thus throws light on facts relating to the following gaps in the study of the chosen subject: (i) the study of IPO issues focus the underpricing (both short run and long run performance) and causes for the same; (ii) majority of the studies covered only a few aspects of the IPO market and (iii) however, very little is known or experimented from investor's behaviour perspective for example the factors such as (Offer Price (F1), Issue Size (F2), Underwriter reputation (F3), Lock-in Period (F4), Return (F5), Procedural constraints (F6) and Problems in IPO (F7) and its impact on investment decisions.

III. RESEARCH DESIGN

OBJECTIVES OF THE STUDY

1. To examine the major determinants such as Offer Price, Issue Size, Underwriters reputation, lock in period, returns, Procedural constraints and Problems in IPO on the investment pattern in Indian IPO market.
2. To identify the problems confronted by the investors while dealing with IPO process.
3. To offer suggestions based on this empirical study.

RESEARCH HYPOTHESIS

H1: There is no significant relationship between the demographic factors (gender, age, occupation, income, funds available for investment and (Offer Price (F1), Issue Size (F2), Underwriter reputation (F3), Lock-in Period (F4), Return (F5), Procedural constraints (F6) and Problems in IPO (F7)

H2: There is no significant correlation among the various factors identified for the purpose of the study.

H3: There is no significant relationship between independent variables (Offer Price (F1), Issue Size (F2), Underwriter reputation (F3), Lock-in Period (F4), Return (F5), Procedural constraints (F6) and Problems in IPO (F7)) and dependent variable (Overall outcome).

SAMPLING

For the purpose of the study the sample was drawn by convenience sampling through visiting the various share broking firms in Bangalore city. The sample size of this study was restricted to 150 respondents. For the purpose of the study a structured questionnaire was prepared. The research instrument was pre-tested and administered on the respondents. The validity of the questionnaire was adjudged, using Cronbach's coefficient (α) was calculated to test the reliability and internal consistency of the responses. The questionnaire was administered on 195 respondents, out of which, a 150 responses were retained for the purpose of research. The remaining responses were rejected.

RELIABILITY

TABLE NO. 3.1: RELIABILITY STATISTICS

Variable	Cronbach's Alpha	No of Items
Offer Price (F1)	.772	5
Issue Size (F2)	.819	4
Underwriters reputation (F3)	.715	4
Lock in period (F4)	.911	4
Returns (F5)	.763	5
Procedural constraints (F6)	.876	5
Problems in IPO (F7)	.708	5

For the purpose of the current empirical study we have identified seven different factors Offer Price (F1), Issue Size (F2), Underwriters reputation (F3), Lock in period (F4), Returns (F5), Procedural constraints (F6) and Problems in IPO (F7). In order to assess the reliability of the research instrument we have conducted a reliability statistics (Cronbach's coefficient Alpha) for all the factors. It is evident from the above table No. 3.1 that since the Cronbach's Alpha value is greater than 0.7, meaning that there is a high degree of internal consistency among the constructed items.

PLAN OF ANALYSIS

The data collected from the questionnaire have been synthesized by using MS Excel and SPSS software. Later, the researchers run the frequencies and cross tabulations which includes descriptive statistics, mean, standard deviations. On performing detailed analysis, the patterns from the data is further put for validation through testing of hypothesis. Later a robust multiple regression model has been run to identify the major determinants of IPO issues. In the last phase the results have been compared with the possible evidence.

IV. DATA ANALYSIS

The intention of the researchers in constructing Table 4.1 is to present the demographic profile of the respondents included in the survey.

TABLE 4.1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Variables	Categories	No of respondents	Percentage
Gender	Male	93	62.0
	Female	57	38.0
Age	Below 30	101	67.3
	31-40	39	26.0
	41-50	7	4.7
	51 and above	3	2.0
Occupation	Self Employed	70	46.7
	Professionals	71	47.3
	Salaried	2	1.3
	Retired	7	4.7
Household Income	Less than 50000	99	66.0
	50001 to 75000	45	30.0
	75001 to 100000	2	1.3
	Above 100000	4	2.7

Analysis: It is evident from the above Table No 4.1 that 62 percent of the respondents were male and remaining 38 percent were female. 67.3 percent of the respondents belong to age group below 30, followed by 26 percent in age group 31-40, 4.7 percent between age group 41-50 and 2 percent of the respondents with age 51 and above. 47.3 percent of the respondents were professionals followed by 46.7 percent self-employed, 4.7 percent were retired and 1.3 percent were salaried. 66.0 percent of the respondents indicate that they belong to annual income class of less than Rs. 50,000 per month. However, 30.0 percent indicating that they belong to the monthly household income class between Rs. 50001 to 75000, 2.7 percent of them belong to income class of Rs. 1, 00,000 and above remaining 1.3 percent belong to income class between Rs. 75001 to 100000.

TABLE 4.2: PURPOSE OF INVESTMENT

	To beat inflation		To meet emergency contingencies		Tax benefit	
	F	%	F	%	F	%
No	84	56	13	8.67	61	40.67
Yes	66	44	137	91.33	89	59.33
Total	150	100	150	100	150	100
	Children education purpose		Retirement plan		To meet medical emergencies	
	F	%	F	%	F	%
No	14	9.34	12	8	19	12.67
Yes	136	90.66	138	92	131	87.33
Total	150	100	150	100	150	100

Analysis: The intention of the researcher is to understand the objective behind the investment objective of the respondents. From Table 4.2, it is evident that 92.00% of the respondent's major objective behind investment was retirement plan, followed by 91.33% indicating to meet emergencies of life, 90.66% indicating that they invest to save money for the education of their children. However, 87.33% of the respondents indicated that they invest to meet the medical emergencies and 44% of the respondents investing their surplus to beat inflation.

TABLE 4.3: FACTORS RESPONDENTS CONSIDER BEFORE CHOOSING AN INVESTMENT ALTERNATIVE

	Capital appreciation		Liquidity		Safety	
	F	%	F	%	F	%
No	65	43.33	12	8	20	13.33
Yes	85	56.67	138	92	130	86.67
Total	150	100	150	100	150	100
	Steady income		Diversification		Tax benefit	
	F	%	F	%	F	%
No	30	20	139	92.67	51	34.00
Yes	120	80	11	7.33	91	60.67
Total	150	100	150	100	150	100
	Hedge against inflation					
	F	%				
No	41	27.33				
Yes	109	72.67				
Total	150	100				

Analysis: The intention of the researcher before constructing this table is to understand the various factors that drive before selecting a particular investment avenue. From Table 4.3, it is evident that 92.00% of the respondent's indicating that liquidity is the major criteria before choosing any investment avenue, followed by 86.67% preferred safety of the invested funds as the major factor that drives their investment decision, 80% of the respondents preferred steady income was the major factor, 72.67 % of the respondents indicating hedge against inflation is the major determinant before choosing any alternative. However, 60.67 percent of the respondents indicate tax benefit as the major factor and 56.67% indicated capital appreciation as the major determinant before selecting an investment avenue.

TABLE 4.4: TABLE SHOWING THE PURPOSE OF INVESTING IN IPO

Purpose of investing in IPO	Frequency	Percent
Listing gain in terms of under pricing	7	4.7
Long term gain	48	32.0
Less risk	90	60.0
Lack of secondary market knowledge	5	3.3
Total	150	100.0

Analysis: It is evident from the above table No. 4.4 that 60% of the respondents were investing in IPOs because of less risk involved, followed by 32% invest in IPOs to earn long term benefits, 4.7% invests to have listing gain in terms of underpricing and balance 3.3% of respondents invests in IPOs because they lack knowledge of secondary market.

TABLE 4.5: FACTORS INFLUENCING BEFORE INVESTING IN IPO

	Promoters background		Sector performance		Reputation of the underwriters	
	F	%	F	%	F	%
No	6	4	35	23.33	18	12
Yes	144	96	115	76.67	132	88
Total	150	100	150	100	150	100
	Past financial performance		Offer price		Reputation of Investment Banks	
	F	%	F	%	F	%
No	48	32	36	24	30	20
Yes	102	68	114	76	120	80
Total	150	100	150	100	150	100
	Statement in lieu of prospectus					
	F	%				
No	32	21.33				
Yes	118	78.67				
Total	150	100				

Analysis: The intention of the researcher before constructing this table is to understand the various factors that motivate investors before selecting an IPO issue. From Table 4.5, it is evident that 96.00% of the respondent's indicate that promoter's background is the most prominent factor before selecting an IPO followed by Reputation of the underwriters with 88%, Reputation of Investment Banks with 80%, contents given in statement in lieu of prospectus with 78.67%, Sector performance with 76.67% and Offer price with 76%. However, past financial performance stood as the last prominent factor with 68%.

TABLE 4.6: PROBLEMS THAT THE INVESTORS FACE WHILE APPLYING FOR IPO AND ITS PROCESS

	Delay in receipt of refunds/allotments		Filling the Application form		Wrong credit of shares	
	F	%	F	%	F	%
No	6	4	35	23.33	18	12
Yes	144	96	115	76.67	132	88
Total	150	100	150	100	150	100
	No guaranteed allotment					
	F	%				
No	96	64				
Yes	54	36				
Total	150	100				

Analysis: The intention of the researcher before constructing this table is to understand the problems faced by the investors before investing in IPO issue. From Table 4.6, it is evident that 96.00% of the respondent's indicating that Delay in receipt of refunds/allotments is the most prominent grievance faced by the investors followed by Wrong credit of shares with 88%, Filling the Application form with 76.67%, and No guaranteed allotment with 36%.

TABLE 4.7: CHI SQUARE RESULTS

Variable 1	Variable 2	Chi Square Value	P value	Results
Gender	Offer Price	22.338	.013	Reject
	Issue Size	32.724	.002	Reject
	Underwriters reputation	7.534	.184	Accept
	Lock in period	31.092	.000	Reject
	Returns	20.432	.015	Reject
	Procedural constraints	45.358	.000	Reject
	Problems in IPO	26.466	.002	Reject
Age	Offer Price	66.240	.000	Reject
	Issue Size	64.922	.000	Reject
	Underwriters reputation	20.073	.169	Accept
	Lock in period	27.971	.572	Accept
	Returns	85.933	.000	Reject
	Procedural constraints	84.936	.005	Reject
	Problems in IPO	33.092	.194	Accept
Occupation	Offer Price	45.738	.033	Reject
	Issue Size	59.091	.000	Reject
	Underwriters reputation	26.578	.032	Reject
	Lock in period	38.104	.147	Accept
	Returns	40.480	.046	Reject
	Procedural constraints	98.287	.000	Reject
	Problems in IPO	94.038	.000	Reject
Monthly household	Offer Price	60.656	.000	Reject
	Issue Size	63.229	.000	Reject
	Underwriters reputation	22.317	.100	Accept
	Lock in period	66.220	.000	Reject
	Returns	60.890	.000	Reject
	Procedural constraints	95.343	.000	Reject
	Problems in IPO	49.842	.005	Reject
Funds available for investments	Offer Price	124.135	.000	Reject
	Issue Size	57.742	.000	Reject
	Underwriters reputation	87.465	.000	Reject
	Lock in period	135.700	.000	Reject
	Returns	58.054	.000	Reject
	Procedural constraints	200.952	.000	Reject
	Problems in IPO	51.148	.003	Reject

Analysis: Gender: Factor 1: It is evident from Table 4.7; the Pearson Chi square value is 22.338 with a p value of 0.013. We can reject the null hypothesis in case of Gender with Factor one, meaning that there is a significant relationship between Gender of the respondents and the Offer Price. For Factor 2: the Pearson Chi square value is 32.724 with a p value of 0.002. There is a significant relationship between gender of the respondents and Issue Size. Factor 4: the Pearson Chi square value is 31.092 with a p value of 0.000. We can accept the alternate hypothesis in case of Gender with Factor four (Lock in period). Factor 5: the Pearson Chi square value is 20.432 with a p value of .015, we can reject the null hypothesis, meaning that there is a significant relationship between gender of the respondents and Factor 5 (returns). Factor 6: the Pearson Chi square value is 45.358 with a p value of 0.000. We can reject the null hypothesis in case of gender with Factor six (Procedural constraints). Factor 7: the Pearson Chi square value is 26.466 with a p value of .002. We can accept null hypothesis in case of gender with Factor seven (Problems in IPO). However, in case of Factor 3: the Pearson Chi square value is 7.534 with a p value of .184 We cannot reject the null hypothesis in case of Gender with Factor 3.

Age: Factor 1: the Pearson Chi square value is 66.240 with a p value of 0.000. We can reject the null hypothesis in case of Age with Factor one, meaning that there is a significant relationship between Age of the respondents and the Offer Price. For Factor 2: the Pearson Chi square value is 66.240 with a p value of 0.000. There is a significant relationship between gender of the respondents and Issue Size. Factor 5: the Pearson Chi square value is 85.933 with a p value of .000 we can reject the null hypothesis, meaning that there is a significant relationship between age of the respondents and Factor 5 (returns). Factor 6: the Pearson Chi square value is 84.936 with a p value of 0.005. We can reject the null hypothesis in case of age with Factor six (Procedural constraints). Factor 7: the Pearson Chi square value is 33.092 with a p value of .194 We cannot reject the null hypothesis in case of Age with Factor seven (Problems in IPO). However, in case of Factor 3: the Pearson Chi square value is 20.073 with a p value of .169 We cannot reject the null hypothesis in case of Age with Factor 3. Factor 4: the Pearson Chi square value is 27.971 with a p value of .572 We cannot reject the null hypothesis in case of Age with Factor four (Lock in period).

Occupation: Factor 1: the Pearson Chi square value is 45.738 with a p value of .033 We can reject the null hypothesis in case of Gender with Factor one, meaning that there is a significant relationship between occupation of the respondents and the Offer Price. For Factor 2: the Pearson Chi square value is 59.091 with a p value of 0.000. There is a significant relationship between occupation of the respondents and Issue Size. In case of Factor 3: the Pearson Chi square value is 26.578 with a p value of .032 indicating that there is a significant relationship between occupation of the respondents with Factor 3 (Underwriters reputation). Factor 5: the Pearson Chi square value is 40.480 with a p value of .046, we can reject the null hypothesis, meaning that there is a significant relationship between occupation of the respondents and Factor 5 (returns). Factor 6: the Pearson Chi square value is 98.287 with a p value of 0.000. We can reject the null hypothesis in case of occupation with Factor six (Procedural constraints). Factor 7: the Pearson Chi square value is 94.038 with a p value of .000. We can reject null hypothesis in case of occupation with Factor seven (Problems in IPO). Factor 4: the Pearson Chi square value is 38.104 with a p value of .147. We cannot reject the null hypothesis in case of occupation with Factor four (Lock in period).

Monthly household income: Factor 1: the Pearson Chi square value is 60.656 with a p value of 0.000. We can reject the null hypothesis in case of Monthly household income with Factor one, meaning that there is a significant relationship between Monthly household income of the respondents and the Offer Price. For Factor 2: the Pearson Chi square value is 63.229 with a p value of 0.000. There is a significant relationship between Monthly household income of the respondents and Issue Size. Factor 4: the Pearson Chi square value is 66.220 with a p value of 0.000. We can accept the alternate hypothesis in case of Monthly household income with Factor four (Lock in period). Factor 5: the Pearson Chi square value is 60.890 with a p value of .000, we can reject the null hypothesis, meaning that there is a significant relationship between Monthly household income of the respondents and Factor 5 (returns). Factor 6: the Pearson Chi square value is 95.343 with a p value of 0.000. We can reject the null hypothesis in case of Monthly household income with Factor six (Procedural constraints). Factor 7: the Pearson Chi square value is 49.842 with a p value of .005, we can accept null hypothesis in case of Monthly household income with Factor seven (Problems in IPO). However, in case of Factor 3: the Pearson Chi square value is 22.317 with a p value of .100 We cannot reject the null hypothesis in case of Monthly household income with Factor 3.

Funds available for investments: Factor 1: the Pearson Chi square value is 124.135 with a p value of 0.000. We can reject the null hypothesis in case of Gender with Factor one, meaning that there is a significant relationship between Funds available for investments of the respondents and the Offer Price. For Factor 2: the Pearson Chi square value is 57.742 with a p value of 0.000. There is a significant relationship between Funds available for investments of the respondents and Issue Size. In case of Factor 3: the Pearson Chi square value is 87.465 with a p value of .000 there is a significant relationship between Funds available for investments of the respondents and Factor3. Factor 4: the Pearson Chi square value is 135.700 with a p value of 0.000. We can accept the alternate hypothesis in case of Funds available for investments with Factor four (Lock in period). Factor 5: the Pearson Chi square value is 58.054 with a p value of .000 we can reject the null hypothesis, meaning that there is a significant relationship between Funds available for investments of the respondents and Factor 5 (returns). Factor 6: the Pearson Chi square value is 200.952 with a p value of 0.000. We can reject the null hypothesis in case of Funds available for investments with Factor six (Procedural constraints). Factor 7: the Pearson Chi square value is 51.148 with a p value of .003. We can accept null hypothesis in case of Funds available for investments with Factor seven (Problems in IPO).

TABLE 4.8: REGRESSION ANALYSIS

R	.811
R Square	.658
Adjusted R Square	.641
Std. Error	1.65798
R Square Change	.658
Durbin-Watson	1.921

Analysis

R square represents the percentage movement of the dependent variable which is captured by the intercept and the independent variable(s). Above obtained results explain 65.8% of the variation in financial leverage is captured by independent variables with Standard Error of 1.65798

Inference

From the above analysis one can infer that Overall satisfaction is dependent on the predictors or explained by the independent variables (Offer Price (F1), Issue Size (F2), Underwriter reputation (F3), Lock-in Period (F4), Return (F5), Procedural constraints (F6) and Problems in IPO (F7)), which means there is a moderate impact of independent variables on the Overall outcome.

TABLE 4.9: ANOVA VALUES

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	750.595	7	107.228	39.007	.000
Residual	390.345	142	2.749		
Total	1140.940	149			

In the above table No. 4.10 ANOVA explains the joint impact of Independent variables on the dependent variables. It is evident from the above analysis that F value is 39.007 with a significance value of .0000. Therefore, it we can reject the Null Hypothesis.

TABLE 4.10: REGRESSION RESULTS

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Co linearity Statistics	
	B	S E	Beta			Tolerance	VIF
Constant	3.436	1.639		2.097	.038		
F1	.613	.092	.388	6.654	.000	.707	1.414
F2	.350	.105	.227	3.351	.001	.527	1.896
F3	.117	.135	.057	.866	.388	.564	1.774
F4	.234	.083	.208	2.797	.006	.436	2.291
F5	.105	.099	.059	1.059	.291	.764	1.309
F6	.039	.054	.056	.727	.469	.413	2.422
F7	-.451	.083	-.401	-5.456	.000	.446	2.243

Intercept is α in the set equation. Standard error measures the variability in approximation of the coefficient and lower standard error means coefficient is closer to the true value of coefficient. Overall outcome is a dependent variable and (Offer Price (F1), Issue Size (F2), Underwriter reputation (F3), Lock-in Period (F4), Return (F5), Procedural constraints (F6) and Problems in IPO (F7)) are independent variables.

Results show that independent variable Problems in IPO (F7) has a negative coefficient i.e. it shares an inverse relationship with Overall outcome. However, results show that independent variables Offer Price (F1), Issue Size (F2), Underwriter reputation (F3), Lock-in Period (F4), Return (F5) and Procedural constraints (F6) have positive coefficients i.e. they have a direct relationship with over all outcome.

TEST OF HYPOTHESIS

In order to assess the relationship between the independent variable (s) and dependent variable, the researcher has established the following hypothesis and to prove or disprove the hypothesis the researcher has employed multiple regression analysis.

Null Hypothesis (H_0) There is no significant relationship between independent variables (Offer Price (F1), Issue Size (F2), Underwriter reputation (F3), Lock-in Period (F4), Return (F5), Procedural constraints (F6) and Problems in IPO (F7)) and dependent variable (Overall outcome).

Alternative Hypothesis (H_1) There is a significant relationship between independent variables (Offer Price (F1), Issue Size (F2), Underwriter reputation (F3), Lock-in Period (F4), Return (F5), Procedural constraints (F6) and Problems in IPO (F7)) and dependent variable (Overall outcome).

Results show that P-value is less than 0.05 at 5% level of significance for Offer Price (F1), Issue Size (F2), Lock-in Period (F4) and Problems in IPO (F7) at 1% level of significance. However, Underwriter reputation (F3), Return (F5) and Procedural constraints (F6) were not statistically significant at conventional level of 5% Therefore, the accepted hypothesis were:

Alternative Hypothesis (H_1) There is a significant relationship between independent variables (Offer Price (F1), Issue Size (F2), Lock-in Period (F4), Problems in IPO (F7)) and dependent variable (Overall outcome).

Null Hypothesis (H_0) There is no significant relationship between independent variables (Underwriter reputation (F3), Return (F5) and Procedural constraints (F6)) and dependent variable (Overall outcome).

V. DISCUSSION AND CONCLUSION

IPOs have traditionally been perceived as a good investment opportunity by retail investors in India for their attractive price and returns. However, IPO market in India has foreseen many violations with respect to disclosure requirements, miss allocation of shares, procedural delays, unfair practices, aggressive pricing and structural weaknesses in the issue process. This has resulted in the declining retail investor's participation in IPO. The current study entitled "dynamics and determinants of IPO investing by retail investors: evidence from Indian stock market" has been undertaken with an intention to understand and investigate the major determinants of IPO investment pattern in Indian stock market. In order to realise the stated objectives the researchers have collected primary data from 150 respondents. The validity of the questionnaire was adjudged, using Cronbach's coefficient (α) was calculated to test the reliability and internal consistency of the responses. Following were the major findings of the study: Majority of the respondents who have invested in IPO save less than 200000 per annum (60.7%). Major intention behind the investment objective of the respondents were retirement plan, to meet emergencies of life, to save money for the education of their children, to meet medical emergencies. The major factors that drive before selecting a particular investment avenue were liquidity, safety of the invested funds, hedge

against inflation and tax benefit. Majority of the respondents were investing in IPOs because of less risk involved, to earn long term benefits and listing gain in terms of underpricing. The major factors that motivate investors before selecting an IPO issue were the promoter's background, reputation of the underwriters, reputation of investment banks, contents given in statement in lieu of prospectus, sectorial performance and offer price. The major problem faced by the investors before investing in IPO issue were delay in receipt of refunds/allotments, wrong credit of shares, filling the application form and no guaranteed allotment.

Respondent's ranked "quota for retail investors in IPO as very low" as first followed by "too many documents are needed before investing in IPO", "IPO procedures are very cumbersome", "IPOs favors institutional investors only" and "most of the time issue prices are arbitrary and exorbitant". Majority of the investors felt that it is less risky if invested in IPO followed by "to earn long term return" and "for listing gain in terms of underpricing". Majority of the respondents takes experts and broker's advice before investing in IPO followed by electronic media, from relatives and friend's advice, from print media and investor's forum before investing in IPO.

We found a significant relationship between the gender of the respondents Offer Price, Issue Size, Lock in period, returns, Procedural constraints and Problems in IPO. For age we found a significant relationship between the age of the respondents and Offer Price, Issue Size. Returns, Procedural constraints, Problems in IPO. However, for occupation of the respondents and Offer Price, Issue Size, Underwriters reputation, returns, Procedural constraints and Problems in IPO found a significant relationship. For Monthly household income Offer Price, Issue Size, lock in period, returns, Procedural constraints and Problems in IPO found a significant relationship. However, we found a significant relationship between Funds available for investments and Offer Price, Issue Size, Underwriters reputation, Lock in period, returns, Procedural constraints and Problems in IPO. Our results seem to agree with the results of DeBondt (2000) and Anil Nagtilak & Nilesh Kulkarni (2015).

Regression results revealed that independent variable Problems in IPO (F7) has a negative coefficient i.e. it shares an inverse relationship with Overall outcome. However, results show that independent variables Offer Price (F1), Issue Size (F2), Underwriter reputation (F3), Lock-in Period (F4), Return (F5) and Procedural constraints (F6) have positive coefficients i.e. they have a direct relationship with over all outcome. The major determinants that drives the overall satisfaction of IPOs were Offer Price (F1), Issue Size (F2), Lock-in Period (F4) and Problems in IPO (F7). However, Underwriter reputation (F3), Return (F5) and Procedural constraints (F6) were not statistically significant at conventional level.

Majority of the respondents agreed that they take into account the promoters' background, to ensure their creditworthiness, sectorial performance, reputation of underwriters, past financial performance, offer price and reputation of investment banks etc., as major determinants before investing in IPOs. Therefore, it is recommended to the companies that are planning for IPOs to focus on these factors before going for public. Majority of the IPO investors consult brokers and dealers before investing in an IPO. Therefore, IPO companies must not only provide incentives to the brokers and dealers but also educate and motivate such people to attract more investors for each IPO. This reduces the cost of information search to applicants. Majority of the respondents disagreed that "there is no delay in receipt of refunds". This indicates that the refund process after rejection of application or partial allotment is time consuming. This grievance must be effectively handled by the authorities. Filling of application forms and IPO procedure was deemed to be yet another cumbersome problem faced by majority of the respondents, which must be made easier and simpler. The findings seem to agree with the findings of Mittal M. and Vyas R.K. (2008). Wrongful credit of shares is one of the major grievance for the investors therefore, this problem must be addressed and avoided.

Retailers' allotment base should be widened as far as possible since it leads to firm or confirmed allotment to the applicants because majority of the respondents agreed that institutional investors receive a larger portion of the allotments. Majority of the respondents opined that SEBI intervention is a must to bring in regulation in the offer price. Majority of the respondents preferred IPO routes over secondary routes indicating that they are not aware of the dynamics around the secondary market. Therefore, it is suggested to SEBI and other regulatory agencies to increase the focus on educating the uninformed investors about secondary routes. There is an inadequate disclosure as perceived by the investors. Inadequate disclosure is either perceived wrongfully by the investors or is right in actual. This must be further investigated and addressed. A major concern for IPO investors was transparency in allotment process, incompetent firms or incredibility in investment advice from broking firms. The major determinants driving IPOs were, offer price (as a major factor, SEBI must exercise control over offer price), issue size (expects the largest fraction for retail investors), lock in period (if underpricing is prevalent, majority of the investors usually sell the shares on allotment) and problems in IPO (cumbersome procedure, documentation, tax implications, inadequate disclosure, favours to institutional investors, non-availability of collection points).

VI. LIMITATIONS OF THIS STUDY AND SCOPE FOR FUTURE RESEARCH

Any experiment has its own limitations and in the same genre this research too has its limitations. In this section, the researchers are presenting the most important limitations of this study. (i) This study was confined only to geographical limits of Bangalore city only; (ii) the current study on investor's behaviour was restricted to IPO issues only and (iii) the information obtained from the respondents is based on both questionnaire and face to face interview. The respondent's responses or opinion may change in other occasions. In the background of the present study, the researcher has identified the following areas for future research which can be carried in the field of IPO issues. (i) Since the study was confined to geographical limits of Bangalore only, an extended study of this kind encompassing more number of cities and other over a longer period of time may be taken up; (ii) the present study on rural markets has been restricted to IPOs only. A study covering both IPO, rights issues may be taken up; (iii) more IPO studies should be undertaken to understand the investor's behaviour and generate more reliable data on the IPO issues at different points in time as it will capture the investor's behaviour towards IPOs.

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A STUDY ON CUSTOMER PERCEPTION TOWARDS VALUE ADDED SERVICES IN PUBLIC SECTOR BANKS WITH SPECIAL REFERENCE TO ERODE DISTRICT

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ABSTRACT

Banking industry is the blood vascular system of our economy. It has a positive role to play in the economic development of the country as repositories of people's savings and purveyors of credit, especially as the success of economic development depends on the mobilization of resources and their investment in an appropriate manner. Banking sector is the back bone of any financial system of the economy. Commercial banks play an important role in the development of developing economies by mobilization of resources and their better allocation. The rapid growth of banks, especially since nationalization of major commercial banks in 1969, brought in both quantitative and qualitative changes in their functioning and also approach towards socio-economic development of the country.

KEYWORDS

Erode district, customer perception, value added services in public sector banks.

INTRODUCTION

In the light of liberalization, privatization and globalization a lot of challenges were faced by the commercial banks. In the post-nationalization period, the proportions of rural areas in total number of bank branches as well as in credit deployment and deposit mobilization have been declined. On the other hand, the metropolitan areas registered a high increase in their percentage share in total expansion, credit deployment and deposit mobilization. Therefore, in the post-nationalization era, the performance of the banking system with respect to branch expansion in the rural and hitherto unbanked areas, mobilization of deposits, deployment of credit, population coverage and so on has indeed been creditable and perhaps has no parallel in the annals of banking elsewhere.

The banking sector reflects the financial and economic health of the country. Development of any country mainly depends upon the banking system. Banking system remains the major focal point in the financial set up of any developing country. Banking plays vital role in the economy of the country. The face of the banking is changing rapidly. Public sector banks have a larger customer groups. To deal with the customer, a member of innovative products and services are evolved in this age of LPG (Liberalization, Privatization and Globalization).

At the present juncture, banking in India is largely dependent on technology. Now, banks are using various other channels like, Automatic Teller Machine (ATM), internet, mobile, etc., to provide banking services. Banking in India is changing from traditional branch banking to technology based banking. Currently, it is evident that there are two distinct customer groups - one is who like to have face-to-face interaction and other who does banking using technology. The primary challenge is to give consistent service to customers irrespective of the kind of channel they choose to use. Information technology poses both opportunities and challenges. Even with ATM machines and Internet Banking, many consumers still prefer the personal touch of their neighborhood branch bank. Technology has made it possible to deliver services throughout the branch bank network, providing instant updates to checking accounts and rapid movement of money for stock transfers. Banking industry in India has also achieved a new height with the changing times. The use of technology has brought a revolution in the working style of the banks. Today technology not only facilitates automation of process and data processing but also provides more value addition to the entire banking business. Further, it's directly and visibly linked to 'value to customer'. Banking today has transformed into a technology intensive and customer friendly model with a focus of convenience. Information Technologies also facilitates the introduction of new delivery channels - in the form of Automated Teller Machine, Net Banking, Mobile Banking, card mechanism and the like. All though Information Technologies enhances the banks in achieving higher customer satisfaction by extending value added services.

Public sector banks provide various value added services to the customers. The awareness level of customers is increasing day by day. Their expectations are also increasing for choice of choosing the product and services. The Public sector banks offering Value Added Services like bill payments, transfer of money, enquiring account balances, buying and selling of financial instruments such as securities, credit cards, mutual funds, ATM cum debit card, insurance policy, demat accounts and so on. Creation of all those facilities involves very huge investment. So it's most important to increase the usage of Value Added Services among the customers to improve the operational efficiency and get maximum benefit from the investment made in these facilities.

Recently, banking industry in different countries has shown their interest transition in improving service quality from traditional branches to electronic channels. Accordingly, many of them have tended to close or relocate their branches to be sited closely to customers' places for customers' conveniences, and they have relied more on electronic banking services with significant growth in electronic facilities such as Internet, computer, ATMs, telephone and mobile phones. The banking industry of India is now running in a dynamic challenge concerning both customer base and performance. Today banks are wooing existing customers, prospective customers by offering new facilities, products and services in order to retain/increase their base in market. The way the banking has changed, so has the customer changed. The customer of today is not what he was yesterday. Today the customer is more knowledgeable, demanding, analytical and aware of his rights.

Today, many banks are rushing to become more customer focused. Not long ago, an account holder had to wait for hours at the bank counters for getting a draft or for withdrawing his own money. Customer has a choice. Gone are days when the most efficient bank transferred money from one branch to other in two days. Now it is simple as instant messaging, Money has become the order of the day.

MEANING AND DEFINITION

CUSTOMER SERVICE

"Customer Service is the commitment to providing Value Added Services to external and internal customer, including attitude knowledge, technical support and quality of service in a timely manner. Customer Service is the provision of service to customers before during and after a purchase".

Customer service in banking is one of the most important ways to keep customers coming back. It includes responding to customers' questions and complaints in a thorough and timely manner and interacting with customers through face-to-face meetings, telephone, mail, fax and email.

CUSTOMER

A customer is a person who is utilizing one or more of the services provided by the bank. It is not necessary that he must be an account holder or a direct user of banks services.

CUSTOMER PERCEPTION

Customer perception of the quality of a service and their overall satisfaction has some observable indicators. Customers are not homogeneous in their behavioral pattern, attitude, needs and expectations. The customer perception is changing day by day. Customer perception is defined as the way that customers usually view or feel about certain services and products. It can also be related to customer satisfaction which is the expectation of the customer towards the products.

STATEMENT OF THE PROBLEM

The present world is very fast and everyone is always busy and expects to complete all his engagements from a single window. In the availability of modern technology the customers want banking services at their door steps. Once upon a time, people have to spend 3 to 4 hrs to go and do bank transaction. Some time cost of transaction was more than that of the money deposited or withdrawn.

Now a day's banking is not in its traditional way, with new advancement of technology its focusing on more comfort of customer providing services here the focus of problem is to study diverse value added services and its feature to satisfy and retain customer loyal. Now a day's many bank like nationalized and private offer different value added services to customer but the problem is to know that whether customers are satisfied with these services or not. Another problem is to study customers perceived value, quality, and expectation towards the value added services provided by nationalized banks so as to satisfy them. Here the focus of study is to certain the role of value added services to satisfy and retain customer loyal.

The following some of these value added services are:

1. ATM and CDM
2. Credit card
3. Debit card
4. Internet banking
5. Tele banking
6. Corporate cash Management
7. Mobile banking
8. Anywhere Banking
9. Demand Draft
10. Demat Account and so on.

Many value added services are introduced by the banks but some customer's have lack of knowledge they would not use such services. The present study is considered important to identify the problem whether the customer have awareness on the value added services provided by the public sector banks and carried out to examine the problem and offer solutions.

SCOPE OF THE STUDY

Banking services are regarded as one of the important services. Banks provide financial services to the customers. Banks need to create and develop the services which can satisfy the consumer needs. Therefore, the present research work has been carried out to analyze the customer perception towards customer services with value added services of Public sector banks in Erode town. It is limited only to customers of Selected Public sector banks in Erode town. The data was collected from 700 respondents from June 2014 – Dec 2016. The present study mainly highlights the customer perception towards value added services are utilized by the customers provided by the public sector banks.

SIGNIFICANCE OF THE STUDY

In the present world, the customer is a customer of the bank and not of the branch. Consequently, transforming customer demands and explosion of new technologies, such as CBS (Core Banking Solution), Business process Re-engineering (BPR), ATMs, Real Time Gross settlement (RTGS), make it necessary for banks to move from transaction banking to customer-centric solutions.

In order to increase the number of customers using these Value Added Services, it is imperative to understand the customer's awareness and preference for use of Value Added Services, the factors that influence the adoption of these facilities, problems encountered in using Value Added Services and customers expectations. Information on the above aspects would be useful to formulate programme to motivate more and more customers to utilize the value added facilities.

Most of the value added features have been worked out, based on today's technology empowerments and changes in the life style of the users. Now billions of customers are being handled with care and caution by services without scarifying the concepts of privacy and reasonable care. In future, people have to transact using remote banking and virtual banking facilities.

Banks are increasingly launching Self-service banking in the front lobby of branches enables customers to use alternative banking channels-ATMs, Phone Banking, Check Deposit Machine and Pass Book printer without entering the branch, any time of the day, irrespective of whether the branch open or closed. The per transaction cost incurred on one customer in the physical branch is Rs. 50 on an average, while using Value added service cost will about minimum of Rs. 10 for similar transaction. This study would help establish the framework for value added services are utilized by the customers.

OBJECTIVES OF THE STUDY

The overall objective of the study is to analyze Customer perception towards customer service with Value Added Services Offered by the Public Sector Banks in Erode town".

The specific objectives of the study are:

1. To analysis the socio economic conditions of customers usage of Value Added Service in Public sector banks in Erode district
2. To suggest measures for improving the usage of Value Added Service
3. To identify the various services enjoyed by the customers
4. To express the suggestions given by customers to improve the customer services in Public sector banks

RESEARCH METHODOLOGY AND RESEARCH DESIGN**SOURCES OF DATA**

The current study is descriptive in nature. The study is focused on customer perception towards customer services with value added services of public sector banks in Erode town. In this study two types of data have been used. There are primary data and secondary data. Primary data is a type of information that is obtained directly from first-hand sources by means of surveys, observation or experimentation. It is data that has not been previously published and is derived from a new or original research study and collected at the source.

The study mainly based on primary data. There are several methods of collecting primary data like interview, observation, case studies and so on. The primary data was collected by the respondents from selected public sector banks in Erode town through a well designed questionnaire.

Data has been collected secondary sources such as reports, books, journals, documents, magazines, periodicals, newspapers and website and other reference material available from various sources. The researcher approach various institutions like, RBI staff training college, Chennai, Institute for financial management

and research (IFMR), Chennai, Madras University Library, Chennai, Bharathiyar University Library, Coimbatore, Bharathidasan University Library, Thiruchirappalli, Periyar University Library, Salem, The Lead Bank, Erode.

SAMPLE SELECTED FOR THE STUDY

The study is to determine the customer perception towards customer services with value added services of Public sector banks in Erode town. The sample Public sector banks have been selected on the basis of size and services provided by the bank, which are utilized by the customers. The primary data collected from the customers of selected Public sector banks, for this purpose to list the operating banks in Erode Town records were obtained from Indian Bank, The Lead Bank of Erode.

There are totally 21 Public sector banks in Erode town. Out of 21 banks only 10 banks have been selected for this study. The selected Public sector banks in Erode Town such as Indian Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India, Indian overseas Bank, Punjab National Bank, State Bank of India, Syndicate Bank, Union Bank of India. From the 10 Public sector banks 700 respondents were selected for the study by adopting the method of convenient random sampling method

SAMPLING TECHNIQUE

The Erode Town was chosen for the purpose of the study on the basis of convenient sampling. Respondents were chosen at random from the selected public sector banks.

In order to study customer perception towards customer services with value added services of public sector banks in Erode town. A Non random sampling technique of "convenient sampling" procedure is applied to collect various respondents from selected Public Sector Banks in Erode town. Out of 750 respondents only 700 respondents were selected. Hence, due to unfilled questionnaire, 50 respondents have been rejected and 700 respondents have been finally accepted for analysis and interpretation.

STATISTICAL TOOLS

The primary data collected from the respondents were analyzed and presented in the form of tables, Bar charts and Pie diagrams are used. The entire statistical test in this study was carried out at 5% and 1% level of significance. In this present study the following statistical tools are used that is Descriptive Analysis and Chi – square test.

PERIOD OF STUDY

The period of study was three years from 2014 to 2016. The data were collected from 700 respondents by 10 selected Public sector banks in Erode town. The primary data was collected from the respondents from June 2012 – Dec 2013.

LIMITATION OF THE STUDY

1. The research study is limited to Erode town
2. Totally 700 samples were taken under convenient sampling method
3. The results of the study were based upon the information provided by the sample respondents
4. The study is confined to respondents were selected only from ten public sector banks in Erode town
5. The study is not indicated all value added services provided by the Public sector bank, it takes only few services familiar by the respondents

REVIEW OF LITERATURE

Review of literature has vital relevance with any research work due to literature review the possibility of repetition of study can be eliminated and another dimension can be selected for the study. The literature review helps researcher to remove limitations of existing work or may assist to extend current study. Several researches have been conducted to analyze the different aspects of customer services in banks in India and abroad. But there are very few research and literature available on the subject related to customer services and technologies used on Indian banks. The available literature related to Customer services in banks, Customer perception and satisfaction, Performances of public sector banks, Service qualities in banks, Technologies in banking sector and Varieties of value – added services in Public sector banks.

SUGUNA LAKSHMI.P (2010), made a study on "ATMs and its value added services in Indian Banking Sector". Her article mainly shows value added services offered by ATMs in the banking sector, its increased acceptance among the customers supported by statistical facts and the initiatives taken by the banks to overcome the major challenges faced by this technological device.

SULTAN SINGH (2008) in his study, has found out that the level of customer service and satisfaction is influenced by the factors such as the location of the branch and layout, differentiated services, systems and procedures, delegation and decentralization, mechanization and computerization, complaint redress and skills, attitudes and responses of the employees.

T Y BOYD (2004) in his 'seminar on the spirit of customer service' has clearly stated that there are twelve key attribute useful for providing better customer service. If it has been effectively used, then there is a possibility of providing better services to the consumers.

T. S. NARAYANASAMI (2006), a number of value additions are offered by the banks. These include personal Accident Insurance coverage, Insurance for Baggage Loss, Insurance against Lost Credit Cards, and Health Insurance against Discounted premium etc., the usage of Credit Card being the same from the user point of view, it is only these value additions, which make a perceptible difference in marketing the Credit Cards. IOB Gold/IOB Classic Card is a fully loaded Credit Card with extended purchasing power and unique ways to provide extra convenience and freedom. We have the lowest interest charges at 16% per annum on the outstanding balance. Credit period is available up to 50 days reward points are redeemed and credited to the accounts. These extra features do help us to widen the client-base and get the required mileage in the Credit Card sales. The customers who are in the target group for usage of Credit Cards are normally very discerning, well informed and have good purchasing power. Therefore, they evaluate these features before deciding on the Credit Card to buy.

T.T.RAM MOHAN (2002), in his article analyzed India's public sector banks (PSBs) preferred in the years since bank deregulation was set in motion during 1992-93. The banking system has not collapsed nor have there been banking and the efficiency of the system as a whole measured by declining spreads has improved. This paper documents are evaluating the performance of PSBs since deregulations in absolute and relative terms and attempts to understand the factors underlying their improved performance.

TALWAR, S.P. (1999), Entry of ATMs has changed the profile of front offices in bank branches. Customers no longer need to visit branches for their day to day banking transactions like cash deposits, withdrawals, cheque collection, balance enquiry etc. E-banking and Internet banking have opened new avenues in "convenience banking". Internet banking has also led to reduction in Transaction costs for banks

TANZI (1997), E-channels are preferred by the Indian customers nevertheless of their socio economic back ground. These delivery methods have become an increasingly important technique to retain customers in today's dynamic banking environment since customers can make withdrawals, deposits and access balances at their own convenience.

TAYLOR (2005), found that in general, customers were happier because online banking was becoming easier. The site needs to be relatively painless to navigate in order for customers to easily set up bill payment options. The reward for banks that create such sites is that satisfied customers tend to feel more "loyal" toward them. Also, online banking sites are often cheaper to maintain than traditional bricks and mortar banking establishments.

The use of electronic banking has removed the banking personnel that facilitate the transactions and has placed additional responsibilities on the customers to transact with the service. Although the use of E-banking is provided for the benefit of the customers but these changes require increased work or involvement on the part of customers. These and other factors might be seen as lesser service provided in terms of customer service. But these assumptions would be wrong if the customer knows the value of using the electronic service.

UPPAL (2010) stated that E-channels enabled the banks to be better connected with the customers and vice versa. A customer who is provided with a variety of additional services feels appreciated and is more likely to be loyal to that bank, which is always a good sign for a bank.

VIJAY M. KUMBHAR (2011) this study evaluates major factors (i.e. service quality, brand perception etc) affecting on customers' satisfaction in E-banking service settings. This study also finds out influence of service quality on brand perception, perceived value and satisfaction in E-banking. The A result indicates that,

Perceived Value, Brand Perception, Cost Effectiveness, Easy to Use, Convenience, Problem Handling, Security/Assurance and Responsiveness are important factors in customers satisfaction in E-banking. Contact Facilities, System Availability, Fulfillment, Efficiency and Compensation are comparatively less important. Security/Assurance, Responsiveness, Easy to Use, Cost Effectiveness and Compensation are predictors of brand perception in E-banking and Fulfillment, Efficiency, Security/Assurance, Responsiveness, Convenience, Cost Effectiveness compensation etc is predictors of perceived value in E- banking.

WU, Y.L., TAO, Y.H., AND P.C. YANG, (2012) Internet has played a pivotal role in transforming banking services into E-services. While several studies have examined the effective measurement of E-banking service quality, their lack of a holistic view has delayed gathering of past knowledge. To address this issue, this study first reviews and summarizes the methodology, service quality dimensions, suggestions and limitations of seven E-banking service quality studies conducted in seven countries. An empirical study is then conducted to derive a first forceful and comprehensive measure of E-banking service quality in a Taiwanese context by compensating three shortcomings of a prior Taiwanese study. To improve understanding of E-banking service quality, a comprehensive scheme is proposed that has managerial implications. The primary contribution of this study is to present a holistic view of E-service quality for E-banking with embedded cultural factor and to provide an exact measurement scale development procedure applicable to areas other than E-banking.

YESODHA DEVI.N, NANCY SEBASTINA.J AND KANCHANA.V.S (2011), This study is carried on to find out the customers awareness about Mobile banking, their opinion regarding the problems faced and the reason for choose this technology in spite of other technologies. The study is based on primary data collected from 249 respondents by means of a questionnaire. Random Sampling Technique was applied and Statistical tools like Percentage Analysis, ANOVA and T-test, Kendall's Coefficient of Concordance was carried out in order to reveal the results of the study. The various studies reviewed by the researcher, related to the Banking services, service quality; banking awareness, relationship between the customer and banker. Mostly review studies covered and focusing on Service Quality in the banking sector, Internet Banking awareness and knowledge, merits of banking system, etc.

In all the above review of literature various review of made by various researchers, authors have made evaluation of the customer perception towards customer services with value added services of public sector banks the earlier studies differed from one another in the selection of period, selection of banks, selection of indicators and selection of statistical tools and techniques. However, the proposed research work is different from the earlier works the following aspects such as how long customers have awareness of value – added services in public sector banks and service qualities and utilization of such services by customers in banks.

DATA ANALYSIS AND INTERPRETATION

SOCIO – ECONOMIC FACTORS

"Banking is concerned with change, adapting to change and creating change."

G. B. Glies

Indian Banking activity with its diversity in culture, habit of people, socio-economic in balances offers a really challenging task to the banking authorities in introducing Value-added services in commercial banks. The customer's socio-economic background maybe related to the following variables like **a.** Gender, **b.** Age, **c.** Educational Qualification, **d.** Occupational status, **e.** Annual income, **f.** Marital status and **g.** Residential area.

SIMPLE PERCENTAGE ANALYSIS

Simple percentage analysis is one of the basic statistical tools which is widely used in analysis and interpretation of primary data. It deals with the number of respondent response to a particular question in percentage arrived from the total population selected for the study.

FORMULA

Number of respondents' response to a question

----- X 100

Total number of samples selected for the study

It is one of the simple form of analysis which is very easy for anyone to understand the outcome of the research. It is normally used by commercial research organizations and pictorially presented with different diagrams.

GENDER

Gender normally plays a vital role as the new age marketers are providing more significance to gender segmentation in offering new products and services. The Indian females are removing their clutches from house responsibility to building up serious careers. This new found economic independence enables them to take their own decision and make good use of various Value-added services provided by banks. They also need not run around investing their funds or paying their bills. Hence, it is inevitable to consider the role of gender in any research. For this purpose, gender has been classified into two groups male and female.

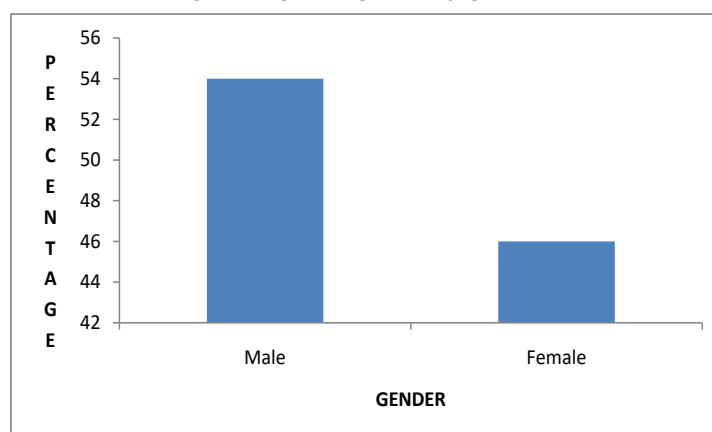
TABLE 1: GENDER OF THE RESPONDENT

S.No	Gender	No of Respondent	Percentage
1	Male	380	54
2	Female	320	46
	Total	700	100

Source: Primary Data

The above table shows that out of the total respondent taken for the study, 54 per cent of the respondents are male and 46 per cent of the respondents are female. The majority of the respondents are belonging to male category. In this district, the female population has just now started taking up dual career for economic independence, so compared to the males, female respondent is less.

CHART 1: GENDER OF THE RESPONDENT



AGE

The Age wise classification is exhibited in the Table 2. Youngsters are considered to be modern, dynamic and energetic. Hence they will have greater interest in using the new grouping concept of value-added services in commercial banks.

The respondents are classified into four age groups namely, below 21, 21-30, 31-40, 41-50 and above 51. It indicates that 41 per cent of respondents who are between 21 to 30 are in the productivity span of life, who have gained more knowledge on Value-added service through experience. The age group below 21 account for 10 per cent representing youth and who are beginners in the banking activity and will be responsible for using Value-added services effectively. The other three age groups 31-40, 41-50 and above 51 for well experienced customers who have adequate and rich knowledge about Value-added services accounting for only 22 per cent, 14 per cent and 13 per cent respectively.

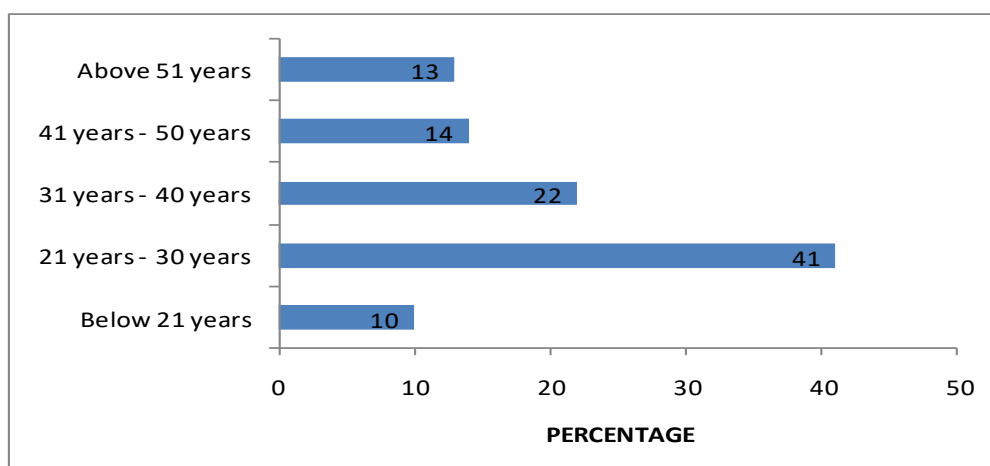
TABLE 2: AGE OF THE RESPONDENT

S.No	Age Group	No of Respondent	Percentage
1	Below 21 years	70	10
2	21 years - 30 years	290	41
3	31 years - 40 years	155	22
4	41 years - 50 years	95	14
5	Above 51 years	90	13
	Total	700	100

Source: Primary Data

Table - 4.3.2 shows that, majority of the sample respondents are in the age group of 21 – 30 years and hence it is concluded that this age group dominates the other age groups in the use of Value-added services. It indicates that the young and energetic in the age group of 21 – 30 years are more innovative and enterprising than others. It is a good and changing trend to be appreciated.

CHART 2: AGE OF THE RESPONDENT



EDUCATIONAL STATUS

Education is important for all human beings. It is very important in the modern electronic world to adapt to modern principles and techniques. For this purpose the educational status of the respondents are classified into four groups namely, Primary level, Higher secondary, Graduation, Post-Graduation and Professional. Education plays an important role in improving knowledge, attitude, tendency and temperament of the customers.

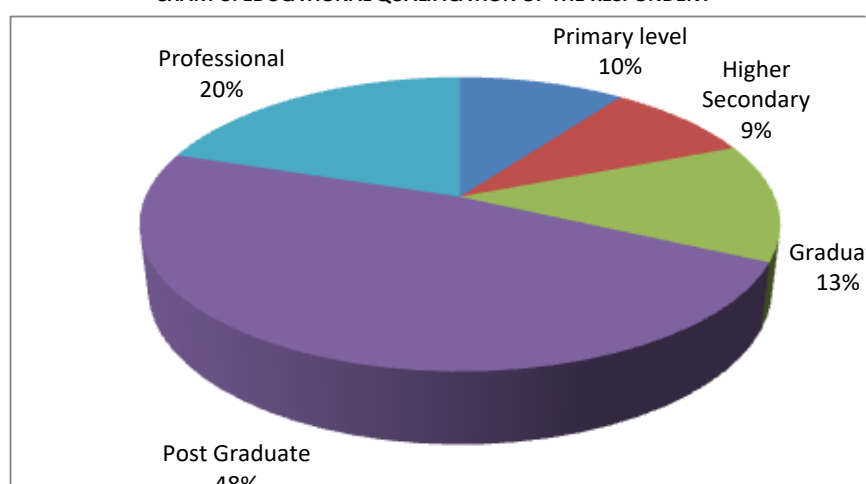
TABLE 3: EDUCATIONAL QUALIFICATION OF THE RESPONDENT

S.No	Educational Status	No of Respondent	Percentage
1	Primary level	74	10
2	Higher Secondary	61	09
3	Graduate	89	13
4	Post Graduate	334	48
5	Professional	142	20
	Total	700	100

Source: Primary Data

The above table 3 indicates that, only 10 per cent of the respondents are having primary level of education, 9 per cent of the respondents are having higher secondary level education, 13 per cent are graduate, 48 per cent are post graduate and only 20 per cent are professionals. Hence, it is concluded that a majority of the sample respondents are graduates which is more than sufficient to using Value-added services in banking more effectively.

CHART 3: EDUCATIONAL QUALIFICATION OF THE RESPONDENT



OCCUPATIONAL STATUS

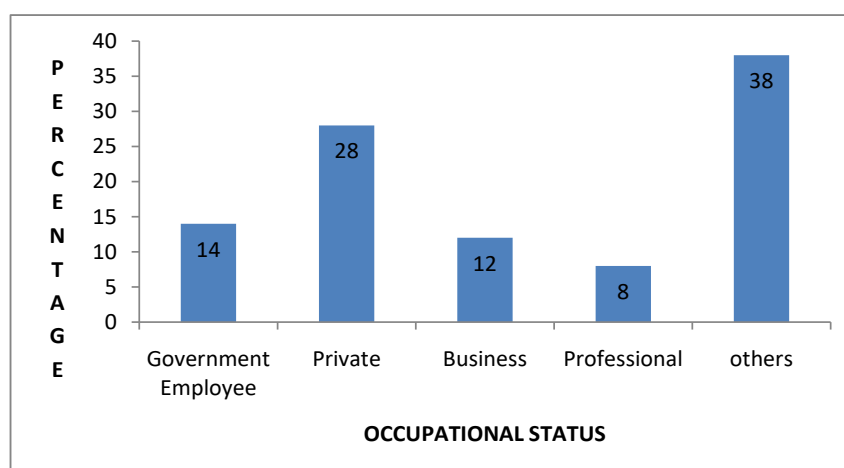
Occupational wise distributions of sample respondents are classified according to their employment position. Occupation is a status symbol in society. Hence the respondents are classified into groups namely Government Employees, Private Sector Employees, Businessmen, Professionals and others.

TABLE 4: OCCUPATIONAL STATUS OF THE RESPONDENT

S.No	Occupational Status	No of Respondent	Percentage
1	Government Employees	94	14
2	Private Sector Employees	196	28
3	Businessmen	82	12
4	Professionals	52	08
5	Others	276	38
	Total	700	100

Source: Primary Data

Table 4 reveals the occupation wise distribution of respondents. Out of 700 respondents, 276 who account for 38 per cent of the total are others. It is clear that, others are more concerned with value-added service which are useful and time savings in the busy world. Next are private sector employees are 28 per cent, followed by government employees are 14 per cent, businessmen at 12 per cent, Professionals at 8 per cent. It shows more people from different occupations are using value-added services provided by banks.

CHART 4: OCCUPATIONAL STATUS OF THE RESPONDENT**INCOME**

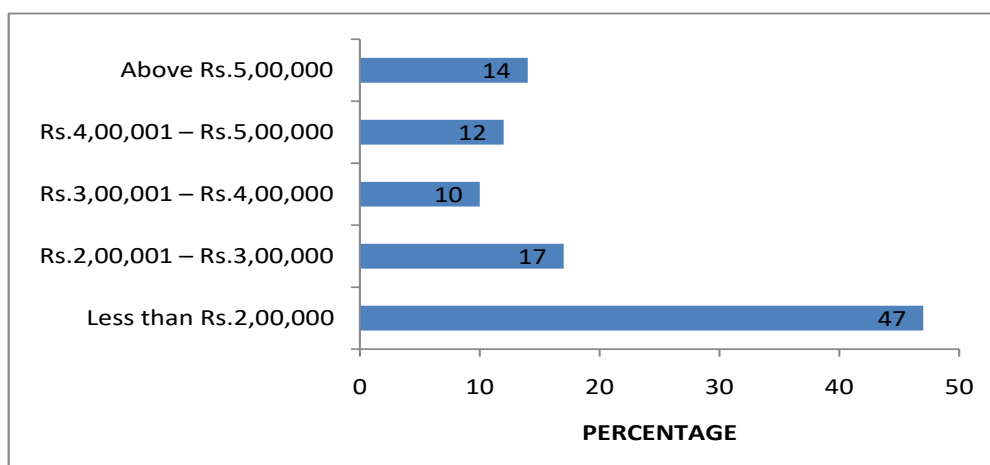
Income is important for all human beings, because each and everything is based on income. It includes individuals to spend their hard earned money on different products and services. In this study, the income has been studied closely to see its relationship with commercial banks. The respondents income was studied under four different categories. For this purpose, the annual income level of respondents are classified into four levels namely, less than Rs. 2,00,000, Rs. 2,00,001 – Rs. 3,00,000, Rs. 3,00,001 – Rs. 4,00,000, Rs. 4,00,001 – Rs. 5,00,000, Above Rs. 5,00,000.

TABLE 5: ANNUAL INCOME OF RESPONDENT

S.No	Annual income	No of Respondent	Percentage
1	Less than Rs. 2,00,000	331	47
2	Rs. 2,00,001 – Rs. 3,00,000	116	17
3	Rs. 3,00,001 – Rs. 4,00,000	70	10
4	Rs. 4,00,001 – Rs. 5,00,000	83	12
5	Above Rs. 5,00,000	100	14
	Total	700	100

Source: Primary Data

The above table clearly shows that 47 per cent of the respondents belong to income level less than Rs. 2,00,000, 17 per cent of the respondents belong to income level Rs. 2,00,001 – Rs. 3,00,000, 10 per cent of the respondents belong to income level Rs. 3,00,001 – Rs. 4,00,000, 12 per cent of the respondents belong to income level Rs. 4,00,001 – Rs. 5,00,000 and remaining 14 per cent of the respondents belong to high income level of above Rs. 5,00,000.

CHART 5: ANNUAL INCOME OF RESPONDENT

RESIDENTIAL AREA

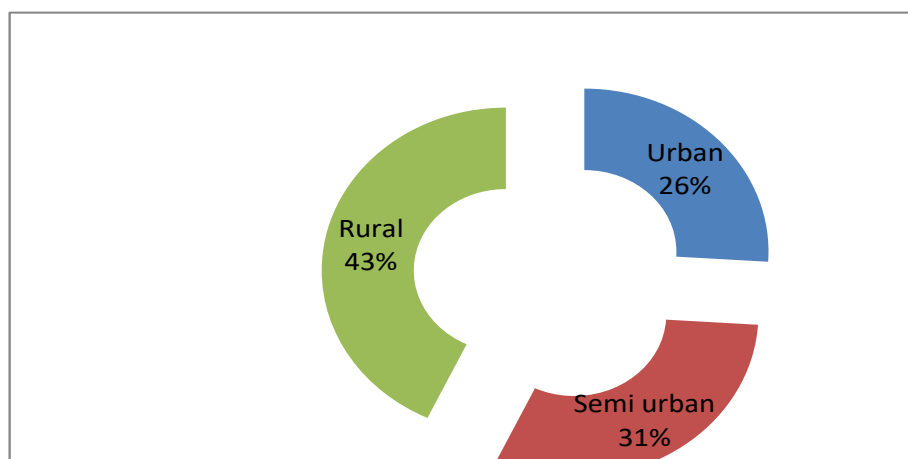
Like the occupational status and income, the place of residence also plays a major role in the nature of selection of investment. The proximity of one's residence to the bank attracts the customer. Like, if a bank is near a residential area it can attract more savings accounts and if near a corporate house more current accounts. For this purpose the residential area of the respondents are classified into three categories namely, Urban, Semi urban and Rural.

TABLE 6: RESIDENTIAL AREA OF RESPONDENT

S.No	Residential Area	No of Respondent	Percentage
1	Urban	178	26
2	Semi urban	220	31
3	Rural	302	43
	Total	700	100

Source: Primary Data

The above table shows that 43 per cent of the respondents are from rural, 31 per cent of the respondents are semi urban and 26 per cent of the respondents are belongs to urban area. Now a day rural sector people are more prefer value-added services.

CHART 6: RESIDENTIAL AREA OF RESPONDENT**CHI-SQUARE ANALYSIS**

The Chi-square test is an important test amongst the several tests of significance developed by statisticians. Chi-square, symbolically written as χ^2 , is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance. It is a non-parametric test, it could be used to determine if categorical data shows dependency or the two classifications are independent. It can also be used to make comparisons between theoretical populations and actual data when categories are used. Thus, the chi-square test is applicable in large number of problems. The test is a technique through the use of which it is possible for all researchers to do the following. (i) Test the goodness of fit, (ii) Test the significance of association between two attributes and (iii) Test the homogeneity or the significance of population variance.

STEPS INVOLVED IN APPLYING CHI-SQUARE ANALYSIS

1. Calculate the expected frequencies on the basis of given hypothesis or on the basis of null hypothesis.
2. Obtain the difference between observed and expected frequencies and find out the squares of such differences i.e., calculate $(O_{ij} - E_{ij})^2$
3. Divide the quantity $(O_{ij} - E_{ij})^2$ obtained as stated above by the corresponding expected frequency to get $(O_{ij} - E_{ij})^2 / E_{ij}$ and this should be done for all the cell frequencies or the group frequencies.
4. Find the summation of $(O_{ij} - E_{ij})^2 / E_{ij}$ values or what we call a $(O_{ij} - E_{ij})^2 / E_{ij}$. This is the squared χ^2 value. The χ^2 value obtained as such should be compared with relevant table value of χ^2 and then inference be drawn.

TABLE 7: OVERALL CHI-SQUARE ANALYSIS BETWEEN PERSONAL FACTORS AND LEVEL OF SATISFACTION ABOUT VALUE ADDED SERVICES

S.No	Personal Factors	Level of Satisfaction about Value Added Services			
		Value	Df	P-Value	S/NS
1	Gender				
	Person Chi-Square	5.226	2	0.056*	S
	Likelihood ratio	4.236	2	0.045	
	Linear-by-Linear Association	0.956	1	0.712	
	No. of Valid Cases	700			
2	Age				
	Person Chi-Square	51.492	4	0.000	NS
	Likelihood ratio	52.195	4	0.000	
	Linear-by-Linear Association	28.664	1	0.004	
	No. of Valid Cases	700			
3	Educational Qualification				
	Person Chi-Square	66.147	4	0.000	NS
	Likelihood ratio	59.987	4	0.000	
	Linear-by-Linear Association	63.645	1	0.005	
	No. of Valid Cases	700			
4	Occupational Status				
	Person Chi-Square	14.392	4	0.006*	S
	Likelihood ratio	14.302	4	0.006	
	Linear-by-Linear Association	0.072	1	0.789	
	No. of Valid Cases	700			
5	Annual Income				
	Person Chi-Square	11.966	4	0.018*	S
	Likelihood ratio	11.216	4	0.024	
	Linear-by-Linear Association	5.748	1	0.017	
	No. of Valid Cases	700			
6	Residential Area				
	Person Chi-Square	5.428	2	0.066*	S
	Likelihood ratio	5.810	2	0.055	
	Linear-by-Linear Association	2.767	1	0.096	
	No. of Valid Cases	700			

Sources: Primary Data S – Significant NS – Not Significant

*** 5% Level of Significant****Null Hypothesis:** There is no significant relationship between gender and level of satisfaction about value added services.

It is observed that, Chi-square p-value as 0.056, likelihood ratio is 0.045 and Linear-by-Linear Association is 0.712. The Chi-square p-value is less than 0.05 at 5 per cent level of significance. So, the null hypothesis is rejected and the researcher hypothesis is supported. There is significant relationship between gender and opinion about value added services. Hence, a personal factor like gender also is related with level of satisfaction towards value added services.

Null Hypothesis: There is no significant relationship between age and level of satisfaction about value added services.

It is observed that, Chi-square p-value as 0.000, likelihood ratio is 0.000 and Linear-by-Linear Association is 0.004. The Chi-square p-value is less than 0.05 at 5 per cent level of significance. So, the null hypothesis is rejected and the researcher hypothesis is supported. There is significant relationship between age and opinion about value added services. Hence, a personal factor like age also is related with level of satisfaction towards value added services.

Null Hypothesis: There is no significant relationship between educational qualification and level of satisfaction about value added services.

It is observed that, Chi-square p-value as 0.000, likelihood ratio is 0.000 and Linear-by-Linear Association is 0.005. The Chi-square p-value is less than 0.05 at 5 per cent level of significance. So, the null hypothesis is rejected and the researcher hypothesis is supported. There is significant relationship between educational qualification and opinion about value added services. Hence, a personal factor like educational qualification also is related with level of satisfaction towards value added services.

Null Hypothesis: There is no significant relationship between educational qualification and level of satisfaction about value added services.

It is observed that, Chi-square p-value as 0.006, likelihood ratio is 0.006 and Linear-by-Linear Association is 0.789. The Chi-square p-value is less than 0.05 at 5 per cent level of significance. So, the null hypothesis is rejected and the researcher hypothesis is supported. There is significant relationship between occupational status and opinion about value added services. Hence, a personal factor like occupational status also is closely related with level of satisfaction towards value added services.

Null Hypothesis: There is no significant relationship between annual income and level of satisfaction about value added services.

It is observed that, Chi-square p-value as 0.018, likelihood ratio is 0.024 and Linear-by-Linear Association is 0.017. The Chi-square p-value is less than 0.05 at 5 per cent level of significance. So, the null hypothesis is rejected and the researcher hypothesis is supported. There is significant relationship between annual income and opinion about value added services. Hence, a personal factor like annual income is closely related with level of satisfaction towards value added services.

Null Hypothesis: There is no significant relationship between residential area and level of satisfaction about value added services.

It is observed that, Chi-square p-value as 0.066, likelihood ratio is 0.055 and Linear-by-Linear Association is 0.096. The Chi-square p-value is more than 0.05 at 5 per cent level of significance. So, the null hypothesis is accepted. Therefore there is no significant relationship between residential area and opinion about value added services.

FINDINGS**PERCENTAGE ANALYSIS**

- 54 per cent of the respondents are male and 46 per cent of the respondents are female. The majority of the respondents are belonging to male category.
- Majority (41 per cent) of the sample respondents are in the age group of 21 – 30 years and more innovative and enterprising than others. It is a good and changing trend to be appreciated.
- Most (48 per cent) of the sample respondents are post graduate which is more than sufficient to using Value-added services in banking more effectively.
- Majority (38 per cent) of the respondents from different occupations.
- It is inferred that (47 per cent) of the respondents belong to the income level of less than Rs. 2,00,000/-.
- Majority (43 per cent) of the respondents are from rural area.

CHI-SQUARE ANALYSIS

- ❖ Personal factor like gender, age, occupation and annual income also is related with opinion towards value added services.
- ❖ Personal factor like residential area is not related with opinion towards value added services.
- ❖ Personal factor like gender is not related with level of satisfaction towards motivational factors.
- ❖ Personal factor like age, educational qualification, occupational, annual income and residential area is closely related with level of satisfaction towards motivational factors.

SUGGESTIONS

Value added services of public sector banks are a new concept in the banking sector and are fast growing and demanding. Here are some suggestions to make it more attractive based on the present study.

1. Hence, in today's competitive environment, banks will have to strive to attract and retain customers by introducing innovative products, enhancing the quality of customer service and marketing a variety of products through diverse channels targeted at specific customer groups.
2. The banks have to take a comprehensive view of their delivery channels. Integrated delivery channels could further enhance successful adoption of technology like e-mail, i-banking, ATMs etc.
3. The changes in the banking and financial sector require a fundamental shifts in skills required for banking. To meet increased competition, the need for specialized banking functions, using IT as a competitive tool is required.
4. The study reveals that certain valued added services like a banking / i-banking must be provided free of cost or at a cost less than the amount involved in regular banking transactions.
5. Customers appreciate not only consistencies in services but also hassle free interface with technology. The level of frustration and dissatisfaction escalates when customer encounters problems due to technology either while transacting business on site or off site. When customers file complaint, it must be resolved immediately.
6. Marketing strategy must be formulated within the overall framework of corporate objectives and strategy of a bank. Strategic marketing must begin with the effort to identify an attractive set of opportunities for the bank.
7. Banks have to come up with a scheme where they ask the customers to give certain information while opening of their account. There is a proper database available about the lifestyle information and personal information. The banks have to use the database as personal message like birthday and anniversary can be sent. Bank also can send greeting cards on certain occasions with advertisement of value added service and various products.
8. Bank management thinks that because of their reliability, existence and facilities customers automatically are lured so there is no need to make retention programme and policy. Banks believe in the old adage that "old is gold" and banks keeps track of all accounts on a regular basis. There is no proper check to know the status of various accounts. If the customer wants to close the account, concerned employee asks the questions to know the valid reason for closure, hence maintaining and retaining the existing customers.
9. Security risk is one of the very important issues in value added services because most of value added service activities are closely related with internet banking systems. In internet banking, information is considered as an asset and so worthy of protection.
10. The purpose of creating awareness towards information security in the area of interest banking through training and education is necessary for understanding the need of information security, protection of passwords, awareness about various spy wares and malicious codes.

CONCLUSION

In a service industry like banking, where product differentiation is hard to maintain and the quality of service depends on the service provider, it is imperative for the bank to have staffs who realize that they are a part of the business concern. They have to render services to the satisfaction of the customers. The banks need to equip themselves with internal capabilities and build efficient and viable business models to create advantage of new opportunities available into a long term sustainable competitive advantage. Implementation of information technology to enhance customers service also calls for training and change in the mindset and attitude of employees and the organization.

Finally, the modern commercial banks are doing yeoman service to its valuable customers after introduction of various value added services namely, e-banking, interest banking and so on. Till now limited customers are using the value added services offered by the modern banks. If the present study helps the policy maker of the bank to educate the entire customer base about the value added services provided and to make optimum use of them, the researcher would feel immensely rewarded.

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SWAY ON FDI IN INDIA: SOME RUDIMENTARY CORROBORATIONS**Dr. JOSEPH JAMES V****HEAD****P G & RESEARCH DEPARTMENT OF COMMERCE****FATIMA MATA NATIONAL COLLEGE (AUTONOMOUS)****KOLLAM****Dr. SAJEEVE V P****HEAD****DEPARTMENT OF COMMERCE****BOSHOP MOORE COLLEGE****MAVELIKKARA****CATHERINE E PERIERA****LECTURER & RESEARCH SCHOLAR****P G & RESEARCH DEPARTMENT OF COMMERCE****FATIMA MATA NATIONAL COLLEGE (AUTONOMOUS)****KOLLAM****ABSTRACT**

The paper analyzes the impact of selected economic variables influencing the growth of FDI in India. Both direct and stock market related variables are considered for the purpose. An evaluative analysis of the influence of such variables on FDI will give rise to the tracking of relevant factors which will increase momentum of FDI growth that ultimately will trigger and maintain the sustainable growth of our economy. The data for the purpose are collected from the Database on Indian Economy (DBIE) of the RBI and the websites of the National Stock Exchange. The period of the study is fixed as 15 years from 2000-01 to 2015-16 during which the process of liberalization is accelerated. The selected period also witnessed sharp swindling and dwindling in the economy and the transformation phase is cognitively reflected through the economic variables. When the variables are taken individually for dependence of FDI a positive relationship of influence is exhibited. Also the variables are found to be correlated with FDI inflows. Both the variables representing general economic conditions and stock market related variables have depicted almost the same relationship. However, when all the variables are collectively considered to test the influence on FDI, a uniformly strong positive result could not be traced. Further, in the analysis by excluding the WP index to improve the sample size, the result is a much supporting one regarding the collective influence of the variables on FDI inflows. The subsequent clarity on conclusion with a more cognitive picture can be obtained by a further detailed analysis with respect to multicollinearity, Heteroskedasticity etc. of the predictor variables. The use of a more frequently occurring temporal data may also be expected to provide more accuracy.

KEYWORDS

FDI in India, economic variables.

INTRODUCTION**PHASES OF INDIAN ECONOMY**

Indian economy has gone through different phases since independence. Broadly it may be classified into pre-liberalization and post-liberalization scenario. Another phase is just expected to groom is post-demonetization scenario, the symptoms of which is not yet much cognizable.

THE COMMAND AND CONTROL ECONOMY

The pre-liberalization era can be well described as a command and control economy existed during the period from 1947 to mid eighty's. The period was mainly dominated by the public sector with much governmental control and interference in economic activities. During the period the resources are allocated to various sectors through planned budgetary grants. The government has taken a much considerable role in setting priorities, implementing welfare projects, dominating industries through public sector and timely influence and control wherever necessary. The economy, during this era, concentrated mainly on self reliance and foreign trade and allied activities were mainly based on import substitution. Banking sector was made dominated through public sector by way of nationalization and private sector participation is set limited.

LIBERALIZATION AND GLOBALIZATION

The liberalization and globalization era emerged from the year 1991 accelerated throughout and attained a full swing momentum from the year 2001. This era emphasis over the private sector through disinvestment, devaluation of currency, augmenting exports, deliberate shrinking in imports and eventually opening up the economy at an international sphere. Foreign Direct Investment (FDI) and foreign Institutional Investment (FII) have been encouraged especially after the year 2001 when the globalization process being accelerated. Stable governments, longstanding political conditions, the disinvestment policy and a shift from import substitution to internationalization have increased the momentum of liberalization in FDI and FII policy.

THE RESEARCH PROBLEM

It is found from the backdrop that the Indian economic policy transformed from an anti-FDI policy, passed through a policy regime of import substitution and has reached to an almost complete FDI friendly one. The growth of FDI has acquired momentum because of fear of business protectionist pressures, finding way for circumventing trade barriers, dramatic changes in trade regulations and practices and above all the globalization of the world economy. FDI flows now increases momentum in our economy through increased production, input of advanced technology, augmented exports and elevated levels of consumption leading to sustainable growth of the economy. FDI covers all those activities of direct investment in industrial and service sectors, buying shares and other capital market instruments of Indian corporate entities, re-investing earnings on foreign investments and extending loans and advances to foreign affiliates. FDI along with FIIs further creates an extended momentum in the Indian economy. Domestic financial market is also well influenced by FDI and FII and vice versa.

At this juncture a study is proposed to analyse the impact of selected economic variables influencing the growth of FDI in India. Both direct and stock market related variables are considered for the purpose. An evaluative analysis of the influence of such variables on FDI will give rise to the tracking of relevant factors which will increase momentum of FDI growth that ultimately will trigger and maintain the sustainable growth of our economy.

SOME REPERTOIRE OF LITERATURE

Hemkant Kulshretha (2014), enquired into the determinants of FII and their influence on capital market. The paper examines whether the stock market movements explained by FIIs. The study concluded that the investments by FIIs and movements of BSE Sensex and NSE Nifty are closely related. The study inferred that the FIIs are prominent group of investors in the domestic market.

Anusha Srivastav (2013) conducted a study which observed the relationship of FII and indices, both national and sectoral. The study concluded that the FIIs have no considerable influence on Indian capital market. However, it has positive impacts on BSE Sensex and NSE Nifty. This effect is being concluded by the study to be because of the effects of extraneous factors acting correlated with FII.

Rajeev K Shukla et.al. examines the impact of FII on the Indian capital market in the context of increasing trend in developing an investment cult in the international sphere. The study covered a period from April 2005 to March 2010 to cover the exact impact in both bullish and bearish trend. The study concluded that FIIs have significant impact on the share prices of Midcap and Smallcap Indices companies and their active trading behaviour.

Akhtar, G (2013) examines the pattern of foreign direct investment inflows in India through three periods: (1) 1969-75, when the policy regime was "anti-FDI", (2) 1975-91, when promotion of FDI was "selective", and (3) after 1991, when the policy regime is "pro-FDI". It shows how the ideas and interests of different political groups have affected the institutional changes that have influenced FDI inflows. It also suggests that competition between provincial states has positively contributed to the growth of FDI inflows since the economic reforms of 1991.

Booming foreign direct investment (FDI) in post-reform India is widely believed to promote economic growth. The study assesses this proposition by subjecting industry-specific FDI and output data to Granger causality tests within a panel co integration framework. It turns out that the growth effects of FDI vary widely across sectors. FDI stocks and output are mutually reinforcing in the manufacturing sector, whereas any causal relationship is absent in the primary sector. Most strikingly, we find only transitory effects of FDI on output in the services sector. However, FDI in the services sector appears to have promoted growth in the manufacturing sector through cross-sector spillovers.

Chakraborty, C., & Nunnenkamp, P. (2008) found FDI has played a significant role in the growth and development of Indian economy. Our GDP has been grown four-fold since the year 1991. FDI play multidimensional role in the overall development. It may generate benefits through bringing non-debt creating foreign capital resources, technology upgradation, skill enhancement, new employment, spillovers and allocative efficiency effects. Thus FDI acts as a catalyst for domestic industrial development and considered to be an important vehicle for economic development. During pre liberalization period FDI increased at CAGR of 19.05% while during post liberalization period it has grown 24.28%. This indicates that liberalization has had a positive impact on FDI inflows in India. Since 1991 FDI inflows in India has increased approximately by more than 165 times.

Chopra, S., & Kaur, S. (2014) Consider Foreign Direct Investment (FDI) as an important driver of growth. It is an important source of non debt financial resources for country for economic development. Besides it is a means of achieving technical knowhow and employment generation of employment. However, many are of the view that FDI is a big threat to sovereignty of host and domestic business houses. Midst of debate on pros and cons of FDI, world economy has observed a phenomenal change in volume and pattern of FDI. India emerged as an attractive FDI destination in services but has failed to evolve a manufacturing hub which has greater economic benefit. FDI though one of the important sources of financing the economic development, but not is not a solution for poverty eradication, unemployment and other economic ills. India needs a massive investment to achieve the goals of vision 20-20. The major impact during the recessionary period was mainly due to the negative flow of FII in India while the FDI remained moderately unaffected with the global slowdown. The attractiveness of India for FDI is far from receding and can surely be expected to sustain over the next decade as well. This paper is a general analysis of the inflows and outflows of FDI since the post liberalization era. The purpose of this paper is to provide an examination of foreign direct investment in various sectors. The paper aims to present a unique understanding of FDI in the context of liberalization and the prevailing political climate. At the end of this examination, figures showed the trend of FDI inflows and FII in India and geographical distribution of FDI Inflows. It also gave a clear picture of share of top investing countries FDI equity inflows.

THE DATA AND RESEARCH METHOD

The data for the study are collected from the Database on Indian Economy (DBIE) and the websites of the National Stock Exchange. The period of the study is fixed as 15 years from 2000-01 to 2015-16 during which the process of liberalization is accelerated. The selected period also witnessed sharp swindling and dwindling in the economy and the transformation phase is cognitively reflected through the economic variables.

The study proposed to elaborate the dependence relationship of different economic variables on the FDI flows to the country. The FDI inflows for the period of 15 years are collected. The other variables used for the study are:

1. Annual Foreign exchange Turnover:- The monthly data on foreign exchange turnover are average for annual average of foreign exchange turnover.
2. Forex Reserve:- The monthly data was available and these were averaged for annual foreign exchange reserves.
3. Wholesale Price indices:- Monthly averages of wholesale price indices from April 2006 to March 2016 were averaged to get 10 observations of annual averages of W P indices. The data for this variable could not be collected for the whole period of study.
4. Daily price indices of NSE Nifty, BSE Sensex and BSE 100 were downloaded and converted into annual averages coinciding with the period of study.
5. The annual market capitalization of NSE were also obtained from the available daily data for the selected period of study.

The study is fully analytical and proceeded through four segments.

In the first section the simple regression relationship of FDI inflows is analysed with respect to Foreign Exchange Reserves, Foreign Exchange Turnover and Wholesale Price Index. It narrated the impact of the level of foreign exchange resources and the inflationary conditions on the FDI inflows.

The second section deals with covariance correlation relationship of all the seven variables under the study.

In the third segment, the influence of stock market on FDI inflows is studied through a simple regression of indices covering the long – term and short-term reflections in a broad as well as narrow basis.

The last part of analysis is a multiple regression analysis comprising of all the variables under the study taking FDI inflows as dependant. Another regression model is also fitted by excluding the WP index to avoid inconsistency with respect to the period of study and the number of observations. The analysis extracted the combined influence of different economic variables on FDI inflows.

OUTCOMES AND DELIBERATIONS**I. FOREX RESOURCES AND INFLATION**

Under this section the influence of foreign exchange flows and reserves on the inflows of FDI is analysed along with the temporal influence of the inflationary pressures in the country. The results summerised in the following tables.

TABLE 1

Dependent Variable: FDI_INFLOWS__IN_RS_CRORE				
Method: Least Squares				
Sample: 1 15				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
AVG_FOREX_RESERVE	6.747320	1.557908	4.331013	0.0008
C	2897.489	22123.09	0.130971	0.8978
R-squared	0.590650	Mean dependent var		87794.47
Adjusted R-squared	0.559162	S.D. dependent var		59826.07
S.E. of regression	39721.92	Akaike info criterion		24.14076
Sum squared resid	2.05E+10	Schwarz criterion		24.23517
Log likelihood	-179.0557	Hannan-Quinn criter.		24.13975
F-statistic	18.75767	Durbin-Watson stat		1.092817
Prob(F-statistic)	0.000815			

FIGURE 1

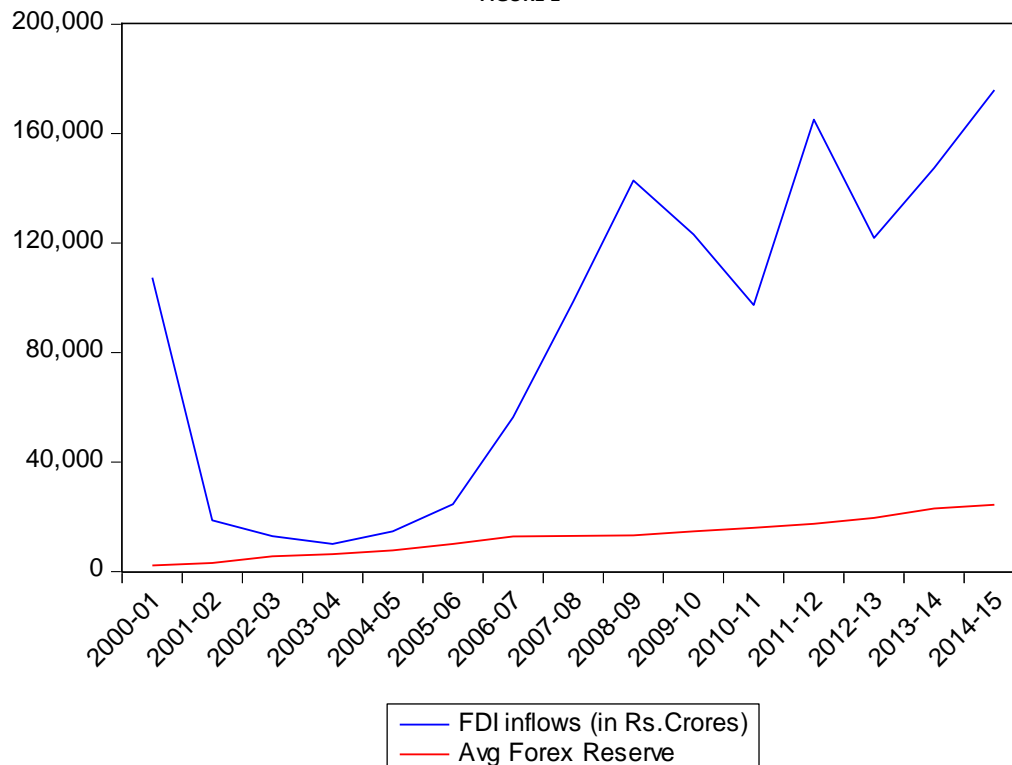


Table – 1 shows the regression results of FDI inflows on the average foreign exchange reserves. The R square shows a 59 percent of explanation of the variations in the FDI inflows by the average foreign exchange reserves with a coefficient value of 6.74. The probability of F statistic so meager to accept the null hypothesis of no influence rejecting the chance of complete independence. Autocorrelation between the variables is slightly present as positive as indicated by the Durbin Watson statistics. The results signify the influence of average foreign exchange reserves on FDI.

Figure 1 also confirms the results shown by the analysis. The average foreign exchange reserves increases in a stable manner where there is a more than proportionate increase in FDI inflows with a bit of reverse oscillations.

TABLE 2

Dependent Variable: FDI_INFLOWS__IN_RS_CRORE				
Method: Least Squares				
Sample: 1 15				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
FE_TURNOVER	0.232525	0.041968	5.540459	0.0001
C	9830.703	16566.89	0.593395	0.5631
R-squared	0.702495	Mean dependent var		87794.47
Adjusted R-squared	0.679610	S.D. dependent var		59826.07
S.E. of regression	33863.38	Akaike info criterion		23.82162
Sum squared resid	1.49E+10	Schwarz criterion		23.91603
Log likelihood	-176.6622	Hannan-Quinn criter.		23.82062
F-statistic	30.69669	Durbin-Watson stat		1.392707
Prob(F-statistic)	0.000095			

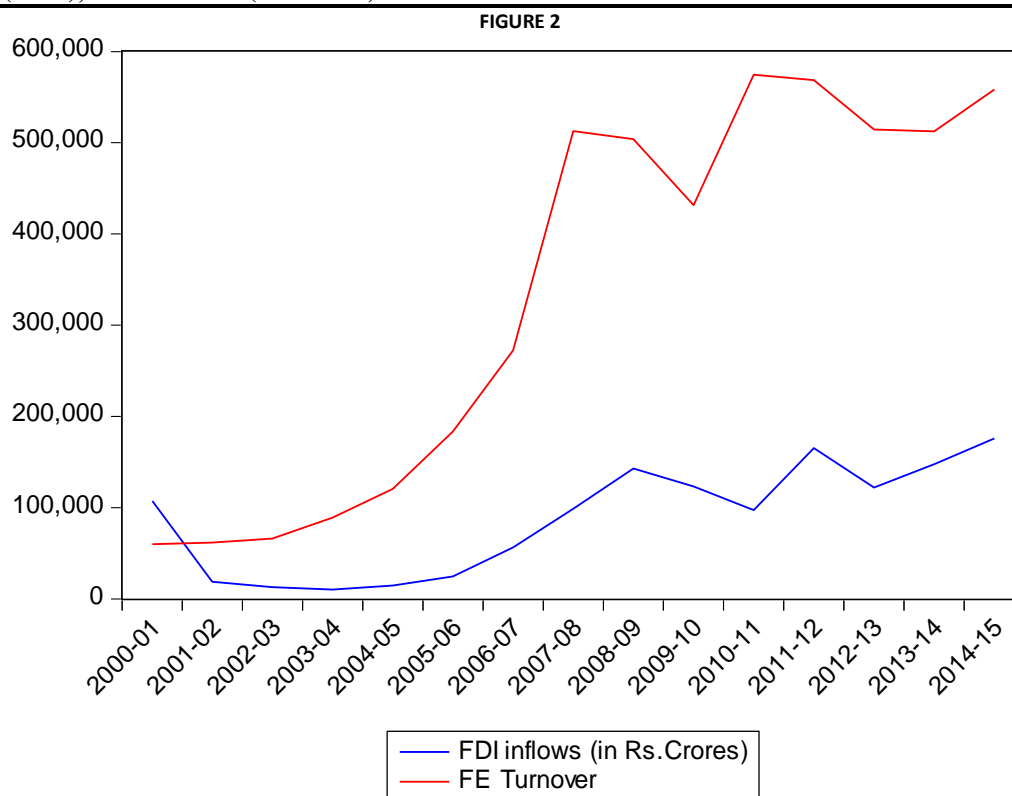


Table 2 shows the regression relationship of FDI inflows on Foreign Exchange Turnover. The existence of a strong relationship is substantiated by low probability of t statistic and F statistic. The regression coefficient is only 0.232 but the explanation level shown by the R squared is 70 percent. There is a tendency of positive autocorrelation of the residuals as signified by the D W statistic. Figure 2 also substantiates the strength of the relationship between the variables.

TABLE 3

Dependent Variable: FDI_INFLOWS_IN_RS_CRORE				
Method: Least Squares				
Date: 06/26/17 Time: 16:19				
Sample (adjusted): 6 15				
Included observations: 10 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
WP_INDEX	1344.404	346.1062	3.884367	0.0046
C	-74388.03	49736.89	-1.495631	0.1731
R-squared	0.653504	Mean dependent var		115334.2
Adjusted R-squared	0.610192	S.D. dependent var		47558.71
S.E. of regression	29693.08	Akaike info criterion		23.61207
Sum squared resid	7.05E+09	Schwarz criterion		23.67259
Log likelihood	-116.0604	Hannan-Quinn criter.		23.54569
F-statistic	15.08831	Durbin-Watson stat		1.648496
Prob(F-statistic)	0.004646			

Table 3 depicts the regression relationship of FDI inflows on WP index indicating the influence of inflationary pressures on FDI flows. It shows that the changes in WP index explain the FDI by 65 percent holding the other variables constant as shown by the R squared. There is a slight positive autocorrelation between the residuals.

It may be understood from the backdrop that the foreign exchange position and inflationary pressures possess significant Influence on FDI flows holding the other variables constant.

II. CORRELATION ANALYSIS

In order to understand the interrelationship among the eight related variables under consideration including the FDI Inflows, a covariance-correlation analysis is performed. The results are depicted in table 4.

TABLE 4

Covariance Analysis: Ordinary								
Date: 06/26/17 Time: 16:25								
Sample (adjusted): 6 15								
Included observations: 10 after adjustments								
Balanced sample (listwise missing value deletion)								
Correlation								
t-Statistic								
Probability	FDI_INFLOWS__IN_RS_C RORE	AVG_FOREX_RESE RVE	BSE_100__BASE__198 3_84	BSE_SENSEX__BASE__ 1978	FE_TURNNOV ER	MARKET_CAPITALISATIO N__	WP_IND EX	NIFTY
FDI_INFLOWS__IN_RS_C RORE	1.000000							

AVG_FOREX_RESERVE	0.760203	1.000000						
	3.309569	-----						
	0.0107	-----						
BSE_100__BASE__198 3_84	0.310196	0.268055	1.000000					
	0.922890	0.786974	-----					
	0.3831	0.4540	-----					
BSE_SENSEX__BASE__ 1978	0.754759	0.909548	0.494495	1.000000				
	3.254231	6.190095	1.609150	-----				
	0.0116	0.0003	0.1462	-----				
FE_TURNNOV	0.840980	0.633534	0.408280	0.759044	1.000000			
	4.396233	2.315976	1.265028	3.297651	-----			
	0.0023	0.0492	0.2415	0.0109	-----			
MARKET_CAPITALISATIO N__	0.683067	0.897187	0.317802	0.968530	0.660586	1.000000		
	2.645294	5.745780	0.948029	11.00625	2.488737	-----		
	0.0295	0.0004	0.3709	0.0000	0.0376	-----		
WP_INDEX	0.808396	0.976224	0.167231	0.876737	0.719405	0.863105	1.000000	
	3.884367	12.73811	0.479758	5.155805	2.929473	4.833885	-----	
	0.0046	0.0000	0.6442	0.0009	0.0190	0.0013	-----	
NIFTY	0.761273	0.913549	0.478128	0.999439	0.764722	0.970494	0.885702	1.0000 00
	3.320638	6.352908	1.539755	84.37889	3.356755	11.38395	5.396058	-----
	0.0105	0.0002	0.1622	0.0000	0.0100	0.0000	0.0006	-----

It may be seen from the above that among the three stock market indices, the two NSE Nifty and BSE Sensex, are closely related to the FDI flows. These two indices represent the short term fluctuations in the economy. Therefore it may be understood that the swift and short term changes in the economy are highly related to the FDI flows. Note that the correlation of FDI with BSE 100 is very low with a probability of t statistic of 0.38. As the values of the short – term indices are obtained from the daily data and the indices themselves represent short-term oscillations of the economy, we believe that the short-term oscillations leading to form a long term trend has a direct effect on the FDI inflows and vice versa. The other variables, WP index, Forex reserves and turnover considered earlier in the simple regression model confirm strong relationship with FDI inflows.

In order to explain further the relationship between stock market oscillations and FDI inflows simple regression models are fitted by taking the two indices as independent variables. The results are summarized in tables 5 and 6.

TABLE 5

Dependent Variable: FDI_INFLOWS__IN_RS_CRORE				
Method: Least Squares				
Date: 06/26/17 Time: 16:29				
Sample: 1 15				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
BSE_SENSEX__BASE__1978	6.786164	1.286502	5.274894	0.0002
C	3183.012	18415.26	0.172846	0.8654
R-squared	0.681564	Mean dependent var	87794.47	
Adjusted R-squared	0.657069	S.D. dependent var	59826.07	
S.E. of regression	35034.35	Akaike info criterion	23.88961	
Sum squared resid	1.60E+10	Schwarz criterion	23.98402	
Log likelihood	-177.1721	Hannan-Quinn criter.	23.88861	
F-statistic	27.82451	Durbin-Watson stat	1.557616	
Prob(F-statistic)	0.000150			

TABLE 6

Dependent Variable: FDI_INFLOWS_IN_RS_CRORE				
Method: Least Squares				
Date: 06/26/17 Time: 16:32				
Sample: 1 15				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
NIFTY	22.99850	4.336154	5.303895	0.0001
C	1359.200	18622.43	0.072987	0.9429
R-squared	0.683939	Mean dependent var		87794.47
Adjusted R-squared	0.659627	S.D. dependent var		59826.07
S.E. of regression	34903.45	Akaike info criterion		23.88212
Sum squared resid	1.58E+10	Schwarz criterion		23.97653
Log likelihood	-177.1159	Hannan-Quinn criter.		23.88112
F-statistic	28.13130	Durbin-Watson stat		1.571202
Prob(F-statistic)	0.000143			

As per table 5 the regression relationship of FDI inflows on BSE Sensex shows a good strength with R squared 0.68 and a low probability of accepting the null hypothesis of the coefficient being zero. There is only a slight positive autocorrelation between the residuals. It confirms the influence of BSE Sensex representing the short- term oscillations in the economy on the FDI inflows.

Table 6 shows the strength of influence of Nifty on FDI flows. Here also we obtain evidences of strong influence with a positive coefficient and low possibility of accepting the null hypothesis of the coefficient being zero along with a 68 percent explanatory power.

Both the above analysis indicates a somewhat strong influence of stock market on FDI inflows. The national economic with respect to industrial performance is thus said to make imperative influence on FDI flows.

III. MULTIPLE REGRESSION MODEL

A multiple regression model is fitted by taking general economic variables such as average foreign exchange reserves, annual foreign exchange turnover and whole sale price index, and the variables representing vibrancy of the economy related to the stock market like NSE Nifty, BSE Sensex, BSE 100 and the annual market capitalization as independent variable and the FDI inflows as dependent. This model is expected to provide the extent of influence of general and stock market related economic variables on the FDI. Table 7 Exhibits the results.

TABLE 7

Dependent Variable: FDI_INFLOWS_IN_RS_CRORE				
Method: Least Squares				
Date: 06/26/17 Time: 16:27				
Sample (adjusted): 6 15				
Included observations: 10 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
AVG_FOREX_RESERVE	32.54775	57.56373	0.565421	0.6288
BSE_100_BASE_1983_84	-10.93425	50.59244	-0.216124	0.8489
BSE_SENSEX_BASE_1978	-58.65010	157.2420	-0.372993	0.7450
FE_TURNOVER	0.445670	0.462889	0.962802	0.4372
MARKET_CAPITALISATION	-1.235081	8.357134	-0.147788	0.8961
WP_INDEX	-4492.434	10538.34	-0.426294	0.7114
NIFTY	194.5940	588.6645	0.330569	0.7724
C	154564.2	544478.5	0.283876	0.8032
R-squared	0.831201	Mean dependent var		115334.2
Adjusted R-squared	0.240407	S.D. dependent var		47558.71
S.E. of regression	41449.62	Akaike info criterion		24.09291
Sum squared resid	3.44E+09	Schwarz criterion		24.33498
Log likelihood	-112.4645	Hannan-Quinn criter.		23.82736
F-statistic	1.406921	Durbin-Watson stat		3.103043
Prob(F-statistic)	0.476433			

While considering the whole variables at a time, BSE 100, BSE Sensex, Market capitalization and WP Index have shown negative coefficients. However, NSE Nifty, Forex turnover and Forex reserves showed positive coefficients. It implies that the Forex related variables have more impact than the stock market related variables. It should be noted that NSE Nifty makes a positive incidence on FDI because it has a wide conceptual and objective coverage than the other stock market indices and also has international reputation and acceptance.

The value of R Squared is fairly high but the adjusted R Squared is as low as 24 per cent. It may also be noticed that the probability of t statistic for all the independent variables at 5 per cent level of significance is very high denoting the acceptance of the null hypothesis of the regression coefficients are being zero. The same is substantiated by the probability of F statistic of 48 per cent.

Therefore the fit cannot be considered adequate when all the variables are considered collectively. The Durbin Watson statistic imply a negative autocorrelation among the residuals which is of high concern as the value is more than 3 which is not very common signifying the rejection of a good fit. It may be noted that the number of observations of the sample is reduced to ten for adjustment when WP index is considered along with other variables. Therefore another model is fitted by excluding the WP index from the list of independent variables. The results are shown in table 8.

TABLE 8

Dependent Variable: FDI_INFLWS__IN_RS_CRORE				
Method: Least Squares				
Date: 07/03/17 Time: 05:20				
Sample: 1 15				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
AVG_FOREX_RESERVE	-3.215673	4.940981	-0.650817	0.5334
BSE_100_BASE_1983_84	-21.81933	13.25258	-1.646421	0.1383
BSE_SENSEX_BASE_1978	36.66437	76.86476	0.476999	0.6461
FE_TURNOVER	0.079358	0.131807	0.602076	0.5638
MARKET_CAPITALISATION__	-5.373917	2.890375	-1.859246	0.1000
NIFTY	-5.830911	250.5494	-0.023273	0.9820
C	-4760.018	39966.71	-0.119100	0.9081
R-squared	0.822988	Mean dependent var		87794.47
Adjusted R-squared	0.690229	S.D. dependent var		59826.07
S.E. of regression	33297.42	Akaike info criterion		23.96907
Sum squared resid	8.87E+09	Schwarz criterion		24.29950
Log likelihood	-172.7680	Hannan-Quinn criter.		23.96555
F-statistic	6.199123	Durbin-Watson stat		2.514709
Prob(F-statistic)	0.010863			

When the sample size is increased by excluding the WP index, the fit is justified by fairly high R squared and adjusted R squared. All the variables except BSE Sensex have shown a negative or negligible influence on the FDI inflows. The fit is supported by a low probability of F statistic and almost negligible level of autocorrelation of the residuals. However the probability of t statistic challenges the fit a bit. It may be deduced from the backdrop that variables under consideration makes only a negative influence when all the variables are taken together.

CONCLUSION

When the variables are taken individually for dependence of FDI a positive relationship of influence is exhibited. Also the variables are found to be correlated with FDI inflows. Both the variables representing general economic conditions and stock market related variables have depicted almost the same relationship. However, when all the variables are collectively considered to test the influence on FDI a uniformly strong positive result could not be traced. Further, in the analysis by excluding the WP index to improve the sample size, the result is a much supporting one regarding the collective influence of the variables on FDI inflows. The subsequent clarity on conclusion with a more cognitive picture can be obtained by a further detailed analysis with respect to multicollinearity, Heteroskedasticity etc. of the predictor variables. The use of a more frequently occurring temporal data may also be expected to provide more accuracy.

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PATIENTS' OPINION TOWARDS QUALITY HEALTHCARE SERVICES PROVIDED BY CO-OPERATIVE HOSPITALS: A STUDY ON SHRI J G CO-OPERATIVE HOSPITAL SOCIETY LTD., GHATAPRABHA

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ABSTRACT

Quality has become an icon for customers while selecting a service or product and at the same time organization is making for providing quality products or services as per customer's needs and demands. Like the other service organizations, healthcare sector has also become a highly competitive and rapidly growing service industry around the world. Countries like India made significant achievement in health services, results in health care sector. Public hospitals are providing free and low cost facility which is not standardized and people belongs to public hospitals not giving standardized services. Private hospitals are well equipped with modern equipments, doctors, staff and infrastructure facility, but consumers are getting with high cost which is too costlier that they could not pay money from their income. Co-operative hospitals providing facility with low cost. The health care of the co-operative people or members cannot afford costly medicines or costly health services. In health care patients perceptions are considered to be the major indicator to assess the service quality of organization. It means that customer satisfaction is the major devise for critically decision making in selecting a healthcare services and quality to the customers should meet their perceptions. Hence this study.

KEYWORDS

Shri J G Co-operative hospital society Ltd. Ghataprabha, patients' Opinion, co-operative hospitals.

INTRODUCTION

Changing customer demands, increased expectation for superior quality of products or services and the global competition has created competitive environment among different industrial sectors. Quality has become an icon for customers while selecting a service or product and at the same time organization is making for providing quality products or services as per customer's needs and demands. Quality has been considered as strategic advantage for the organization to gain success and sustain in the business world in the long run.

Like the other service organizations, healthcare sector has also become a highly competitive and rapidly growing service industry around the world. Healthcare sector has also become one of the faster growing sectors in India and hospital consumer (patients and patient attendants) expect not only "cure" for their ailments, but also better "care" in the form of service quality. Delivering quality service to hospital consumers assumes greater significant in recent years in the light of global market where hospital have to compete with each other to entice consumers to patronize their hospitals. In addition, superior service quality acts as a potential weapon to combat competition and to ensure loyal consumer base.

SERVICE QUALITY IN HOSPITAL SERVICES

The issue defining, measuring, monitoring and improving the quality of health care has been address from health care service providers had always been concerned with the quality of care they deliver. The quality of service both technical and function is key ingredient in the success of service organizations. Technically quality in health care is defined primarily on the basis of technical accuracy of the diagnosis and procedures. Several techniques for measuring technical quality have been proposed and currently in use health care organizations. Information relating to this is not generally available to the public and remains within the preview of health care professional and administrators, functional quality in contrast relates to the manner of delivery of health care services.

From the effect of information technology and Globalization healthcare service facing revolutionary changes. It has made significant changes in Hospital Management and Services. Although it is revolutionaries everyone could not getting good health services, especially in developing and under-developed countries. Countries like India made significant achievement in health services, results in health tourism. But local people who are belong to middle class and poor family are not getting quality health services. Public hospitals are providing free and low cost facility which is not standardized and people belongs to public hospitals not giving standardized services, because most of the patients are poor and below the poverty line. Private hospitals are well equipped with modern equipments, doctors, staff and infrastructure facility. But consumers are getting with high cost which is too costlier that they could not pay money from their income. Co-operative hospitals providing facility with low cost in small cities but their quality of standard was not impressive.

REVIEW OF LITERATURE

J K Sharma and Ritu Narang (mar 2011) quality of health services in rural India This article projects that the instrument employed was reliable and possessed the power to discreet differences in the opinion of people on the basis of demographic factors and point out the quality differences in different healthcare centers. Through the survey they find some interesting differences in user perception regarding service quality that impacted their intention to repeat visit and how they varied between different healthcare centers and according to demographic delivery and financial and physical access to care significantly impacted the perception among men while among women it was healthcare delivery and health personnel conduct and drug availability. **Pratterna Punnakitkashen and Nattapan (Apl 2012) Health care service quality** This research measures service quality of hospital with lean management by using the SERVQUAL model. A case example of the hospital with lean implementation in Thailand is explored. Through survey finds that patient perception is slightly higher than patient's center. Where hospital are advertised today during modern times through highlighting uniqueness of a hospital services that is an absolute reality. **Padma and Lokachari sai Prakash (jun 2010) State of Public healthcare infrastructure:** In this article The Public Private Partnership (PPP) approach appear probably the only all-inclusive way that will address all the issues stated. While the public sector contributes in terms of infrastructure development land acquisition, financing etc. the private party brings in its knowledge and expertise of project management and operational efficiency. The private providers may have to compete with public healthcare to the poor. **Brahmbhatt, Joshi and Narayan (jan 2011) Adopting the sequel scale to Hospital Services** an Empirical Investigation of patient perception of service quality. This

article shows that out of 5 dimensions' private hospitals perform better than private sector is performing better in encounter dimension, but specific encounters responsiveness public sector has lowest score.

NEED FOR THE STUDY

Numerous studies have shown that provision of high-quality services is directly related to increase in profits, market share and cost savings. With competitive pressures and increasing necessity to deliver patient satisfaction, the elements of quality control, quality of service and effectiveness of medical treatment have become vitally important. Although published literature contain many references to quality and customer perceptions of the medical profession from a clinical perspective, very little research has been conducted into non-clinical aspects of the quality of medical care. In health care patients perceptions are considered to be the major indicator to assess the service quality of organization. It means that customer satisfaction is the major device for critically decision making in selecting a healthcare services and quality to the customers should meet their perceptions. Hence this study.

OBJECTIVES OF THE STUDY

1. To know the various health care services provided by co-operative hospitals in the study area
2. To examine the patient respondents' satisfaction towards health care services provided by co-operative hospital in the study area.
3. To give policy guidelines based on the study in the study area

HYPOTHESES

1. There is no differences between Nature of people and their hospital preferences
2. There is no significant difference between educational qualification and selection of hospital
3. There is no differences among services given by the co-operative hospital
4. There is no differences of preferences given by the patients

RESEARCH METHODOLOGY

Primary data are collected with the help of structured Questionnaire converted into interview schedule by using likert scale, the collected data were tabulated, analyzed and interpreted in a systematic manner by using chi square test.

Secondary data Have been collected from Magazines, Reviews, Books, Journals and Published articles. There are fifty sample respondents are taken in to consideration for the study.

SURVEY ANALYSIS AND INTERPRETATIONS

TABLE NO. 1: RESPONDENTS BY THEIR LIVING AREA AND PREFERENCE OF HOSPITAL

Nature of people	Their preferences		Total
	Govt. Hospital	Co-operative Hospital	
Urban	10	17	27
Rural	13	10	23
Total	23	27	50

Source: Filed Survey

Level of significance: 5%

Degrees of freedom: $(r-1)(c-1) = 01$

Table value is 3.84

Chi-Square Value is 1.89 (Calculated value)

The calculated value is less than the table value, hence null hypothesis is accepted it indicates that, urban people and rural people not considered preferences to select the hospitals and preferences is not based on the nature of people

TABLE NO 2: RESPONDENTS BY THEIR EDUCATIONAL QUALIFICATION AND SELECTION OF HOSPITAL

Educational qualification	Reasons to select hospital			Total
	Good services	Doctor recommendations	Poor services in Govt. hospitals	
Illiterate	02	04	00	06
Up to SSLC	03	05	03	11
PUC	04	04	07	15
UG	05	04	03	12
PG	03	01	02	06
Total	17	18	15	50

Source: Filed Survey

Level of significance: 5%

Degrees of freedom: $(r-1)(c-1) = 08$

Table value is 15.50

Chi-Square Value is 8.0008(Calculated value)

The calculated value is less than the table value hence null hypothesis is accepted it indicates that, reasons to select hospital is not depending on educational qualification of respondents. Where there is a good quality service available the people will select that hospital not based on other factors

TABLE 3: DISTRIBUTION OF THE RESPONDENTS ACCORDING TO SERVICES (RANK WISE)

sl no.	services	points
1	Emergency	178
2	Lifesaving drugs	174
3	Operation facility	167
4	Lab testing	181
5	Availability Doctor	183

Source: Filed Survey

Level of significance: 5%

Degrees of freedom: $n-1=5-1=4$

Table value is 9.49

Chi-Square Value is 0.914(Calculated value)

The calculated value is less than the table value hence null hypothesis is accepted it indicates that, the respondent's opinion that all services are equal there is no differences among these.

TABLE NO 4: RESPONDENTS' SATISFACTION TOWARDS AVAILABILITY OF DOCTORS AND NURSING STAFF

Sl No.	Availability of Doctors And Nursing Staff	No. Of Respondents	Percentage
1	Satisfied	40	80
2	Unsatisfied	10	20
	Total	50	100

Source: Filed Survey

It clearly shows from Table No. 4 that, 80% of the respondents are satisfied about availability of doctors and nursing staff and other facilities and remaining 20% of the respondents are not satisfied because of high cost hence it indicates quality health care services available.

SUMMARY OF MAJOR FINDINGS

The study reveals that the following findings:

- Urban people and rural people not considered preferences to select the hospitals and preferences is not based on the nature of people
- Selection hospital is not depending on educational qualification of respondents
- The respondents opinion that all services are equal there is no differences among these
- 80% of the respondents are satisfied about availability of doctors and nursing staff and other facilities and remaining 20% of the respondents are not satisfied

SUGGESTIONS

The following suggestions were based on the study:

- The most important point is that cost of charge and fees should be made flexible that can be barred by all class of people.
- Personal attention and communication should be improved effectively.
- Immediate operations and emergency facility should be up-graded and number of doctors should be increased in the departments.
- Make arrangement of hospital owned bus facility in night, so that travelling in night is uncomfortable especially for women. Because for away from city limits
- Conduct free campaign of health check-up within campus of hospital and distribute free medicine to the poor people on every month, as a part of their Social Responsibility and can also improve Goodwill to hospital.
- Educating people about their health and make aware of quality care service should be made.
- They should not maintain corporate culture, which is money and profit oriented.

CONCLUSION

In the recent year's quality healthcare service delivery system in the Private Sector is growing rapidly. This is mainly due to the inefficiency of government to provide Quality healthcare for all through Government Hospital. In this study we can see that the hospital was having very-good infrastructure facility and they will give the best quality service to the patient, but charges have to be fixed on the basis of economic condition and special concession has to provide to the poor patients. Respondents are having good perception about Doctors and their personal attention. Management should concentrate *on cost, concession, discount and special care* which will attract more number of patients and can become main healthcare hospital in Mumbai Karnataka region.

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THE BILATERAL RELATIONS BETWEEN INDIA AND SAUDI ARABIA

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ABSTRACT

India and Saudi Arabia have, in recent years, shared healthy bilateral equation based on mutual interest- extensive trade, energy, import, culture contacts and growing security cooperation. Trade and cultural links between ancient India and Arabia date back to third millennium BC. By 1000 AD, the trade relations between southern India and Arabia flourished and became the backbone of Arabian economy. Formal diplomatic relations between contemporary India and Saudi Arabia were established soon after India gained independence in 1947, but now Saudi Arabia has turned as major trading partner for India. It has grown stronger, attaining the level of a strategic partnership and incorporating more political and security content. Prime Minister Narendra Modi's visit to Riyadh in April 2016 further bolstered the bilateral relationship, laying the basis for deepening existing ties and broadening the parameters of cooperation.

KEYWORDS

India, Saudi Arabia, trade, energy, security, politics and Indian expatriate, investment.

INTRODUCTION

India and Saudi Arabia represent the two dominant member countries of their respective regional block. If India is the largest country of South Asian Association for Regional Cooperation (SAARC), Saudi Arabia is leading country of Gulf Cooperation Council (GCC). The economies of both countries have been undergoing a process of liberalization & reforms. Being member of WTO, both countries are in process of transforming their economies in World Trade framework. With vast opportunity India has a population of over 1.3 billion, According to the 2017 revision, published by UN Department of economic and social affairs. The size of population and labor are next to China only. The steady and continuous reforming in India has resulted high change in economy. In the fiscal year ending March 2017, annual growth rate was 7.1 percent that was reduced compare to previous because of demonetization. India is becoming a country of unlimited economic opportunities as it has large human resources, huge market for expansion. As far as Saudi Arabia is concerned, it has a population of only 32.28 million. 10.5 million are non-Saudi expatriates in which 3.06 million expatriates belong from India. However Saudi Arabia is a unique country which holds about a quarter of global petroleum reserve. It also contains about three percent of global reserves of gas and vast petroleum production capacity. Saudi Arabia is the largest producer and exporter of petroleum in the world. The enormous petroleum reserve and vast petroleum capacity gives Saudi Arabia significant power and oil revenue in the global oil market. Development induced growth in India during the 1990s, resulted in higher energy consumption, increasing oil demand and a growing reliance on oil.

"A new era" in the bilateral relationship came when in Jan 2006, King Abdullah visited India. The late King's visit culminated in the signing of the historic Delhi Declaration (2006), which imparted fresh momentum to the relationship and supplied the framework for developing more expansive ties. Four years later, then-Prime Minister Manmohan Singh traveled to Saudi Arabia, where the two sides' agreed to elevate their bilateral engagement to a "Strategic Partnership," articulated in the Riyadh Declaration (2010). Crown Prince and now King Salman's trip to India in 2014 sealing deals in the energy, business and defense sectors — yet another milestone in the progressive development of bilateral ties. The most recent major thrust forward in the bilateral relationship came when Indian Prime Minister N. Modi paid a two-day visit to the Kingdom in April 2016.

RESEARCH METHODOLOGY

All the data in this article are based on secondary sources so various articles, journals, news, Government statistics, international agencies (such as IMF, World Bank) have been used to study the evolution, conceptual framework, past and present trend (relating to trade, energy, investment, security, Indian expatriate), future prospect.

OBJECTIVES OF STUDY

India's economy is increasing at the fastest rate in the world, now making it the globe's third –largest energy consumer it's depend to import of oil. On the other hand India is now a large exporter of products like mineral fuels, oils, distillation products, cereals, electrical, electronic equipment etc.

India has tried to diversify its sources of crude oil, but due to its proximity to Gulf, it still relies a great deal with Saudi Arabia as its major supplier. The presence of over 3.06 million Indian immigrants in Saudi Arabia makes the relations between both countries.

The paper examines in some detail the strategic partnership between India and Saudi Arabia regarding Trade, Energy, Security, Politics and Indian expatriate, Investment.

ANALYSIS

RELATIONS

Relations between the two nations are generally refers to the bilateral relationship.

India – Saudi Arabia bilateral relations and cooperation consists of trade, energy, investment Indian expatriate workers in Saudi Arabia, Inflow of remittances.

TRADE

The trade cooperation is perhaps the most active and significant component of the Saudi Arabia and India relationship. A pattern of interdependencies is created as the two regions have expanded their traditional trade ties into a sustainable partnership. Saudi Arabia today is our 4th largest trade partner(after China, USA and UAE). Due to energy (oil and LPG), balance of trade (BOT) is in Saudi Arabia's favor; services provided by the Indian workers, who remit approximately \$12-15 billion annually, almost equalizes the balance of payment (BOP).

TABLE 1: INDIA'S IMPORTS FROM SAUDI ARABIA (\$US millions)

	2001-02	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Saudi Arabia	621	13355	19,470	19,973	17,098	20,385	31,818	33,998	36,404	28,108	20,321

TABLE 2: INDIA'S EXPORTS TO SAUDI ARABIA (\$US millions)

	2001-02	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Saudi Arabia	823	2,591	3,711	5,110	3,907	4,684	5683	9,786	12,219	11,161	63,94

Sources: Government of India, Department of Commerce, Import Export Data Bank, updated February 14, 2017

The value of India Saudi Arabia bilateral trade during 2015-16 decreased to USD 26.71 billion, a 31.97% fall from USD 39.27 billion in 2014-15. The decline can be attributed mainly to low petroleum and commodity prices and lower global demand. During this period, our imports from Saudi Arabia reached USD 20.32 billion,

registering a decline of 27.71% over previous year (USD 28.11 billion) where as our exports to Saudi Arabia reached USD 6.40 billion registering a decline of 42.71% over previous year (USD 11.16 billion). The current bilateral trade (April-July 2016) is valued USD 8.06 billion.

Saudi Arabia is the 8th largest market in the world for Indian exports and is destination to more than 2.44% of India's global exports. On the other hand, Saudi Arabia is the source of 5.34% of India's global imports. For Saudi Arabia, as per 2015 data, India is the 4th largest market for its exports, accounting for 9.43% of its global exports. In terms of imports by Saudi Arabia, India ranks 7th and is source of around 3.43% of Saudi Arabia's total imports.

ENERGY

In the 1990s, after liberalization of the economy, India enjoyed strong GDP growth, which pushed oil consumption to an all high. During that period, oil overtook coal as leading contributor to energy, meeting almost 52 percent of the growth in consumption. In later half of the decade, production dropped while consumption continued to increase, which led to a rise in oil imports. For Saudi Arabia, India is a key market for its chief commodity oil and India significance in this regard is expected to grow in the decades ahead. We import around 19% of our crude oil requirement from the Kingdom.

The visit of King Abdullah to India in 2006 underlined the importance of Saudi Arabia's energy resources to India's fast-growing economy. During the visit, the two sides entered into a Strategic Energy Partnership (SEP), based on the principles of complementary and interdependence. The SEP called for Saudi Arabia to provide a "reliable, stable and increased crude supply" to India through 'evergreen' long-term contracts.

Until only very recently, Saudi Arabia has consistently been India's number one supplier of crude oil, accounting for around one fifth of its total oil demand. Saudi Arabia's share in India's growing LPG (butane and propane) requirements. After Qatar, Saudi Arabia is the second largest supplier of LPG to India. The Strategic Energy Partnership signed a decade ago also called for the establishment of public and private joint ventures in the upstream and downstream sectors in India, Saudi Arabia and third countries; Saudi investment in oil refining, marketing and storage; and the construction of gas-based fertilizer plants in Saudi Arabia.

The Joint Statement issued during Prime Minister Modi's visit to Saudi Arabia in 2016 breathed new life into India-Saudi Arabia energy relations. Under the Modi administration, India has invited Saudi Arabia to develop a stake in its petroleum reserve. Following Subsequent to Prime Minister Modi's visit to the Kingdom, Chief Minister Nara Chandrababu Naidu held discussions with Saudi Aramco President and CEO Amin H. Nasser regarding the setting up of a refinery in Andhra Pradesh.

INVESTMENTS

Saudi Arabia is now looking to a post-oil age to generate economy. They offer more than \$650 billion in investment opportunities. As reforms related to Saudi Arabia's Vision 2030 are implemented. Indian investors, most private Indian companies are likely to be attracted to several sectors such as hydrocarbons, education, research and development health and pharmaceuticals and infrastructure.

According to Saudi Arabian General Investment Authority (SAGIA), it has issued 426 licenses to Indian companies for joint ventures/100% owned entities till April 2015, which are expected to bring total investment of USD 1.6 billion in Saudi Arabia. These licenses are for projects in diverse sectors such as management and consultancy services, construction projects, telecommunications, information technology, pharmaceuticals, etc. In addition, several of India's largest companies, such as Tata Consultancy Services, L&T, and others, have joined forces with Saudi counterparts and are active in consultancy, financial services, and software development.

On the other hand, as per available data, Saudi Arabia is the 48th biggest investor in India with investments from April 2000 to March 2016 amounting to USD 64.19 million. In addition, Saudi Petrochemical joint SABIC had set up its R&D Centre in Bangalore with an investment of over USD 100 million in November 2013. In the health sector, the Saudi side has agreed to set up 1,000 dialysis centers in India.

To attract investment in India many campaign has offered such as Digital India, Smart City project, Make in India, Start Up India, and Skill India offer huge scope for investment. So, too, does India's transportation infrastructure sector. The Indian government's liberalization of foreign direct investment (FDI) norms in defense, entertainment, automobiles, and ITC, the implementation of the Good and Service Tax (GST) has made India's business environment far more conducive to foreign investment.

As the two countries have already signed the Bilateral Promotion and Protection of Investment (BIPA) and Agreements on Avoidance of Double Taxation and Prevention of Tax Evasion (DTAA), the groundwork has been laid for capitalizing on the bright prospects for reciprocal investment.

INDIAN EXPATRIATE IN SAUDI ARABIA

Another Back bone of Bilateral relation between India and Saudi Arabia is migration and it's began after oil was discovered in the late 1930. After the first oil price boom in 1973-74 Indian workers got opportunities to migrate towards Saudi Arabia. Today over 3.06 million strong Indian community in Saudi Arabia is the largest expatriate community in the Kingdom and is the 'most preferred community' due to their expertise, sense of discipline, law abiding and peace loving nature. The contribution of Indian workers in building Saudi Arabia's economy and enhance its culture through has been repeatedly admitted by the Saudi royals and other high dignities. It is also note that contribution of the Indian expatriate community in Saudi Arabia's contribution in the form of remittances in the sum of \$12-15 billion annually.

In April 2013, His Majesty King Abdullah announced a grace period allowing overstaying expatriates to correct the status, get new jobs or leave the country without facing penal action till the end of the grace period i.e. November 3, 2013. As the Kingdom has also treated Indians relatively liberally. More than 1.4 million (14 lakhs) Indians have availed the concessions during the grace period. Indian expatriate workers availed themselves of the grace period announced by the King and got their papers corrected, besides royal order of resolving their pending cases urgently. A similar campaign took place the 90 days grace period began in April, 2017 under the Interior Ministry's "Nation without Violations". Twenty thousands of undocumented expatriates Indian workers were flying home. Further progress on this issue was made during PM Modi's visit to Saudi Arabia with the signing of the General Agreement on Blue Collar Workers. Nevertheless, the status and treatment of Indian workers in the Kingdom, particularly as it relates to women, remains an area requiring additional attention and reform. The Haj pilgrimage is another important component of bilateral relations. During Haj 2016, around 136,000 Indians visited the Kingdom to perform Haj. A large number of Indians also visit the Kingdom to perform Umrah every year.

THE CULTURAL DIMENSION

The relationship between both the countries have been strengthened as a result of the many Saudi students who are enrolled in Indian educational institutions. Multiple agreements have been signed both the countries to provide opportunities for higher education, research, and training to their respective students, scholars and experts in their respective countries. In addition, the Indian Council of Cultural Relations (ICCR) has been active in organizing programs in Saudi Arabia aimed at promoting mutual cultural awareness and understanding.

The presence of a large number of Indian workers in the Kingdom, generally referred as Indian "Indian ambassadors," have enhanced the quality of Saudi cuisines and sartorial tastes, besides spreading awareness and understanding between the two countries' peoples. Several organizations formed by Indians residing in Saudi Arabia are involved in bridging gaps between the two countries.

The annual Hajj and the Umrah pilgrimages are an important pillar of India-Saudi culture relations. Indian Government has always appreciated the efforts on the part of the Kingdom to put in place excellent arrangements to ensure comfortable and hassle-free Haj and Umrah experience. In fact large number of Indian travels to the Muslim holy cities of Makkah and Madinah. The Indian government provides a subsidy of \$200 million annually that includes an airfare subsidy as well as assistance to Muslim pilgrims for domestic travel to reach specially designed Haj departure airport terminals, meal, medical care and lodging assistance provided by the government of India at a total estimated cost. Each year, approximately 300,000 Indians also perform the Umrah.

POLITICAL AND STRATEGIC COOPERATION WITH INDIA

India views Saudi Arabia as a country with which it can forge security ties in order to deal with terrorism, piracy and criminal elements. Diplomatically, it could be a gateway for India into the wider Arab and Islamic world. In recent years, Saudi Arabia has reciprocated India's initiatives relating to issues of mutual interest. Although some hurdles remain, it is time for both countries to work towards building a strong strategic partnership. Since last year, there are moves to develop cooperation between the defense establishments of both the countries. Last year Prime Minister Modi visited to Saudi Arabia and led them to sign agreement on intelligence sharing and terror financing. The rise of terrorism has been a concern for both India and Saudi Arabia, especially the surge of terrorism in West Asia and beyond since the outbreak of the Arab Spring. Saudi Arabia has been targeted by the Islamic State (IS) militants operating from neighboring Iraq and Syria. The

IS has also declared its intention to capture Mecca and Medina, thereby throwing direct challenge to the Kingdom. India is continuously suffering from the menace of terrorism perpetrated by Pakistan. Thus, security cooperation and intelligence sharing have also been an important element of the partnership that the two countries are forging.

CONCLUSION

India might still be dependent on the Saudi Arabia for energy, but now the Saudi Arabia also depends on India as big market such as investment, health, pharmaceuticals, IT, ICT and space. A strong India and Saudi relationship have reached a greater understanding on security and defense matters. Following subsequent Prime Minister Modi visit to Saudi Arabia, Saudi minister of foreign affairs Asel bin Ahmed Al Jubeir visited to India and stated that India is a "very important partner" for Saudi Arabia and expressed his desire to broaden bilateral engagement, indicating a growing commonality how each country perceives the other including as key players in their respective region.

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IMPACT OF TQM PRACTICES ON ECONOMIC PERFORMANCE AT WORKING IRON AND STEEL FIRMS KARNATAKA

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ABSTRACT

Steel production is considered as the forefront indicator of the economy in the contemporary world. India has been fetching an impressive share in the steel market. However, techno-economic efficiency has been somewhere pro-castigating competitive advantage of Indian iron and steel sector over competitors like China. As proved by Japanese, the left option for enhancing competitive advantage is quality management through Total Quality Management. The present study focussed on extent of TQM practices and their impact on economic performance at iron and steel firms in Karnataka region. The general objective of this research is to portray the picture of TQM at Iron and steel firms of India and it also intends to address the quality issues of the firms at the backward region like Hyderabad-Karnataka. In this regard, study emphasizes relationship between widely used TQM practices and economic performance indicators using correlation and regression analysis.

KEYWORDS

TQM practices, economic performance, economic performance indicators.

1. INTRODUCTION

 Steel besides alloy is referred as the backbone of human civilization, as it has been serving mankind for its social, cultural, political and economical needs. At modern times, it is considered to be crucial for the development of any economy. Steel is shining up to the extent that any country's socio-economic development and standard of living is also determined by its per-capita consumption. According to World Steel Association, the global steel demand is estimated to realize 3000 million tons in 2025. The past growth in production and consumption of steel has largely been at the cornerstone of the heightened economic activity in the emerging economies, especially China, whose demand remains a pivotal factor driving the global steel industry.

The steel industry in India has also carved a rapid rise in production over the past few years through capacity enhancement. This resulted India becoming the third largest producer of crude steel (after China and Japan) and the largest producer of sponge iron in the world. However India needs to further concentrate and improve its share in the major import markets, there are import markets where India has export competitiveness, but the exports are at relatively at lower levels. These markets are the potential growth drivers for iron and steel exports of India, which need to be strategically targeted.

However the preceding facts in terms of techno economic efficiency of operations reveal that our steel making units are nowhere near their global competitors. In order to improve the sectoral performance and competitiveness there is an urgent need to address its basic structural and operational constraints irrespective of equity size and nature of operations. Therefore in the epoch of buyer's market, irrespective of nature of organizations opened themselves to understand, learn and formulate a road map for quality is the only strategy left behind. This paved the way for the surge of quality and become the integral part of blood stream of the enterprises. The manifold competition of quality has pulled firms to search nitty-gritty to stay competitive. Accordingly, many enterprises made an attempt to adopt and implement a set of management practices that help them to improve the efficiency of organizational operations. One of the popular and effective management practices is TQM.

Though a lot of research work has been carried out in the field of ISO and TQM, it gives still an obscured picture of Indian iron and steel firms. This holds true too in case of regional industrial sector of Hyderabad- Karnataka region, where sponge iron firms attrition rate is high. If no effort is made to assist the said firms especially at the Hyderabad- Karnataka region, attrition rate overtime can increase the casualties in the current business environment and make the region still weaker. Hence it is decided to carry out a detailed research with the help of a survey of iron and steel firms with a view to assess as to how are they managing the issue of Quality? And help firms to implement and practice TQM successfully and allow them to reap the benefits always been embraced by developed economies. At the outset, steel industry of Hyderabad- Karnataka region is having more than 30 registered units is competent with other developed regions of the country and have the capability to take away the tagline of backward region with the help of competitive advantage supplemented by implementing TQM in their systems of practice. Hence, the research was inception to address these problems.

2. NEED AND IMPORTANCE OF THE STUDY

After all, the issue in Indian steel industry is not the shortage of resources, rich scientific and technical manpower but quenching the thirst of assistance and nourishment of firms through understanding and implementing TQM and allowing them gain the sustainable competitive advantage as that of the developed economies. The following two needs of the study to be accomplished are presented.

- Upgrade the total quality aspect of iron and steel firms in terms of organizational effectiveness so as to improve the economy by meeting the growing demands of domestic and global markets, domestic consumption and exports.
- Provide quality impetus of quality to the iron and steel firms of the economically backward regions like the Hyderabad- Karnataka region so as to debug the economy oriented regional imbalance.
- Contribute to the knowledge of TQM effectiveness.

3. STATEMENT OF THE PROBLEM

The study makes an attempt to know the extent of TQM implementation in iron and steel firms. Accordingly this study is embodied as 'Impact of TQM practices on economic performance at Working Iron and Steel Firms of Hyderabad-Karnataka Region'

4. OBJECTIVES OF THE STUDY

- To perceive TQM perspective of Indian Iron and steel industry.
- To examine TQM impact on economic performance at working iron and steel firms in the select districts of Hyderabad-Karnataka region.

5. HYPOTHESIS OF THE STUDY

H0: There is no significant impact of TQM practices on Economic Performance.

H1: There is a significant impact of TQM Practices on Economic Performance.

6. SCOPE OF THE STUDY

The scope of the study encompassed working steel industry, iron and steel firms, Total Quality Management, Implementation, Organizational Effectiveness, Respondents of all the twenty-one working firms (out of 38 firms registered, 17 were locked out) in Ballari and Koppal districts of Hyderabad- Karnataka region. It also included the environment and ecosystem of steel industry in general and iron and steel firms in particular. Going further the causal relationship between TQM implementation and economic performance were measured by using established models and theories apart from scaling techniques. Specifically the geographical region of the study was confined to Ballari and Koppal districts of Hyderabad- Karnataka region, as iron and steel firms are located in these two districts only.

7. METHODOLOGY

1. TYPE OF RESEARCH

The proposed study adopted descriptive study, survey and cause and effect study.

2. SAMPLING

Universe: i. Working iron and steel firms in Ballari and Koppal districts.

Sample units:

- i. Executives.
- ii. Non executives.

COMPOSITION OF SAMPLES

Sl. No.	Categories of Respondents	Size	Sampling Technique
1.	Working iron and steel firms in Ballari and Koppal districts of Hyderabad Karnataka- region	21 firms	Purposive sampling
2.	Top Management and Executives. (05 respondents from each firm)	105	Judgemental Sampling
4.	Non- Executives (10 respondents from each firm)	210	

3. DATA COLLECTION

a. Secondary Data.

The secondary data for the study included books, articles, reports, journals, magazines, news papers, published and unpublished thesis, e-resources on the topic of the study.

b. Primary Data.

The primary data was collected on the TQM implementation in the working iron and steel firms of Ballari and Koppal districts of Hyderabad Karnataka region under the study. It used the research instruments of questionnaire, schedule and personal interviewing of the respondents. E mail survey was also resorted to.

4. PLAN OF ANALYSIS

The collected data was analyzed with the help of statistical tools and techniques such as averages, percentages, dispersion, correlation, multiple regressions, factor analysis, cluster analysis, Cronbach alfa and the like. Wherever necessary, tables, charts, graphs, diagrams and figures were used. SPSS and AAR software were also used for statistical analysis.

8. LIMITATIONS OF THE STUDY

- a. The validity and reliability assessment and analysis performed are based on 30 selected companies only.
- b. For measuring TQM examination time tested and universally acceptable measurement tools are very rare. Therefore the measurement results under the study are only approximate are not accurate.
- c. At times "what is" (fact) is equated with "what should be" (value)

9. LITERATURE SURVEY

Zhihai Zhang (1993) in his research work investigated the effects of TQM implementation on overall business performance in Chinese manufacturing firms and obtained a TQM implementation model for Chinese manufacturing firms. The study was carried out by

- Developing TQM implementation constructs and TQM practices;
- Developing overall business performance constructs;
- Designing evaluation models, to measure the extent of TQM implementation, TQM practices and impact of TQM implementation on overall business performance.

The study found out that TQM implementation has positive effects on overall business performance and not necessarily all TQM elements to be present to ensure the success of the TQM programs and overall business performance

Shivraj Kumar (2014) in his research work tried to determine the extent to which TQM and organizational effectiveness are correlated to each other and expounded how TQM impacts various phases of business planning. The study considered very general constructs of TQM implementation and organizational effectiveness in its way. TQM constructs encompass commitment, culture, continuous improvement, co-operation, customer focus and control. As per their nature, some do not confirm the characteristics of construct

Yogesh A Chauhan (2013) in his research work gave a detailed picture of quality management issue of manufacturing SMEs in terms of TQM apart from ISO 9000 and other off-record practices. It emphasized the exploration, development and ranking of constructs in TQM, benefits and difficulties and help the SMEs to grow in terms of their business, working system, employee satisfaction, customer satisfaction etc.

Darshana S Shiroya (2015) surveyed on "TQM practices and performance in ISO certified manufacturing facilities". The researcher was curious in exploring, developing and examining TQM practices/ critical factors and their impact on quality, business and organizational performances. Extensive literature was reviewed in exploring and developing the plausible 16 elements of 10 TQM practices.

Saraph et al. (1989) conducted a study on "A Instrument for Measuring the Critical Factors of Quality Management". They explored, examined and developed eight CSFs of quality management referring to twenty two manufacturing and service organizations in the USA.

Shekoufeh Nekouezadeh et al. (2013) conducted a research on 'the impact of TQM on organizational performance of telecommunication industry in Iran'. The principal aim was to determine the correlation between TQM practices and the organizational, quality and innovation performances. Researchers explored, examined and developed TQM practices and variables of package of performances.

Flynn et al. (1994) conducted a research on "A framework for quality management research and an associated measurement instrument". They explored and developed six CSFs of TQM which encompasses of quality information system, process management, product design, workforce management, supplier involvement and customer involvement. They expounded that top management support creates a congenial environment for quality activities to surge.

Ali Bakhit Jaafreh. (2012) in his research work 'the effect of quality management practices on organizational performance on Jordan banking sector' set an aim to examine the extent to which quality management practices and organizational performance are correlated and to determine the impact of the practices on organizational performance.

Powell (1995) made a study on "Total quality management as competitive advantage: A review and empirical study". He revealed that the successful implementation of TQM is dependent on certain tactics, behaviour, features and TQM tools and techniques like top management commitment, effective communications, employee involvement, training in quality, flexibility in manufacturing, process management, benchmarking and performance measurements for realizing competitive advantage.

S D Kalpande et al. (2013) conducted a survey on 'Business performance of SMEs in Vidharabha and Khandesh region of India: A TQM implementation'. Researchers aimed at identifying importance of factors and sub-factors for successful implementation of TQM in SMEs. They explored and examined TQM components and factors influencing TQM implementation from the existing literature followed by using Analytic Hierarchy Process (AHP) for prioritization and operationalization. Fuzi Abusa (2011) conducted a study on 'TQM implementation and its impact on organizational performance: a case study of Libya'. He examined the correlation among TQM elements, TQM and organizational performance, Size & ISO 9000 and TQM implementation. The result showed that none of the six TQM elements have correlated with all organizational performance indicators, except Supplier quality management.

Antony Jiju, et al. (2002) conducted a research study on "Critical success factors of TQM implementation in Hong Kong industries". This is an empirical study on the identification of the critical success factors (CSFs) of TQM implementation in Hong Kong industries. Through a thorough and detailed analysis of the literature, 11 success factors with 72 elements were identified to develop a questionnaire.

Yogesh A Chauhan et al (2014) surveyed 'Perceptions of SMEs towards the key elements of TQM'. They focussed on examining and exploring the level of awareness and the importance SMEs have over key elements of TQM.

Bayazit (2003) conducted a study on "Total quality management practices in Turkish manufacturing organizations". He expounded that upper management support, employee involvement and commitment, customer focus, quality education and training, teamwork and use of statistical techniques are the most critical factors for the successful TQM implementation in Turkish manufacturing organizations.

A Al Nofal et al (2013) conducted a study on 'Critical factors of TQM: an update on the literature' with an objective to present the most important factors of TQM implementation often emphasized by researchers, supported by the discourses of quality gurus. A wide range of comprehensive elements of TQM have listed.

Z. Irani, et al. (2004) surveyed on "Total Quality Management and Corporate Culture: constructs of organizational excellence". In this effort, the researchers discuss the concept of corporate culture, place this social construct within the arena of TQM and highlight the relationships that exist among culture quality and competitiveness. T

Faisal Talib et al (2012) conducted a research on 'Pareto Analysis of TQM factors critical to success for service industries'. They made an attempt to sort out critical success factors of TQM according to frequencies of their occurrences by applying Pareto analysis tool and list out vital few critical success factors of TQM.

Phan Chi Anh & Yoshiki Matsui (2006) made a research on "An empirical analysis of Quality management practices in Japanese Manufacturing Companies". The aim was to investigate the utilization of quality management practices and its impact on quality performance and competitive performance.

Kanagi Kanapathy (2013) surveyed on 'Critical factors of quality management used in research questionnaires: a review of literature'. He opined that quality expounders and gurus have used different combinations of critical factors or constructs of TQM to design questionnaires and to measure quality management practices in different parts of the world.

10. RESULTS

1. DESCRIPTIVE STATISTICS ON TQM PRACTICES

The following table shows the distribution of the responses against the list of TQM practices.

TABLE 1: SHOWING FREQUENCY DISTRIBUTION OF RESPONSES AGAINST THE LIST OF TQM PRACTICES

ID	TQM Practices	Frequency (Yes)	Percentage	Frequency (No)	Percentage
A	Top Management Commitment	311	98.7	4	1.3
B	Customer Focus	299	94.9	16	5.1
C	Employee Empowerment/involvement	301	95.6	14	4.4
D	Supplier Partnership	247	78.4	68	21.6
E	Continuous improvement	269	85.4	46	14.6
F	Quality Management	302	95.1	13	4.1
G	Recognition and Reward	266	84.4	49	15.6
H	Education and Training	262	83.2	53	16.8
I	Process Management	279	88.6	36	11.4

CHART 1: SHOWING FREQUENCY DISTRIBUTION OF RESPONSES AGAINST THE LIST OF TQM PRACTICES

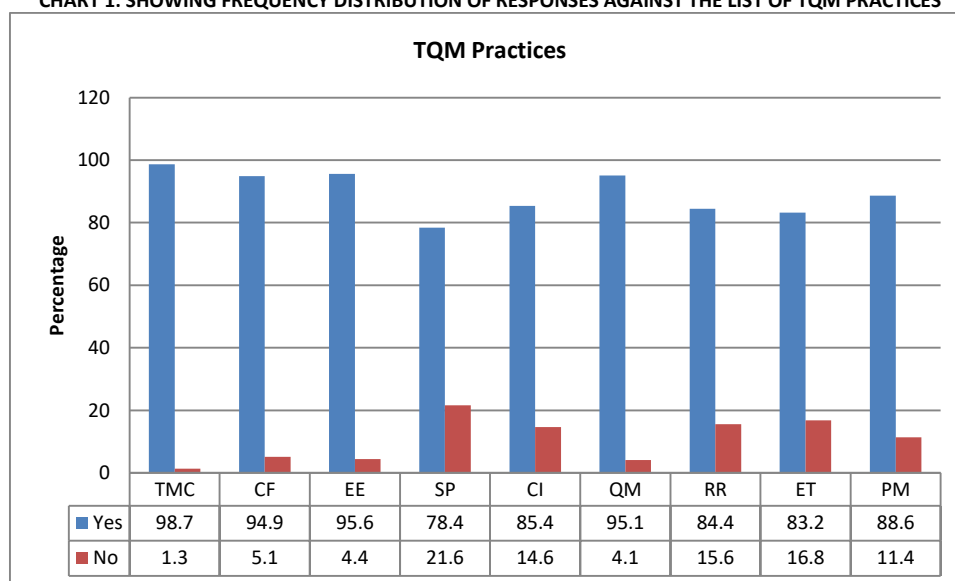


Table 1 illustrates the perception of respondents against list of TQM practices. On an average of approximately 90% of the respondents agreed that all the listed practices belonged to TQM. Among the practices, Top Management Commitment (TMC) led the response with 98.7% followed by Employee Empowerment (EE) and Quality Control (QM) with 95.6% and 95.1% respectively. The least response was given to Supplier Partnership (SP) with 78.4% followed by Education and Training (ET) and Recognition and Reward (RR) with 83.2% and 84.4% respectively. The remaining practices Customer Focus (CF), Process Management (PM) and Continuous Improvement (CI) placed in between with 94.9%, 88.6% and 85.4% respectively. This indicates most of the respondents are aware of TQM practices and have the ability to practically respond to the technicalities of TQM.

2. MEAN AND STANDARD DEVIATION OF TQM PRACTICES

TABLE 2

Variables	Maximum	Minimum	Mean	Standard Deviation
TQM Practices				
Top Management Commitment	5.00	3.14	4.24	0.35
Customer Focus	5.00	3.20	4.14	0.38
Employee Empowerment	5.00	2.25	4.07	0.42
Supplier Partnership	5.00	2.86	4.09	0.42
Continuous Improvement	5.00	3.00	4.18	0.40
Quality Control	5.00	3.00	4.34	0.52
Recognition and Reward	5.00	2.33	4.13	0.41
Education and Training	5.00	2.75	4.16	0.43
Process Management	5.00	2.71	4.08	0.36
TQM Practices (overall)	5.00	3.33	4.14	0.31

3. CORRELATION BETWEEN TQM PRACTICES AND QUALITY PERFORMANCE MEASURES

TABLE 3: CORRELATION BETWEEN TQM PRACTICES AND ECONOMIC PERFORMANCE MEASURES

TQM Practices (Independent Variables)	Economic Performance Measures					
	EcP1	EcP2	EcP3	EcP4	EcP5	EcP6
TMC	0.399**	0.290**	0.222**	0.026	0.262**	0.102
CF	0.311**	0.233**	0.059	0.036	0.157**	0.272**
EE	0.366**	0.277**	0.102	0.179**	0.233**	0.432**
SP	0.345**	0.276**	0.122*	0.305**	0.185**	0.198**
CI	0.350**	0.340**	0.145*	-0.096	0.292**	0.396**
QC	0.137*	0.163**	0.095	-0.154**	0.159**	0.023
RR	0.144*	0.092	0.028	0.052	0.133*	0.281**
ET	0.147**	0.087	0.196**	0.042	0.166**	0.134*
PM	0.176**	0.253**	0.121*	0.234**	0.237**	0.142*

** . Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

(EcP1-Productivity, EcP2-Profitability, EcP3- Shareholder value, EcP4-Earnings per share, EcP5-Market share and EcP6-Economic value addition)

Table 3 expounds that EcP1 and EcP5 led the preceding matrix by getting correlated with all the nine TQM practices followed by EcP2 and EcP5 with seven TQM practices each. The least correlation was achieved by EcP4 with four TQM practices followed by EcP3 with five practices. The Correlation matrix shows that highest correlation between variables is EE and EcP6 with $r=0.432$. The second highest correlation is between TMC and EcP1 with $r=0.399$. The third highest correlation is between CI and EcP6 ($r=0.396$). Among all independent variables SP and PM are correlated with all the six dependent variables followed by EE and CI with five each. TMC, CF, QC and ET are correlated with four variables each and RR with three variables only. Among all independent variables, QC is correlated with EcP with negative correlation coefficient ($r=-.154$).

4. REGRESSION ANALYSIS

To test the hypothesis, the first researcher has tested over all regression model by taking all the dependent variables (i.e. Productivity, Profitability, Shareholder value, Earnings per share, Market share and Economic value addition) and check that whether they are individually affected by conducting multiple regression analysis. The results are discussed below:

4.1 Regression model

H10: There is no significant effect of TQM practices on economic performance.

TABLE 4: SIGNIFICANT RELATIONSHIP BETWEEN TQM PRACTICES AND ORGANIZATIONAL EFFECTIVENESS IN TERMS OF ECONOMIC PERFORMANCE MEASURES

TQM Practices (Independent Variables)	Economic Performance Measure			
	B	Std. Error	B	t
Constant	1.441	0.299		4.826
Top Management Commitment (TMC)				
Customer Focus (CF)				
Employee Empowerment (EE)	.303	.085	.293	3.565*
Supplier Partnership (SP)	.225	.076	.217	2.984**
Continuous Improvement (CI)	.297	.081	.271	3.664*
Quality Control (QC)	-.111	.051	-.131	-2.167***
Recognition and Reward (RR)	-.390	.086	-.362	-4.546**
Education and Training (ET)				
Process Management (PM)	.170	.080	.140	2.131***
R	0.563			
R ²	0.316			
F	15.690			
Sign. (p value)	0.000			

Note: Significance: * $p < .001$; ** $p < .01$; *** $p < .05$.

Table 4 shows that economic performance is explained by the regression model as evident from R-square value of 0.316. The model indicates that 31.6% of the variations in economic performance can be explained using TQM practices. The p-value is less than 0.05; it can be argued that the model is valid for using linear regression. Since p-value is less than 0.05, the null hypothesis has been rejected and there exists the relationship between defects rate and TQM practices. The regression coefficient expounds that the TQM practices are having capacity to predict defects rate and the extent of the contribution power. Employee Empowerment, Supplier Partnership, Continuous Improvement, Quality Control, Recognition and Reward and Process Management are statistically significant with p-value less than 0.05. So at 5% significance level of significance null hypothesis is rejected which shows that there is a relationship between these six practices and economic performance and alternative hypothesis is accepted which is as under.

H1: There is statistically significant impact of TQM practices on economic performance.

11. FINDINGS WITNESSED BETWEEN TQM PRACTICES AND ECONOMIC PERFORMANCE

In this study Economic performance improvement is measured by,

- a. Improved productivity (EcP1)
- b. Increased profitability (EcP2)
- c. Increased shareholder value (EcP3)
- d. Increased earnings per share (EcP4)
- e. Improved market share (EcP5)
- f. Increased economic value addition (EcP6)

Out of the nine TQM practices empirically identified in the study, the TQM practices which have influenced on economic performance are varied as discussed below:

TABLE 5: REGRESSION COEFFICIENT BETWEEN SIGNIFICANT TQM PRACTICES AND ECONOMIC PERFORMANCE

ID	Organizational Effectiveness Indicators	Regression coefficient (R Square)	Variance in%	Significant TQM Practices
EcP	Economic Performance	0.316	31.6	EE, CI
EcP1	Productivity	0.279	27.9	CF, CI, RR
EcP2	Profitability	0.238	23.8	CI, RR
EcP3	Shareholder value creation	0.95	9.5	TMC
EcP4	Earnings per share	0.288	28.8	SP, CI, QC
EcP5	Market share	0.132	13.2	CI
EcP6	Economic value addition	0.298	29.8	CI, TMC

1. TQM practice CI has an effect on economic performance in terms of:
 - a. Improved productivity (EcP1)
 - b. Increased profitability (EcP2)
 - c. Increased earnings per share (EcP4)
 - d. Improved market share (EcP5)
 - e. Increased economic value addition (EcP6)
2. TQM practice RR has an effect on economic performance in terms of:
 - a. Improved productivity (EcP1)
 - b. Increased profitability (EcP2)
 - c. Increased shareholder value (EcP3)
 - d. Improved market share (EcP5)
3. TQM practice PM has an effect on economic performance in terms of:
 - a. Increased profitability (EcP2)
 - b. Increased earnings per share (EcP4)
 - c. Improved market share (EcP5)
 - d. Increased economic value addition (EcP6)
4. TQM practice SP has an effect on economic performance in terms of:
 - a. Increased profitability (EcP2)
 - b. Increased earnings per share (EcP4)
 - c. Increased economic value addition (EcP6)
5. TQM practice TMC has an effect on economic performance in terms of:
 - a. Increased shareholder value (EcP3)
 - b. Increased economic value addition (EcP6)
6. TQM practice CF has an effect on economic performance in terms of:
 - a. Improved productivity (EcP1)
 - b. Increased economic value addition (EcP6)
7. TQM practice QC has an effect on economic performance in terms of:
 - a. Increased earnings per share (EcP4)
 - b. Increased economic value addition (EcP6)
8. TQM practice CI has an effect on economic performance in terms of:
 - a. Increased profitability (EcP2)
 - b. Increased shareholder value (EcP3)
9. TQM practice EE has an effect on economic performance in terms of:
 - a. Improved productivity (EcP1)

The overall regression model showing relationship of TQM practices and economic performance (Table 5) shows that out of the above nine TQM practices EE, SP, CI, QC, RR and PM are significant. TMC CF and ET are not statistically significant. They explain 31.6% variance ($F = 4.826$, $t = 7.372$ $p < .001$).

12. CONCLUSION

TQM is not confined to production process and production & quality departments only; instead it is beyond all these. The employees of Indian iron and steel industry are aware of the holistic and strategic nature of TQM and most of firms in the industry follow quality management practices, but with different natures. Among the contemporary TQM practices, Top management commitment and Employee empowerment are popular ones in the industry; but the firms have no idea of the impact of practices supplier partnership in quality management. Among the contemporary TQM tools and techniques, the firms still are fond of traditional tools such as cause and effect diagram, quality circles; but the modern and advanced techniques such as quality function deployment, failure mode effect analysis are remote in their knowledge base. The TQM practices namely Continuous Improvement, Process Management and Recognition and reward jointly helps to improvise organizational effectiveness in terms of economic performance of the firms by increased economic value addition in the products and productivity in the processes, thereby increased the market share and profitability and ultimately increased earnings per share and share holder value.

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CORPORATE SOCIAL RESPONSIBILITY PRACTICES BANKS IN INDIA: A STUDY OF TWO PRIVATE SECTOR BANKS

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ABSTRACT

Responsibility towards the society and the environment in which an organization or a business firm operates is the prime concern of the present day. Businesses make use of resources provided by the society while the society or the environment in which it operates bears certain costs which were neglected or not taken care of until recent times when some amendments in the Companies Act were made wherein it has been made compulsory for organizations to endeavour into voluntary activities for the benefit of the society, which has been termed as Corporate Social Responsibility (CSR). In relation to this, an attempt has been made to evaluate the CSR practices adopted by Private Sector Banks in India. With respect to it, few Private Sector Banks have been selected on judgmental basis and thereby their contributions for the society and CSR practices has been evaluated by considering two financial years namely 2014-15 and 2015-16. Also, an effort has been made to compare the provisions in the Schedule VII of the Companies Act, 2013 and the actual practices undertaken by the Private Sector Banks. For this purpose the data has been collected from the annual reports of the respective banks and various other literatures. The data so collected will be analysed and the major findings will be highlighted. Also, some suggestions which may be developed and required to be mentioned along with the conclusion will be stated. The scope for future study in the respective field shall also be stated.

KEYWORDS

corporate social responsibility (CSR), private sector banks, society.

INTRODUCTION

In the present day context there has been an increasing use of some terms like Corporate Social Responsibility (CSR), Sustainable Development (SD) and Non-Financial Reporting (NFR) among the entities carrying out businesses and the stakeholders of such businesses. As such business houses have put concerted efforts to make sustainable development a priority along with their goals of economic interests. CSR involves the integration of social and environmental issues in the business operations of business firms. Business encompasses the economic, legal, ethical and discretionary expectations that society has of organization at a given point in time. As of now the social context of business entities and their activities have been redefined. The concept of holistic development of society along with business activities has gained importance because the activities carried out by the businesses impact deeply on the people, society and the environment. Thus, the necessity arises as to sustainable development. It is well understood that business and society cannot be separated. Both the aspects are interdependent and intertwined in a complex form that makes it impossible to sustain when the other is absent.

Corporate Social Responsibilities is, traditionally, seen as a voluntary action that businesses take over and above compliance of legal requirements to fulfill their economic interests and the interests of the society. CSR basically refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet. CSR is a set of comprehensive policies and practices that aligned in the business operations and covers the ethics, environment, and governance, interests of stakeholders within the business and outside.

Along with other business organizations certain activities for the society has been carried out by financial institutions as well. The financial institutions like commercial banks, cooperative banks and rural banks carry out their basic banking functions which becomes their primary objective and consequently they undertake various other activities which becomes a boon for the society. These banking institutions provide the services may due to the necessity of complying with the rules and regulations or their philanthropic activities or undertake practices voluntarily. The banking institutions and their contribution to sustainable development are paramount since they deliver upon the economic and developmental activities of the world. It is prime concern for a developing nation like India to act socially responsible. In this regard and growing awareness of the issue of social responsibility the Reserve Bank of India on December 20, 2007, circulated a notification that advised the scheduled commercial banks, to deliver their resources upon "Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting".

REVIEW OF LITERATURE

Chaudhury, S.K, Das, S.K and Sahoo, P.K (2011) stated in their study that the banking institutions need to promote greater accountability towards corporate social responsibilities. The study has been done on twelve numbers of cases which relates to various commercial banks both public and private and the CSR practices undertaken by them. The study mentions that the financial institutions should be framing CSR policies in order to allocate funds for CSR as a priority activity of banking institutions. Also, the institutions should make a periodical review system whereby it will make the CSR activities and its spending effective and its impact can be known.

Krishnan, N (2012) is of the opinion that CSR activities have a positive impact on the financial and non-financial performance of firms under the study. The study has been prepared taking into consideration various objectives like the impact of CSR on a firm's performance and the impact of CSR on other associated aspects of the firm. The financial benefit resulting from the CSR activities surpasses the cost which has been undertaken to implement those. The business firms need to incorporate the details of the CSR practices and mention the impact of such practices in the annual report.

Bhuvaneshwari.M, Chitra.P and Arthi.D (2015) made a study regarding the CSR initiatives of ICICI bank. The study has been basically made from secondary sources by referring to Annual Reports and other secondary materials. They comment positively on the contribution of the banking sector towards society in the form of CSR. The ICICI bank has been increasing their contribution towards CSR every year which is helping in creating good image of the bank. The study indicates that if banks initiate different practices for the society then it will be helping the economy to develop and sustain.

Md. Rahman, M and Md. Iqbal, F (2013) conducted a study regarding the CSR practices and to analyze the various CSR areas covered by the Private Commercial Banks and the perceptions of CSR tasks of banks in Bangladesh. The methodology includes both primary and secondary collection of data. The study reveals that CSR activities have positive impact on the employees' behavior, customers' behavior and establishing its market. According to the study most activities of CSR practice are concentrated on Education sector. Thus, banks should try to diversify their area of CSR operations for the overall development of the society.

Vasagan, V.T (2013) conducted a study on the CSR practices of Axis bank. The study tries to understand the strategies adopted by Axis Bank in the name of CSR. The study has been made from secondary sources and the data has been basically collected from the Annual report of the bank for the period under study. As per the study, Axis bank has put tremendous effort in undertaking CSR activities within a short period of time. The study also reveals that the activities need proper evaluation so that it is effectively implemented.

Mehta, M and Chaugule, K (2014) is of the opinion that businesses has become aware of the advantages which a firm enjoys when it implements CSR. The CSR activities affect them by way of increasing the goodwill and the image of the firm as make provisions for society from the profits they make. The study has been prepared from secondary sources like journals and websites. The data has been collected from the Annual report of the firm and for the period under study.

IMPORTANCE OF THE STUDY

Every study that is required to be carried out is blended with some importance which can be for the overall society, individual good or for some specific group. The importance of the study undertaken lies in the evaluation of banks towards society in terms of Corporate Social Responsibility. The study discusses about the Private Sector Banks and the CSR practices undertaken by them. It also throws some light over the fulfilling of provisions mentioned in the Section 135 of Companies Act, 2013.

OBJECTIVES OF THE STUDY

The present study has been carried out in order to throw some light over the activities and practices undertaken by Private Sector Banks. The study has been made with the following objectives in mind:

1. To identify the Corporate Social Responsibility practices undertaken by the Private Sector Banks.
2. To compare between the practices carried out by the Private Sector Banks and the CSR provisions mentioned in Schedule VII of Section 135 of Companies Act, 2013.

RESEARCH METHODOLOGY

The study is basically descriptive in nature and has been prepared in order to evaluate the CSR practices adopted by Private Sector Banks in India. Consequently, two Private Sector Banks have been selected on judgmental basis and thereby their contributions and practices for the society have been evaluated for the financial years namely 2014-15 and 2015-16. The banks so selected are Axis Bank and HDFC bank. In this study the data has been collected from the primary source that is from the annual reports of the respective banks and various other literatures. Since these Annual Reports are extracted from the bank's specific websites so the data so collected becomes secondary data, although the source is primary. Apart from the collection of information from the websites the researchers has referred to various other journals and articles in relation to CSR and its implementation by banks. In order to fulfill the purpose of the study the researcher has referred to the Section 135 and Schedule VII of Companies Act, 2013.

SCOPE OF THE STUDY

The present study has been undertaken to evaluate the practices undertaken by the Private Sector Banks in India for the betterment of the society and the environment in which the bank carry out its normal course of activities. Along with that a comparison with the provisions mentioned in the Companies Act, 2013 have been made in order to analyze the differences with the practices undertaken by the banks. The paper concentrates only on the practices undertaken by the banks for CSR. With regard to this only the practices of two banks have been analyzed and thus the results may not be generalized.

ANALYSIS AND DISCUSSION

SECTION 135 OF COMPANIES ACT, 2013

(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,—

(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (a) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.— For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

SCHEDULE VII

(Section 135)

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) PRACTICES OF AXIS BANK AND HDFC BANK**CSR PRACTICES OF AXIS BANK****TABLE NO. 1: PRACTICES OF AXIS BANK DURING THE YEAR 2014-15**

CSR Project or Activity identified	Sector in which the Project	Amount Outlay (Budget) Project or Programs wise
Contribution to Axis Bank Foundation towards undertaking CSR activities as per the focus areas and programs areas listed in Axis Bank's 'Policy for Corporate Social Responsibility'.	Education (primary, secondary, supplementary, special, vocational), livelihood enhancement, vocational skills training, conservation of natural resources and rural development, healthcare (including preventive healthcare)	62.18 crores (For 2014-15)
Financial literacy and inclusion program: Financial literacy initiatives to create awareness and educate various sections of society, especially those which do not have access to banking system, on personal financial management and provide them access through financial inclusion initiatives.	Education (financial literacy), reducing inequalities faced by socially and economically backward groups, rural development	52.32 crores
Environmental sustainability program: a. Reduction of GHG emissions through use of renewable energy and optimising energy efficiency b. Promoting ecological balance and natural resource conservation through tree plantation	Environmental sustainability, ecological balance and natural resource conservation	5.75 crores
MSME Sector building program: Contribute to MSME sector capabilities enhancement through knowledge based skills development.	Education (skills development)	1.09 crores
Cleanliness and sanitation program: Cleanliness and sanitation drives to promote the 'Swachh Bharat' mission in rural areas where Bank has presence.	Sanitation	0.06 crores
Administrative expenses: Administrative and other expenses including salaries and training cost for the Bank's CSR personnel, training and capacity building of implementation partners and staff cost for CSR initiatives up to 5% of overall CSR Expenditure		1.82 crores

Source: Compiled from the Annual Report of Axis Bank for the financial year 2014-15

TABLE NO. 2: PRACTICES OF AXIS BANK DURING THE YEAR 2015-16

CSR Project or Activity identified	Sector in which the Project	Amount Outlay (Budget) Project or Programs wise
Contribution towards and its partner NGO towards undertaking CSR activities as per the focus areas and programs listed in Axis Bank's 'Policy for Corporate Social Responsibility'.	Education (primary, secondary, supplementary, special, vocational), livelihood enhancement, vocational skills training, conservation of natural resources and rural development, healthcare (including preventive healthcare)	73.58 crores
Financial Literacy and inclusion program: a. Financial literacy initiatives to create awareness and educate various sections of society, especially those which do not have access to banking system, on personal financial management and provide them access through financial inclusion initiatives. b. Financial literacy and consumer awareness initiatives to safeguard against fraud and cyber-crime.	Education (financial literacy, consumer awareness), reducing inequalities faced by socially and economically backward groups, rural development.	30.03 crores
Environmental sustainability program: a. Reduction of GHG emissions through use of renewable energy and optimising energy efficiency b. Promoting ecological balance and natural resource conservation through tree plantation	Environmental sustainability, ecological balance and natural resource conservation	28.35 crores
MSME Sector building program: Contribute to MSME capabilities enhancement through knowledge based skills development.	Education (skills development)	1.67 crores
Education and Skill development program: a. Promoting entrepreneurial skills among college students b. Imparting employable skills to youth	Education (skills development)	2.08 crores
Administrative expenses: Administrative and other expenses including salaries and training cost for the Bank's CSR personnel, training and capacity building of implementation partners and staff cost for CSR initiatives up to 5% of overall CSR expenditure		1.70 crores

Source: Compiled from the Annual Report of Axis Bank for the financial year 2015-16

INTERPRETATION: The above tables describe the CSR activities of Axis Bank for the financial year 2014-15 & 2015-16. The bank has made the disclosure regarding the CSR activities in the Corporate Social Responsibility Report as a Statutory Report which elaborates about the various activities and practices carried by the bank during the financial year. The bank has made significant contribution towards certain sectors like education, financial literacy and environment sustainability. The table also explains the ways through which the total amount allotted for CSR activities have been incurred.

TABLE NO. 3: PRACTICES OF HDFC BANK DURING THE YEAR 2014-15 & 2015-16

CSR Project or Activity identified	Sector in which the Project	Amount Outlay (Budget) Project or Programs wise (in Cr.)	
		2014-15	2015-16
Financial Literacy and Empowerment	Promotion of Education	7.63	1.00
Promoting Education	Promotion of Education	8.52	24.59
Skill Training and Livelihood Enhancement	Skill development and Vocational Training	12.47	17.99
Health Care	Preventive and Curative Healthcare	7.24	8.26
Environmental Sustainability	Environment	0.95	0.72
Eradicating Poverty	Eradicating poverty	0.99	1.36
Rural Development	Rural Development Projects	80.18	140.89

Source: Compiled from the Annual Report of HDFC Bank for the financial year 2014-15 & 2015-16

INTERPRETATION: The above table describes the CSR activities of HDFC Bank for the financial year 2014-15 & 2015-16. The bank has made the disclosure regarding the CSR activities in the Corporate Social Responsibility Report within Directors' Report which elaborates about the various activities and practices carried by the bank during the financial year. The bank has made significant contribution towards certain sectors like Education, Health Care and Rural Development. The table also explains the total amount of expenditure that has been incurred in each of the heads.

IMPLICATIONS

The primary motive of commercial banks is to render the banking services as has been required by the Banking Regulation Act, 1949. The banks are but separately guided by another Act other than the Companies Act, 2013 which is Banking Regulation Acts, 1949. There has been no specific provision which defines banks activities towards CSR in the Banking Regulation Act, 1949. Apart from banking institutions other business houses are meeting the requirement of CSR practices which as of now become mandatory. Thus, there arises a need for banking institutions as well to comply with the norms of CSR and contribute towards it. An effort has been made to compare the CSR practices of the private sector and the provision mentioned in the Companies Act, 2013 so that the differences or similarities can be evaluated.

From the Table No. 1, Table No. 2 and Table No. 3 we get to know the practices of the two Private Sector Banks that have been selected for the purpose of the study. The comparison with the banks and the provisions in the Companies Act, 2013 are as follows:

- Committee:** Since the Net Profit for both the banks has been more than 5 crores the bank has developed a CSR policy and formed a committee for its purpose.
- Disclosure:** Along with the formation of a committee the banks have disclosed the members of the CSR committee.
- Amount Allocation:** The average net profit of the banks for last three financial years were more than 5 crores and as such made provision for CSR activities for 2% of the profits as has been mentioned in the provisions of the Act. The total amount of Axis bank is approximately Rs. 133.77 crores and Rs. 163.03 crores respectively and Rs. 197.13 crores and Rs. 248 crores respectively of HDFC bank.
- Amount Spent:** The CSR activities of bank and the total amount allocated has been mentioned in the report and the actual amount spent and unspent has been distinctly made in the report.
- Amount Unspent:** The reasons unspent has been again explained elaborately by the banks in the report.
- Sectors of Contribution:** The contribution by Axis Bank has been mainly upon the education, financial literacy and environment sustainability. While HDFC Bank has contributed mostly towards Education, Health Care and Rural Development.
- Sector not considered for CSR:** The banks have not taken any measure to reduce child mortality and maternal health even though certain contributions have been made in the health sector.
- Priority Sector Lending:** Priority Sector lending is one of the important aspects of banking but the above banks selected for the study has not included factor into consideration.
- Details regarding activities of CSR:** The details regarding the CSR activities in various sectors has been mentioned by the Axis Bank but HDFC bank have not disclosed all the details except for the sectors for which expenditure has been made by the bank.

The above discussion regarding the CSR practices of banks and its comparison with the Companies Act, 2013 brings into light various important facts. The banks operate with their own set of principles under the broad framework of Banking Regulation Act, 1949. The banks carry out various CSR activities and which happen to be in line with the provisions of the Companies Act, 2013 as the bank have been fulfilling the mentioned provisions. However in relation to schedule VII of the Act, it can be said that some of the activities which needs to be carried out by the business houses were not practiced by the banks. Also, as has been required to have entirely separate reporting system of CSR activities of an entity, some banks fails to do so. They make the disclosures along with the Directors' report.

Although the banks are profit making organizations yet they remain excluded from the compulsory contributions towards Corporate Social Responsibilities. The activities or practices which the banks undertake towards CSR are more often voluntary in nature. The banks disclose such information in the annual reports out of their own discretion. It may be to make their image in the market, which quite competitive, bright and penetrate in the market.

The banks mostly concentrate in activities like donation for the welfare of rural areas, education, financial literacy etc. Their contributions limit to certain activities only.

SUGGESTIONS

It may not be possible from the above minor study to provide many suggestions in terms of contributions of CSR practices but still the researcher makes certain observations in this respect.

The banking sector has been contributing towards society with their discretion and considers it as their operations. Since the banks have been considering CSR activities and disclosing them like any other corporate houses as such these banks need to be put under the umbrella of Corporate Social Responsibility and make them mandatory.

CONCLUSION

Corporate Social Responsibility (CSR) has been described in the study is the contribution of business towards the society since they utilize the resources of the society. The study concentrates upon the banks contribution towards the society in the form of CSR. The practices have been highlighted and a comparison has been made with the Section 135 of Companies Act, 2013.

Banks concentrate their activities to only specific areas like education, financial literacy, rural development etc. The Private Banks along with normal course of activities continue to indulge themselves in CSR practices and have rightfully disclosed that information in the Annual Reports. But the picture of fulfilling the demands of the society as has been expected by the society still remains vague. The banks need to follow a prescribed format of disclosing their contribution towards CSR which become prime importance in the present day world. These practices of banks for CSR need to have real impact on the society through which the societies can benefit and can develop in a country like India.

LIMITATION

The above study suffers from some limitations which have been described below:

- The study has been basically made from the annual reports of two banks only, due to which the results cannot be generalised.

2. The period of study is of two financial years only.
3. During the period of study the recent annual reports of the respective banks were not published because of which it was not considered for the study.

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DEMOGRAPHIC AND SOCIO-ECONOMIC CONDITIONS OF MGNREGS BENEFICIARY HOUSEHOLDS IN PUNJAB: AN EMPIRICAL STUDY

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ABSTRACT

The present paper is an attempt to analyse the demographic and socio-economic status of sampled MGNREGS beneficiary households in the rural areas of Punjab. To analyse the results, a sample of 440 MGNREGS beneficiary households has been selected with multi-stage random sampling. The analysis reveals that majority of the MGNREGS beneficiary households, i.e., 81.59 per cent are belonging to scheduled caste households. The analysis reveals that overall in Punjab 36.25 per cent persons are illiterate, whereas 22.27, 14.61, 14.04 and 10.07 per cent persons have education up to the primary, middle, matric and higher secondary level respectively. This analysis brought out the fact that due to their low income, poverty and lack of scholarships, the children belonging to these poor people are able to obtain only formal education up to middle/matric level. Majority of the beneficiary households, i.e., 85.00 per cent are working as wage labourers. The results also show that 53.86 and 56.69 per cent of sampled households have toilet and bathroom facility respectively and still 71.36 per cent of households are using dung cake and wood as a major source of fuel in kitchen. The socio-economic status of MGNREGS beneficiary households shows that lack of access to equal opportunities and productive assets as well as social exclusion strategies, they are lagging behind in development outcomes- access to education, health, housing, sanitation and other basic amenities of life.

KEYWORDS

MGNREGS, literacy, sex ratio, occupation, housing conditions, sanitation facilities.

INTRODUCTION

In India, majority of the workers are dependent on informal sector for their livelihood. Most of the workers are either casual in nature or self-dependent. These workers have no security, no legal contract, no health benefits and other benefits extended to the worker of the formal sector. Their vulnerability is extended by the necessity to remain mobile due to the saturation and lack of demand in the agriculture sector. They generally have to work outside the native place and face uncertainties due to unfamiliar conditions, work expectation and job profile. Further they are, by and large, paid less than the nominal wage for any particular work owing to basic limitations like lower education, poor skills and dearth of capital (Kanan, 2010 and Viswanathan et al., 2014).

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a historic legislation passed by the government of India. It was enacted to address the crucial issues of unemployment and poverty in rural India. This scheme guarantees a hundred day of unskilled employment to each household in every financial year at an equal wage rate for males and females workers (Ministry of Law and Justice, 2005 and Nair et al., 2009). The most important change MGNREGS represents is that it gives rise to programme that spring not from its willful benevolence, but as a legally binding response by the states to a right to work.

Punjab, an agriculturally developed state, is facing the problem of unemployment in general and in the rural areas particular. Modernisation and declining productivity has decreased the ability of absorption of more labour force in this sector. Industry is also not well-established in Punjab. This has created the livelihood problems for unskilled landless, marginal and small farmers (Department of Planning, Punjab, 2009). So in the present situation of misery, public works like MGNREGS can be become source of their livelihood. MGNREGS operation in Punjab was introduced in phase manner. In the first phase, it was launched in one of districts (Hoshiarpur) of Punjab since February 02, 2006. In the second phase, it was extended to three more districts, namely, Amritsar, Nawanshahar and Jalandhar during 2007-08. And, the scheme was further extended to all districts of Punjab with effect from April 3, 2008.

The socio-economic status of a society is a composition of various factors such as population, housing, education, economic activities and availability of basic amenities of life. It is a well known fact that education, employment opportunities and land has been distributed unequally among different sections of the society. Lack of skill, access to productive assets and employment opportunities pose challenge for livelihood security for privileged sections of the society.

The age and the sex structure of the population are the most important demographic characteristics. Age and sex are two attributes that largely influence an individual's role in society. The age structure of a population, i.e., the distribution of the population in different age groups, constitutes an important subject of demographic analysis and development planning. Age structural dynamics includes fertility, mortality and as well as related changes in family planning and social arrangements. The use of age structure goes beyond demographic analysis to other important areas. Public policies aim to improve the welfare of a population; population welfare in turn is determined and shaped by the needs of present and future population; a population's needs and its potential are strongly shaped by its demographic composition, i.e., by age-structural transition (Riyaza, 2000).

Education is the most important instrument for social, economic and political transformation. A well educated population, equipped with the relevant knowledge, attitudes and skills is essential for economic and social development in the twenty-first century. Education is the most potent tool for socio-economic mobility and a key instrument for building an equitable and just society. Education provides skills and competencies for economic well-being. Education strengthens democracy by imparting to citizens the tools needed to fully participate in the governance process. Education also acts as an integrative force in society, imparting values that foster social cohesion and national identity (Planning Commission, 2013).

Economic attainment refers to access to or command over resources by households and individuals, which enhances their capabilities. At the most elementary level, the status of employment of household members and ownership of assets determine a household's income, which to a very large extent determines the individual's command over resources. The most important indicator reflecting lack of economic attainment is the incidence of poverty (Government of India, 2011). But it is a well known fact that majority of the weaker sections in the rural areas are landless and they are dependent upon daily wage work for their livelihood security.

Housing is one of the basic requirements for the survival of human beings. Ownership of a house provides significant economic security and social status for a citizen in the society. Stable, affordable and accessible housing is directly and indirectly linked to human well-being. One can easily understand the socio-economic status of a family just by watching physical attributes of their housing. Good housing and its surroundings indicate the better standard of living of the family. Good housing provides facilities for education, recreation and many other facets of life. Housing provides the foundation for a home where a human being becomes

human and cultivates his/her personality. A person deprived of this basic need faces all odds of life and remains discriminated and marginalised in the society. The situation of the scheduled tribes, scheduled castes and the other socially and economically backward class families are worst affected by poor housing conditions. Shelter is a basic need of a citizen which is critical for determining the quality of human life. A roof over the head endows a shelter-less person, with an essential asset and improves her/his physical and mental well being (Planning Commission, 2013).

Individual health and hygiene is largely dependent on adequate availability of drinking water and proper sanitation facilities. Proper sanitation is important not only from the general health point of view but it has a vital role to play in our individual and social life too. Sanitation is one of the basic determinants of quality of life and human development. The consumption of unsafe drinking water, improper disposal of human excreta, improper environmental sanitation and lack of personal and food hygiene have been major causes of many diseases in developing countries like India. In India, large sections of the population are living in the rural areas. Majority of the weaker sections in the rural areas have limited access to safe drinking water and sanitation facilities (Ministry of Rural Development, 2004). The present paper deals with the demographic and socio-economic status of MGNREGS beneficiary households in the rural areas of Punjab.

OBJECTIVES OF THE PRESENT STUDY

The present paper is an attempt to analyse the demographic and socio-economic status of sampled MGNREGS beneficiary households in the rural areas of Punjab. It takes into consideration the following specific objectives:

1. To analyse the age and sex-wise composition of MGNREGS beneficiary households.
2. To examine the educational, occupational and economic status of MGNREGS beneficiary households.
3. To study the housing and sanitation conditions of MGNREGS beneficiary households in rural Punjab.

RESEARCH METHODOLOGY

The present study is based on the primary as well as secondary data. The primary data has been collected through a well-structured schedule /questionnaire. The selected MGNREGS beneficiary households have provided the first-hand information about the scheme in the rural areas of Punjab. In the present study, a sample of 440 MGNREGS beneficiary households has been selected with the help of multi-stage random sampling method at the district, development block and village level.

On the basis of average persondays generated under MGNREGS in 2013-14, all districts have been categorised into three categories, i.e., high participation districts, moderate participation districts and low participation districts. At the first stage, three districts, i.e., Fatehgarh Sahib (high participation district), Fazilka (moderate participation district) and Hoshiarpur (low participation district) have been selected purposively. At the second stage, nine developmental blocks, three from each district have been selected. At the third stage, three villages from each selected block have been selected. Thus, a total of 27 villages have been selected. Finally, a sample of 440 MGNREGS beneficiary households consisting of 106 from Fatehgarh Sahib, 229 from Fazilka and 105 from Hoshiarpur district has been selected.

RESULTS AND DISCUSSION

Age and sex-wise composition of sampled MGNREGS beneficiary households in the rural areas of Punjab is presented in Table 1. The table shows that out of total sample population of 1947 persons, 1061 are males and 886 are females. The age-wise break-up of the sample population shows that 169 persons (8.18 per cent) fall in the age group of 0-6 years, 314 persons (16.13 per cent) belong to the age group of 7-14 years, 1242 persons (63.79 per cent) represent the age group of 15-59 years, 161 persons (8.27 per cent) are in the age group of 60-65 years, and the remaining 61 persons (3.13 per cent) fall in the age group of above 65 years. The analysis makes it clear that the highest proportion of persons fall in the age group of 15-59 years.

Out of the total sampled population of 1947 persons, 474 persons are from Fatehgarh Sahib, 1001 persons are from Fazilka and remaining 472 persons are from Hoshiarpur district. The share of males to total persons is 54.49 per cent, whereas the share of females is 45.51 per cent which reveals that number of females is less as compared to males. The percentage share of males to total persons is 55.49, 53.85 and 54.87 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts, whereas the share of females to total persons is 44.51, 46.15 and 45.13 per cent respectively.

TABLE 1: AGE AND SEX-WISE COMPOSITION OF SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Age Groups (in years)	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	Up to 6 years				
	Male	20(4.22)	62(6.19)	9(1.91)	91(4.67)
	Female	14(2.95)	58(5.79)	6(1.27)	78(4.01)
	Total	34(7.17)	120(11.98)	15(3.18)	169(8.68)
2.	7-14 years				
	Male	55(11.60)	85(8.49)	44(9.32)	184(9.45)
	Female	34(7.17)	74(7.39)	22(4.66)	130(6.68)
	Total	89(18.78)	159(15.88)	66(13.98)	314(16.13)
3.	15-59 years				
	Male	158(33.33)	323(32.27)	187(39.62)	668(34.31)
	Female	133(28.06)	270(26.97)	171(36.23)	574(29.48)
	Total	291(61.39)	593(59.24)	358(75.85)	1242(63.79)
4.	60-65 years				
	Male	13(2.74)	51(5.09)	15(3.18)	79(4.06)
	Female	21(4.43)	52(5.19)	9(1.91)	82(4.21)
	Total	34(7.17)	103(10.28)	24(5.09)	161(8.27)
5.	Above 65 years				
	Male	17(3.59)	18(1.80)	4(0.85)	39(2.00)
	Female	9(1.90)	8(0.80)	5(1.06)	22(1.13)
	Total	26(5.49)	26(2.60)	9(1.91)	61(3.13)
6.	Total				
	Male	263(55.49)	539(53.85)	259(54.87)	1061(54.49)
	Female	211(44.51)	462(46.15)	213(45.13)	886(45.51)
	Total	474(100.00)	1001(100.00)	472(100.00)	1947(100.00)

Source: Field Survey, 2014-15.

Figures given in parentheses indicate the percentages.

Sex composition of the human population is one of the basic demographic characteristics, which is extremely vital for any meaningful demographic analysis. The Changes in sex composition largely reflects the underlying socio-economic and cultural patterns of a society in different ways. Sex ratio is the number of females per 1000 males. Sex ratio is an index of the socio-economic conditions of an area and it is also a composite indicator of women's status in the society. An understanding of sex ratio of an area is important for different types of planning and for comprehending demographic dynamism in terms of mortality, migration, marital status, economic characteristics and so forth (Census of India, 2001)

The sex-ratio among different age groups of MGNREGS beneficiary households in the rural areas of Punjab is presented in Table 2. The overall sex ratio has been worked out 835 females per thousand males among all the households taken together. The district-wise sex ratio has been worked out 802, 857 and 822 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively. The number of females per thousand males between 0-6 years has been worked out 700 in Fatehgarh Sahib, 935 in Fazilka and 667 in Hoshiarpur district, whereas among all the sampled households taken together, it is 857 in the rural areas of Punjab. The sex-ratio between 15-59 years has been worked out 842, 836 and 914 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively. Among all the households taken together, the sex-ratio between this age group is 859 in the rural areas of Punjab. Thus composition of sampled population reveals that the proportion of girl child is low in the rural areas of Punjab. The district-wise results also shows that child sex ratio is low in developed districts, i.e., Fatehgarh Sahib and Hoshiarpur districts as compared to less developed district, i.e., Fazilka district.

TABLE 2: SEX-RATIO AMONG SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Age Groups (in years)	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	0-6 years	700	935	667	857
2.	7-14 years	618	871	500	707
3.	15-59 years	842	836	914	859
4.	above 59 years	1000	870	737	881
5.	Overall Sex-ratio	802	857	822	835

Source: Calculated from Table 1.

Indian society is primarily an identity-based society. This identity of an individual stems from caste, ethnic, religious or even regional belongings amongst others. These identities unfortunately are still entrenched in caste and religious hierarchal institutions, governing social conduct and market transactions. This is seen to be more prevalent in the rural areas, where poverty is also high. Though the strict one to one correspondence of the broad caste categories with class has eroded substantially over time, there still remain strong linkages between the two, which have been strengthened by persistent cultural, social and religious ideas and their practice. India, therefore, suffers from its unique problems with their implications for livelihood outcomes, somewhat different from societies stratified only on class lines (Thorat, 2010).

The data relating to social status of sampled MGNREGS beneficiary households in the rural areas of Punjab is given in Table 3. The table shows that out of 440 sampled beneficiary households, 298 households (67.73 per cent) are from Sikh community, 141 households (32.05 per cent) are from the Hindu community and only 1 household from other community. The district-wise religious status reveals that 93.40 per cent households of Fatehgarh Sahib district, 65.07 per cent households of Fazilka district and 47.62 per cent households of Hoshiarpur districts are belonging to the Sikh community whereas, the percentage share of Hindu community for respective districts is 6.60, 34.93 and 51.43 respectively.

TABLE 3: SOCIAL STATUS OF SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Social Status	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	Religion				
	Sikhism	99(93.40)	149(65.07)	50(47.62)	298(67.73)
	Hinduism	7(6.60)	80(34.93)	54(51.43)	141(32.05)
	Others*	0(0.00)	0(0.00)	1(0.95)	1(0.22)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
2.	Caste				
	Scheduled caste	88(83.02)	179(78.17)	92(87.62)	359(81.59)
	Backward caste	12(11.32)	38(16.59)	6(5.71)	56(12.73)
	General caste	6(5.66)	12(5.24)	7(6.67)	25(5.68)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
3.	Type of family				
	Joint	28(26.42)	89(38.86)	36(34.29)	153(34.77)
	Nuclear	78(73.58)	140(61.14)	69(65.71)	287(65.23)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
4.	Head of family				
	Male	93(87.74)	212(92.58)	94(89.52)	399(90.68)
	Female	13(12.26)	17(7.42)	11(10.48)	41(9.32)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
5.	Marital status				
	Married	236(49.79)	508(50.75)	206(43.64)	950(48.79)
	Unmarried	90(18.99)	185(18.48)	168(35.59)	443(22.75)
	Others**	148(31.22)	308(30.77)	98(20.77)	554(28.46)
	Total	474(100.00)	1001(100.00)	472(100.00)	1947(100.00)

Source: Field Survey, 2014-15.

Figures given in parentheses indicate the percentages.

* Muslim, Christian etc.

** Divorcee, Widow, Widower, Children, below marriageable age etc.

The distribution of sampled MGNREGS beneficiary households by social groups shows that majority of the households, i.e., 81.59 per cent belong to scheduled castes, 12.73 per cent are from backward castes and remaining 5.68 per cent belong to general castes households. The district-wise distribution of sampled beneficiary households by social groups shows that 83.02, 78.17, and 87.62 per cent households in Fatehgarh Sahib, Fazilka and Hoshiarpur districts belong to scheduled castes households, 11.32, 16.59 and 5.71 per cent households from backward castes and the remaining 5.66, 5.24 and 6.67 per cent belong to general castes households respectively.

The table further reveals that majority of the sampled beneficiary households, i.e., 65.23 per cent households are a part of the nuclear family system whereas 34.77 per cent are living in joint family system in the rural areas of Punjab. The percentage share of nuclear family system is the highest (73.58) in Fatehgarh Sahib district followed by Hoshiarpur district (65.71) and the lowest (61.14) in Fazilka district. The classification of the sampled beneficiary households according to headship of families reveals that majority of the households, i.e., 90.68 per cent households have male head whereas only 9.32 per cent households have female head because of death of their husband and having no male member in their families. The district-wise percentage share of male headed families is 87.74, 92.58 and 89.52 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively.

The marital status of sampled beneficiary households reveals that 48.79 per cent persons are married, 22.75 per cent are unmarried and 28.46 per cent persons represent the category of others (widow, widower, divorce and children). The district-wise percentage share of married persons is 49.79, 50.75 and 43.64 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas the share of unmarried persons in respective districts is 18.99, 18.48 and 35.59 per cent. The percentage share of unmarried persons is higher in Hoshiarpur district because of higher level of literacy.

The educational status of sampled MGNREGS beneficiary households in the rural areas of Punjab is presented in Table 4. The table clearly reveals that overall in Punjab 36.25 per cent persons are illiterate, whereas 22.27, 14.61, 14.04 and 10.07 per cent persons have education up to the primary, middle, matric and higher secondary level respectively. There have been very few persons who have obtained the graduation and post-graduation (1.90 per cent) as well as professional & technical (0.86 per cent) education. The percentage share of illiterate persons is the highest (48.30) in Fazilka, followed by Fatehgarh Sahib (31.94) and the lowest (17.66) in Hoshiarpur district. This analysis brought out that the fact that due to their low income, poverty and lack of scholarships, the children belonging to these poor people are able to obtain only formal education up to middle/matric level. The percentage share of beneficiary household having professional and technical education is negligible because they are unable to bear the high cost of these courses. The level of illiteracy is higher in Fazilka district as compared to Fatehgarh Sahib and Hoshiarpur districts due to the reasons such as border area, backwardness of people, low level of income, lack of employment and lack of public as well as private institutions.

TABLE 4: EDUCATIONAL STATUS OF SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Education Level	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	Illiterate	138(31.94)	412(48.30)	80(17.66)	630(36.25)
2.	Primary	110(25.46)	181(21.22)	96(21.19)	387(22.27)
3.	Middle	74(17.13)	83(9.73)	97(21.41)	254(14.61)
4.	Matric	64(14.81)	81(9.50)	99(21.85)	244(14.04)
5.	Secondary	39(9.03)	79(9.26)	57(12.58)	175(10.07)
6.	Graduation and Post Graduation	7(1.63)	14(1.64)	12(2.66)	33(1.90)
7.	Professional and Technical	0(0.00)	3(0.35)	12(2.65)	15(0.86)
8.	Total	432(100.00)	853(100.00)	453(100.00)	1738(100.00)

Source: Field Survey, 2014-15.

Figures given in parentheses indicate the percentages.

Note: 0-7 years children have excluded.

Unorganised or informal sector constitutes a pivotal part of the Indian economy. More than 90 per cent of workforce and about 50 per cent of the national product are accounted for by the informal economy. A high proportion of socially and economically underprivileged sections of society are concentrated in the informal economic activities. The high levels of growth of the Indian economy during the past two decades are accompanied by increasing informalisation. There has been new dynamism of the informal economy in terms of output, employment and earnings. Faster and inclusive growth needs special attention to informal economy. Sustaining high levels of growth are also intertwined with improving domestic demand of those engaged in informal economy, and addressing the needs of the sector in terms of credit, skills, technology, marketing and infrastructure (Government of India, 2012).

Table 5 reflects the primary occupation of sampled MGNREGS beneficiary households in the rural areas of Punjab. The table clearly shows that majority of the beneficiary households, i.e., 85.00 per cent are working as wage labourers. Among these, 67.50 per cent are engaged in non-farm activities, 15.23 per cent are casual labourers or agricultural labourers on daily wage in agriculture and 2.27 per cent are working as permanent or yearly basis agricultural labourers in agriculture. The percentage share of non-farm workers is 75.47, 58.95 and 78.10 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas the percentage share of casual labourers in agriculture for respective districts is 7.55, 23.58 and 4.76 respectively. Due to lack of employment opportunities, poverty and landlessness, agricultural labour is major source of livelihood for majority of the households in Fazilka district.

TABLE 5: PRIMARY OCCUPATION OF SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Occupational Category	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	Wage Worker				
	(a) Non-farm wage workers	80(75.47)	135(58.95)	82(78.10)	297(67.50)
	(b) Agricultural Labourers (Casual labour in agriculture)	8(7.55)	54(23.58)	5(4.76)	67(15.23)
	(c) Agricultural Labourers (permanent or yearly basis)	0(0.00)	10(4.37)	0(0.00)	10(2.27)
	Sub-total (a+b+c)	88(83.02)	199(86.90)	87(82.86)	374(85.00)
2.	Self-employed in Agriculture	0(0.00)	4(1.75)	1(0.95)	5(1.14)
3.	Government Employees	5(4.72)	4(1.75)	2(1.90)	11(2.50)
4.	Private Employees	5(4.72)	10(4.37)	5(4.76)	20(4.55)
5.	Artisans	2(1.89)	3(1.31)	6(5.71)	11(2.50)
6.	Others*	6(5.66)	9(3.92)	4(3.82)	19(4.31)
7.	Total (1-6)	106(100.00)	229(100.00)	105(100.00)	440(100.00)

Source: Field Survey, 2014-15.

Figures given in parentheses indicate percentages.

* self-employed in household's industrial units, shopkeepers, drivers etc.

Due to higher incidence of landlessness among these households, the percentage share of self-employed in agriculture is negligible. The share of government employees is 4.72, 1.75 and 1.90 per cent in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively, while as a whole, this is only 2.50 per cent. This is mainly due to their lower level of education as well as lack of employment opportunities in the government sector. The percentage share of private sector employees is 4.72, 4.37 and 4.76 per cent respectively, whereas as a whole this is 4.55 per cent among all the sampled beneficiary households taken together in the rural areas of Punjab. The table further shows that 1.89, 1.31 and 5.71 per cent households are artisans in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively. The percentage share of those belonging to the others category is 4.31 among the beneficiary households in the rural areas of Punjab.

The data regarding economic status of sampled MGNREGS beneficiary households is given in the Table 6. As per classification of sampled beneficiary households according to ration cards held by them 68.64 per cent of the households fall in the category of below poverty line (BPL) and 31.36 per cent in the above poverty line (APL) category. The percentage share of people below poverty line households is the highest (73.80) in Fazilka district followed by Hoshiarpur (67.62) and the lowest (58.49 per cent) in Fatehgarh Sahib district. The data regarding ownership of landholdings points out that 96.59 per cent of the sampled beneficiary households are landless. The district-wise analysis shows that the percentage share of landless households is 99.06, 94.32 and 99.05 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively.

TABLE 6: ECONOMIC STATUS OF SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Economic status	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	Household category				
	BPL	62(58.49)	169(73.80)	71(67.62)	302(68.64)
	APL	44(41.51)	60(26.20)	34(32.38)	138(31.36)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
2.	Land ownership				
	Land Owner	1(0.94)	13(5.68)	1(0.95)	15(3.41)
	Landless	105(99.06)	216(94.32)	104(99.05)	425(96.59)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
3.	Economic status				
	Earning	129(27.22)	279(27.87)	124(26.27)	532(27.32)
	Earning Dependent	195(41.14)	394(39.36)	240(50.85)	829(42.58)
	Dependent	150(31.64)	328(32.77)	108(22.88)	586(30.10)
	Total	474(100.00)	1001(100.00)	472(100.00)	1947(100.00)
4.	Employment status				
	Regular	6(5.66)	6(2.62)	4(3.81)	16(3.64)
	Self-employed	7(6.60)	16(6.99)	11(10.48)	34(7.73)
	Casual	93(87.74)	207(90.39)	90(85.71)	390(88.63)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
5.	Sector				
	Formal	6(5.66)	4(1.75)	2(1.90)	12(2.73)
	Informal	100(94.34)	225(98.25)	103(98.10)	428(97.27)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)

Source: Field Survey, 2014-15.

Figures given in parentheses indicate the percentages,

The table further reflects that 27.32 per cent are earners, 42.58 per cent are earning dependents, and 30.10 per cent are dependents. The percentage share of earners is 27.22, 27.87 and 26.27 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively, whereas the share of dependents is 31.64, 32.77 and 22.88 per cent for respective districts in the rural areas of Punjab. The employment status of sampled MGNREGS beneficiary households reveals that 3.64 per cent are working on regular basis, 7.73 per cent are self-employed and 88.63 per cent are casual workers. The district wise analysis reveals that the percentage share of households working on regular or permanent basis is 5.66, 2.62 and 3.81 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively, the share of self-employed is 6.60, 6.99 and 10.48 per cent respectively and the share of casual workers is 87.74, 90.39 and 85.71 per cent respectively. The sector-wise employment status points out that 97.27 per cent of the sampled households are working in informal sector whereas the percentage share of households working in formal sector is only 2.73. The district-wise percentage share of households working in informal sector is 94.34, 98.25 and 98.10 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas the share of households working in formal sector in respective districts is 5.66, 1.75 and 1.90 per cent in the rural areas of Punjab. The housing conditions of sampled MGNREGS beneficiary households are presented in Table 7. The table reveals that among all the beneficiary households taken together, 74.55, 14.77 and 10.68 per cent households own *semi-pucca*, *pucca* and *kutcha* houses respectively. The district-wise analysis reveals that the percentage share of *pucca* houses is the highest, i.e., 22.64 in Fatehgarh Sahib district followed by Hoshiarpur district (17.14) and the lowest (10.04) in Fazilka district. The reverse trend has been noticed in the case of *kutcha* type of households which is the highest (11.35 per cent) in Fazilka district, followed by Hoshiarpur district (10.48 per cent) and the lowest (9.43 per cent) in Fatehgarh Sahib district.

The conditions of dwelling houses reveal that the percentage share of good condition houses is only 12.26, 5.24 and 8.57 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas, among all the households taken together, the percentage share of good condition houses is 7.73. The table clearly shows that majority of the sampled beneficiary households have average condition houses. The percentage share of average condition houses is 73.58, 69.43 and 71.43 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts whereas, among all the households taken together, this share is 70.91 per cent. The percentage share of households living in dilapidated conditions is the highest, i.e., 25.33 in Fazilka district followed by Hoshiarpur (20.00) and Fatehgarh Sahib (14.16) districts. Among all the households taken together, the percentage share of households living in dilapidated houses is 21.36. This is mainly because of low levels of income, higher incidence of poverty, lack of gainful employment opportunities etc.

TABLE 7: HOUSING CONDITIONS OF SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Housing Conditions	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	Type of dwelling house				
	Pucca	24(22.64)	23(10.04)	18(17.14)	65(14.77)
	Semi-Pucca	72(67.92)	180(78.60)	76(72.38)	328(74.55)
	Kutcha	10(9.43)	26(11.35)	11 (10.48)	47(10.68)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
2.	Condition of dwelling house				
	Good	13(12.26)	12(5.24)	9(8.57)	34(7.73)
	Average	78(73.58)	159(69.43)	75(71.43)	312(70.91)
	Dilapidated	15(14.16)	58(25.33)	21(20.00)	94(21.36)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
3.	No. of rooms				
	One	22(20.75)	50(21.83)	9(8.57)	81(18.41)
	Two	69(65.09)	145(63.32)	75(71.43)	289(65.68)
	Three	13(12.27)	28(12.23)	19(18.10)	60(13.64)
	More than three	2(1.89)	6(2.62)	2(1.90)	10(2.27)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
4.	Separate kitchen				
	Yes	44(41.51)	48(20.96)	40(38.10)	132(30.00)
	No	62(58.49)	181(79.04)	65(61.90)	308(70.00)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)

Source: Field Survey, 2014-15.

Figures given in parentheses indicate the percentages

(Good: Walls with Plaster, Average: Walls without Plaster, Dilapidated: Without plaster and doors)

The analysis further provides that majority of the sampled beneficiary households, i.e., 65.68 per cent have two rooms, while the remaining 18.41, 13.64 and 2.27 per cent households are having one room, three rooms and more than three rooms respectively. The analysis also highlights that only 30.00 per cent of the sampled beneficiary households have a separate kitchen in their house whereas the 70.00 per cent have not a separate kitchen. The percentage share of households have separate kitchen in their houses is the highest (41.51) in Fatehgarh Sahib, followed by Hoshiarpur (38.10) and the lowest (20.96) in Fazilka district. This is mainly due to the reason that these poor households cannot afford a separate kitchen in their premises because of higher cost of construction.

TABLE 8: SANITATION FACILITIES OF SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Sanitation Facilities	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	Toilet facility				
	Yes	65(61.32)	110(48.03)	62(59.05)	237(53.86)
	No	41(38.68)	119(51.97)	43(40.95)	203(46.14)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
2.	Condition of toilets				
	Good	10(15.87)	10(9.09)	8(12.90)	28(11.91)
	Average	44(69.84)	52(47.27)	41(66.13)	137(58.30)
	Dilapidated	9(14.29)	48(43.64)	13(20.97)	70(29.79)
	Total	63(100.00)	110(100.00)	62(100.00)	235(100.00)
3.	Bathroom facility				
	Yes	66(62.26)	120(52.40)	63(60.00)	249(56.69)
	No	40(37.74)	109(47.60)	42(40.00)	191(43.41)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
4.	Condition of Bathrooms				
	Good	10(15.15)	10(8.33)	8(12.70)	28(11.24)
	Average	46(69.70)	60(50.00)	43(68.25)	149(59.84)
	Dilapidated	10(15.15)	50(41.67)	12(19.05)	72(28.92)
	Total	66(100.00)	120(100.00)	63(100.00)	249(100.00)

Source: Field Survey, 2014-15.

Figures given in parentheses indicate the percentages.

The availability of sanitation facilities among sampled MGNREGS beneficiary households in the rural areas of Punjab has been demonstrated in Table 8. The table reveals that the percentage share of beneficiary households having toilet facility is 61.32, 48.03 and 59.05 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas among all the households taken together, this share is 53.86 per cent. The analysis shows that majority of the households have average conditions of their toilets. The percentage share of households have average condition toilets is 69.84, 47.27 and 66.13 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas among all the households taken together, this share is 58.30 per cent. The percentage share of households have dilapidated conditions of their toilets is the highest, i.e., 43.64 in Fazilka district followed by Hoshiarpur (20.97) and Fatehgarh Sahib (14.29) districts whereas, among all the households taken together, this share is 29.79. This analysis points out that only 62.26, 52.40 and 60.00 per cent households have bathroom facility in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively, whereas among all the sampled households taken together, it is 56.69. While analysing the condition of their bathrooms, it has been observed that only 15.15, 8.33 and 12.70 per cent households have good conditions of bathrooms in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas the percentage share of dilapidated condition of bathrooms for respective districts is 15.15, 41.67 and 19.05.

A person staying in a healthy and sustainable environment can naturally contribute much more to the development process than his counterpart who stays in an unhealthy environment. The availability of basic living facilities like drinking water, bathroom, latrine, housing, availability of electricity and fuel used in kitchen of an individual of a nation is thus a priori requirement for its growth and development. At the same time with rapidly growing population, it is perhaps the most difficult task of the respective governments, especially in the developing countries, to create sustainable infrastructure for ensuring decent living of its inhabitants (Ministry of Statistics and Programme Implementation, 2014).

The data pertaining to the basic amenities of life availed by sampled MGNREGS beneficiary households in the rural areas of Punjab is presented in Table 9. The table shows that tap is a major source of drinking water for 75.91 per cent households followed by hand pump (14.55 per cent) and submersible pump (1.36 per cent). However, the remaining 8.18 per cent households have no source of drinking water in their houses and they are dependent upon others for meeting their water requirements. The district-wise analysis reveals that 89.62 per cent of households in Fatehgarh Sahib, 68.12 per cent of households in Fazilka district and 79.05 per cent of households in Hoshiarpur district used tap as a major source of drinking water. The percentage share of households using hand pump is 4.72, 18.34 and 16.19 and submersible pump is 2.83, 0.88 and 0.95 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas the percentage share of households have no source of water for respective districts is 2.83, 12.66 and 3.81.

The table also shows that only 17.92, 9.61 and 16.19 per cent of sampled households in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively have water filters/ R.O. in their houses whereas among all the households taken together, this percentage share is only 13.18 in the rural areas of Punjab. The analysis also shows that only 39.77 per cent of sampled beneficiary households have LPG facility whereas remaining 60.23 are dependent upon others sources. The percentage share of households have LPG facility is 55.66, 27.51 and 50.48 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively.

TABLE 9: AVAILABILITY OF BASIC AMENITIES OF LIFE AMONG SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Basic Amenities	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	Major source of drinking water				
	Hand pump	5(4.72)	42(18.34)	17(16.19)	64(14.55)
	Tap	95(89.62)	156(68.12)	83(79.05)	334(75.91)
	Submersible pump	3(2.83)	2(0.88)	1(0.95)	6(1.36)
	Others*	3(2.83)	29(12.66)	4(3.81)	36(8.18)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
2.	Water Filter or R.O.				
	Yes	19(17.92)	22(9.61)	17(16.19)	58(13.18)
	No	87(82.08)	207(90.39)	88(83.81)	382(86.82)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
3.	Gas				
	Yes	59(55.66)	63(27.51)	53(50.48)	175(39.77)
	No	47(44.34)	166(72.49)	52(49.52)	265(60.23)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
4.	Major fuel used in kitchen				
	LPG	43(40.57)	40(17.47)	43(40.95)	126(28.64)
	Dung Cake & Wood	63(59.43)	189(82.53)	62(59.05)	314(71.36)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
5.	Mobile phone				
	Yes	103(97.17)	180(78.60)	99(94.29)	382(86.82)
	No	3(2.83)	49(21.40)	6(5.71)	58(13.18)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)

Source: Field Survey, 2014-15.

Figures given in parentheses indicate the percentages.

* community motor, neighbours etc.

The analysis also highlights that majority of the beneficiary households in the rural areas of Punjab, i.e., 71.36 per cent use dung cake and wood as a major fuel in their kitchens and remaining 28.64 per cent use Liquid Petroleum Gas (LPG). The percentage share of households using dung cake and wood as a major fuel in their kitchen is 59.43, 82.53 and 59.05 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively. The access to LPG as a major fuel for respective districts has been worked out as 40.57, 17.47 and 40.95 per cent in the rural areas of Punjab.

The data regarding accessibility to mobile phones reveals that majority of the beneficiary households i.e., 97.17, 78.60 and 94.29 per cent households in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively have mobile phones, but the quality of their mobile sets is not good because of their low level of income. As a whole, 86.82 per cent sampled MGNREGS beneficiary households have mobile phones in the rural areas of Punjab.

The health of a nation is an essential component of development, vital to the nation's economic growth and internal stability. Assuring a minimal level of health care to the population is a critical constituent of the development process. Considerable achievements have been made over the last six decades in our efforts to improve health standards, but malnutrition affects a large proportion of children. An unacceptably high proportion of the population continues to suffer and die from new diseases that are emerging; apart from continuing and new threats posed by the existing ones. The strong link between poverty and ill health needs to be recognized. The onset of a long and expensive illness can drive the non-poor into poverty (Planning Commission, 2008).

The disability and chronic illness among sampled beneficiary households in the rural areas of Punjab has been presented in Table 10. The percentage share of households have disabled persons is 2.83, 6.55 and 4.76 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively, whereas among all the sampled households taken together, this share is 5.23. The table further indicates that the percentage share of households have chronic illness has been worked out to 0.94, 3.06 and 0.95 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively, whereas among all the sampled households taken together, this share is 2.05. Due to lack of proper medical facilities, higher incidence of chronic diseases like cancer and lack of safe drinking water, the percentage share of disabled and chronic illness is higher in Fazilka district as compared to Fatehgarh district and Hoshiarpur district.

TABLE 10: DISABILITY AND CHRONIC ILLNESS AMONG SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Items	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	Disability	3(2.83)	15(6.55)	5(4.76)	23(5.23)
2.	Chronic Illness	1(0.94)	7(3.06)	1(0.95)	9(2.05)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)

Source: Field Survey, 2014-15.

Figures given in parentheses indicate the percentages.

Rural development as a concept has been highly associated with the promotion of standards of living and as a pre-condition for reducing rural poverty. The promotion of the rural economy in a sustainable way has the potential of increasing employment opportunities in rural areas, reducing regional income disparities, stemming pre-mature rural-urban migration, and ultimately reducing poverty at its very source (Anriquez and Stamoulis, 2007).

Types of way and the availability of drainage facility among sampled MGNREGS beneficiary households in the rural areas of Punjab have been presented in Table 11. The table shows that majority of the households, i.e., 78.86 per cent have bricked type of way to their houses followed by metalled type (13.18 per cent) and *kutcha* type (7.95 per cent). The percentage share of bricked type of way is 66.04, 80.79 and 87.62 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas the percentage share of metalled type of way for respective districts is 33.96, 6.11 and 7.62 respectively. The *kutcha* type of way has been found only in Fazilka district and Hoshiarpur district, i.e., 13.10 per cent and 4.76 per cent. The analysis also shows that 90.45 per cent of sampled beneficiary households have drainage facility and remaining 9.55 per cent are without any drainage facility. The table further shows that majority of the sampled households, i.e., 66.98, 76.17 and 87.88 per cent in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively have semi-pucca type of drainage whereas among all the households taken together, this share is 76.63 per cent in the rural areas of Punjab. The percentage share of *pucca* type of drainage is 33.02, 8.29 and 11.11 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas among all the households taken together, this share is 15.58 per cent.

TABLE 11: TYPE OF WAY AND DRAINAGE FACILITY AMONG SAMPLED MGNREGS BENEFICIARY HOUSEHOLDS IN RURAL PUNJAB

Sr. No.	Items	Fatehgarh Sahib	Fazilka	Hoshiarpur	Punjab
1.	Type of way				
	Metalled	36(33.96)	14(6.11)	8(7.62)	58(13.18)
	Bricked	70(66.04)	185(80.79)	92(87.62)	347(78.86)
	Kutchha	0(0.00)	30(13.10)	5(4.76)	35(7.96)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
2.	Drainage				
	Yes	106(100.00)	193(84.28)	99(94.29)	398(90.45)
	No	0(0.00)	36(15.2)	6(5.71)	42(9.55)
	Total	106(100.00)	229(100.00)	105(100.00)	440(100.00)
3.	Type				
	Pucca	35(33.02)	16(8.29)	11(11.11)	62(15.58)
	Kutchha	0(0.00)	30(15.54)	1(1.01)	31(7.79)
	Semi-pucca	71(66.98)	147(76.17)	87(87.88)	305(76.63)
	Total	106(100.00)	193(100.00)	99(100.00)	398(100.00)

Source: Field Survey, 2014-15.

Figures given in parentheses indicate the percentages.

CONCLUDING REMARKS

It is clear from above analysis that majority of the MGNREGS beneficiary households, i.e., 81.59 per cent are belonging to scheduled caste households and 67.73 per cent are from the Sikh community. The composition of sampled population reveals that the proportion of girl child is low in the rural areas of Punjab. The district-wise results shows that sex ratio is low in developed districts, i.e., Fatehgarh Sahib and Hoshiarpur districts as compared to less developed district, i.e., Fazilka district. The education status of beneficiary households reveals that the percentage share of illiterate persons is the highest (48.30) in Fazilka, followed by Fatehgarh Sahib (31.94) and the lowest (17.66) in Hoshiarpur district whereas among all the households taken together, 36.25 per cent persons are illiterate. This analysis brought out that the fact that due to their low income, poverty and lack of scholarships, the children belonging to these poor people are able to obtain only formal education up to middle/matric level.

The analysis also points out that due to higher incidence of landlessness and lack of skill, majority of the households are dependent upon wage work for their livelihood. The employment status of sampled MGNREGS beneficiary households reveals that only 3.64 per cent are working on regular basis, 7.73 per cent are self-employed and 88.63 per cent are the casual workers. The sector-wise employment status points out that a large majority, i.e., 97.27 per cent of the beneficiary households are working in informal sector whereas the percentage share of households working in formal sector is only 2.73. The conditions of dwelling houses reveal that the percentage share of households living in dilapidated conditions is 14.16, 20.00 and 25.33 in Fatehgarh Sahib, Fazilka and Hoshiarpur districts respectively whereas among all the households taken together, it is 21.36 per cent in the rural areas of Punjab. The results also show that 53.86 and 56.69 per cent of sampled households have toilet and bathroom facility respectively and still 71.36 per cent of households are using dung cake and wood as a major source of fuel in kitchen. This is mainly because of low levels of income, higher incidence of poverty, lack of gainful employment opportunities etc.

In a nutshell, the socio-economic status of MGNREGS beneficiary households shows that lack of access to equal opportunities and productive assets as well as social exclusion strategies, they are lagging behind in development outcomes- access to education, health, housing, sanitation and other basic amenities of life. Therefore, Government should provide free education and other basic amenities of life to these poor people for raising their socio-economic conditions.

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AN EMPIRICAL STUDY OF LIFE INSURANCE IN GANGTOK, SIKKIM**KEWAL RAI****STUDENT****FACULTY OF COMMERCE
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DEPARTMENT OF COMMERCE
ICFAI UNIVERSITY
SIKKIM****ABSTRACT**

Human life is full of uncertain events and these uncertainties cannot be stopped or controlled, but necessary precautions can be taken. This precaution can be called as Insurance. Insurance has played an important role in the financial planning of an individual, thus impacting the Financial Market. Present study is based on both primary as well as secondary data. Specifically, selected respondents (Life Insurance policyholders of three different life insurance companies) based on Gangtok, Sikkim and evaluative research methodology carried out in this paper. The research depends on primary as well secondary data for the purpose of analysis and interpretation. This paper attempts to analyze the performance of the major insurance firms like HDFC Life, Bajaj Allianz and ICICI Prudential till today in the region and try to evaluate their future Prospect by comparing their overall premiums, customer preferences, policies and Insurance market scenario.

KEYWORDS

YOY growth (year over year), life insurance, premium, customer satisfaction.

INTRODUCTION

Insurance is a means of indemnity against a future occurrence of an uncertain event, for which the customers pay a certain amount called Premium. Companies try to attract the customers by focusing on Customer Satisfaction, New Policies and Lower Premiums. Their performance is revealed by the premium they have accumulated.

There are lot of Insurance companies set-up in India, therefore this study will focus on three companies:- HDFC Life, Bajaj Allianz and ICICI Prudential.

OBJECTIVE OF THE STUDY

The main objective of the study is to analyze the Performance of these three Companies in the region, and through accumulated data try to evaluate (to give an Idea) the future Growth or Prospect of these Companies.

METHODS USED

The Data used in this paper is both Primary as well as Secondary data. A well structured questionnaire and in-depth interview (from the policyholders) method was used to collect primary data for the analysis purpose. A survey is carried out on specifically selected respondents of three Insurance companies data are presented in the form of tables and diagrammatic form for easy understanding.

REVIEW OF LITERATURE

Rao, S. (2000) has stated that India is still a developing country and there is a lot of scope for Insurance sector for expansion. His study mainly focuses on expansion of insurance sector in rural areas.

William H. Greene and Dan Segal (2004), in their paper "Profitability and Efficiency in the US Life Insurance Industry examined the relativity between profitability and inefficiency in the Life Insurance in US it is found that the cost inefficiency and earnings are essentially related to each other in insurance industry.

Sinha & Tapen (2005), in their research work, "The Indian Insurance Industry: Challenges and Prospectus" have found that the life insurance dominates the overall insurance premium market in India by 80% at present. Moreover, the paper further suggests liberalizing the prices of insurance product to minimize the risk.

Macro Arena (The World Bank) 2006, determined the influence of insurance market activity namely life and non life insurance on economic strength.

Harpeet Singh & Preeti Singh (2011), in their paper, "An Empirical Analysis of Insurance Industry of India" between pre and post economic amendment period. Furthermore, their paper also states the portion of present statues, quantities of competitors and confrontation came across by LIC of India.

Yogesh Jain (2013), in his paper, "Economic Reforms and World Economic Crisis: Changing Indian Life Insurance Market Place" study's the growth/fall of insurance sector in India and the required changes that need to be made.

Dr. Sunayna Khurana (2013), in her research paper, "Analysis of Service Quality Gap in Indian Life Insurance Industry" tries to identify the difference in the customer's expectation and the product satisfaction of Insurance sector.

C. Balaji (2015), The paper is mainly an awareness for the customers highlighting the various policies and premium rates in the Insurance sector in rural and urban areas of India.

RESULTS AND DISCUSSION ABOUT LIFE INSURANCE

The discussion about life insurance is based on various topics which are discussed in the survey results. Discussion and results about life insurance and services based on the respondent's views are as follows:-

INSURANCE POLICY SATISFACTION

In the surveyed data respondents gave opinion about the satisfaction with the policy they have taken from the Insurance Company. It is shown in the following table:

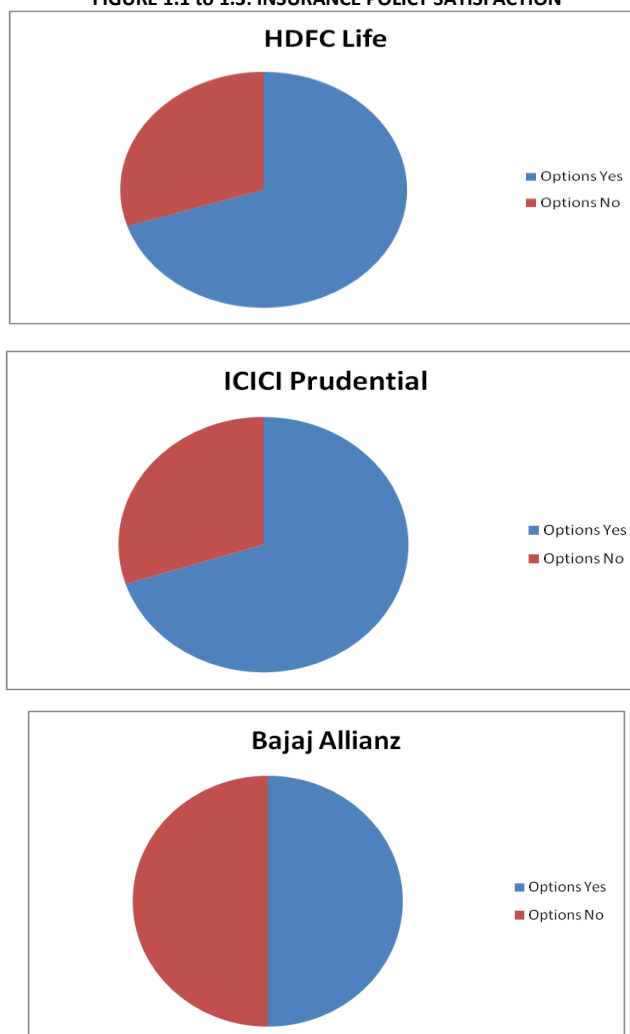
TABLE 1: INSURANCE POLICY SATISFACTION

Company	No. of Respondent's		Options			
			Yes		No	
	Female	Male	Female	Male	Female	Male
HDFC Life	5	5	3	4	2	1
ICICI Prudential	5	5	3	4	2	1
Bajaj Allianz	5	5	2	3	3	2

Source: Survey Data

The Policy Satisfaction from the surveyed data is divided in two options first one Yes and Second No. The number of respondent's that fall in Yes option are: HDFC – 7, ICICI Prudential – 7, and Bajaj Allianz – 5. The number of respondent's that fall in No option are: HDFC Life - 3, ICICI Prudential - 3, and Bajaj Allianz - 5. It can be seen in the below pie chart:-

FIGURE 1.1 to 1.3: INSURANCE POLICY SATISFACTION



CUSTOMER PREFERENCE REGARDING SELECTION OF THE POLICY

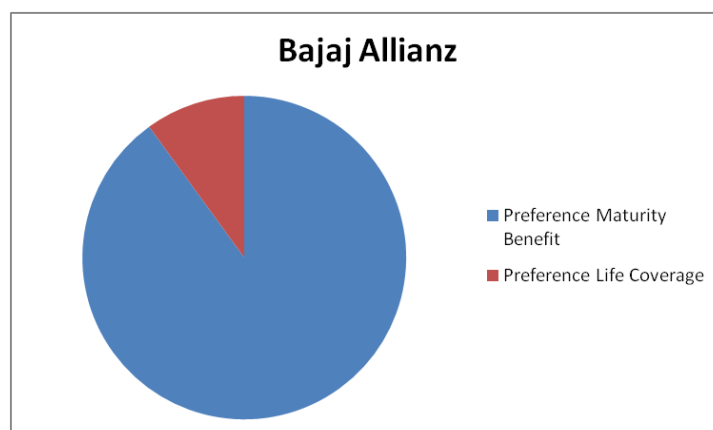
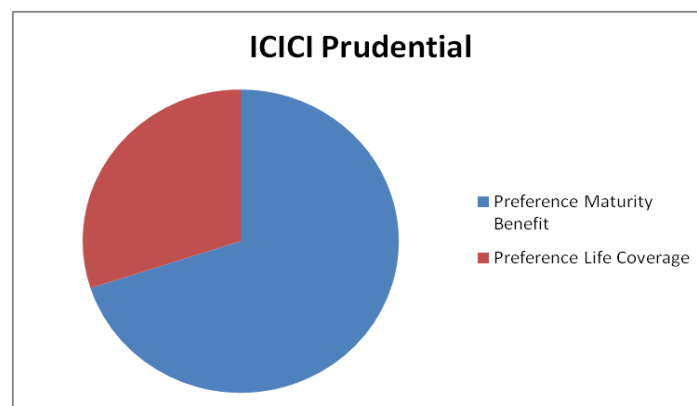
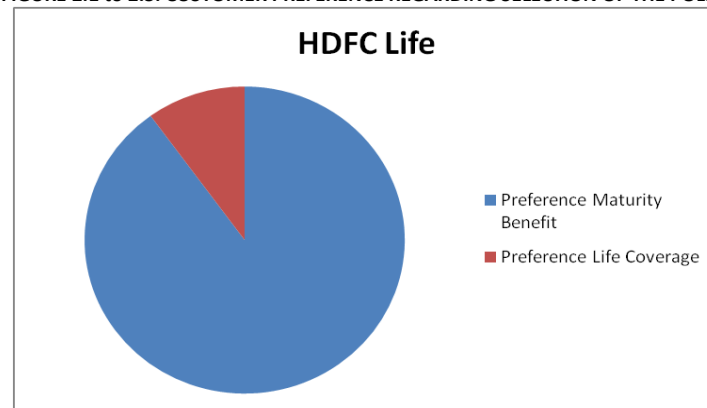
Customer preferences in the policy refer to preference on the basis of two prospective which is Maturity Benefit or Life Coverage. The data provided below gives the number of respondents who either go for the Maturity Benefit or Life Coverage:

TABLE 2: CUSTOMER PREFERENCE REGARDING SELECTION OF THE POLICY

Company	No. of Respondent's		Preference			
			Maturity Benefit		Life Coverage	
	Female	Male	Female	Male	Female	Male
HDFC Life	5	5	4	5	1	
ICICI Prudential	5	5	3	4	2	1
Bajaj Allianz	5	5	4	5	1	
TOTAL	30		25		5	

Source: Survey Data

Out of 30 respondents across three companies it was found that majority (i.e. 25 over 30 respondents) have a choice of Maturity Benefit or Money Back Guarantee over the Life Coverage, which is the basic aim of insurance companies.

FIGURE 2.1 to 2.3: CUSTOMER PREFERENCE REGARDING SELECTION OF THE POLICY**TENURE OF THE POLICY**

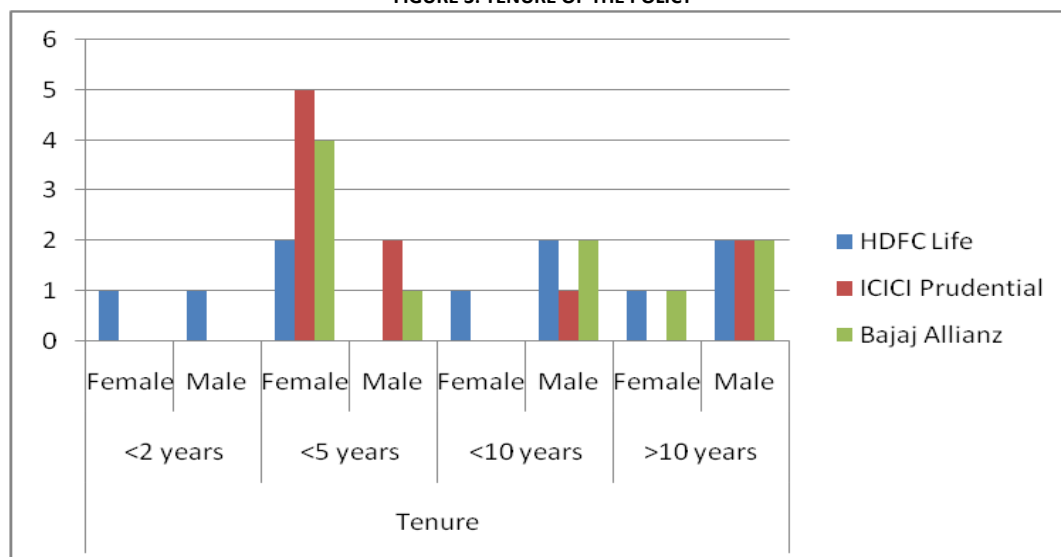
It is important to know the customers expectancy towards the tenure of the policy, as in this study it is found that people prefer within 5 to 10 years of maturity period the most viable. The following data provides the maturity date of the policies that the respondent's have taken-up: -

TABLE 3: TENURE OF THE POLICY

Company	Tenure							
	<2 years		<5 years		<10 years		>10 years	
	Female	Male	Female	Male	Female	Male	Female	Male
HDFC Life	1	1	2		1	2	1	2
ICICI Prudential			5	2		1		2
Bajaj Allianz			4	1		2	1	2
TOTAL	2		14		6		8	

The tenure in the surveyed data has been categorized into <2 years, <5 years, <10 years, and >10 years. The data states that the maximum number of respondent's (including female and male) that fall in: HDFC Life - <10 years ~ 3 and >10 ~ 3, ICICI Prudential - <5 years ~ 7 and >10 years ~ 2, and Bajaj Allianz - <5 years ~ 5 and >10 years ~ 3. In the data the sum Total row defines that the maximum number of the respondents are up for the policy whose maturity period is <5 years. The following Chart has provided using the above data:

FIGURE 3: TENURE OF THE POLICY



CONVENIENT SOURCE FOR GETTING INSURANCE

In today's world getting insurance policy is not a difficult task for anyone. Anyone who is willing to pay the prescribed premium can take the insurance policy through various sources. In below table the basic source through which anyone would take up an insurance policy is given (i.e. through an insurance agent or Self):-

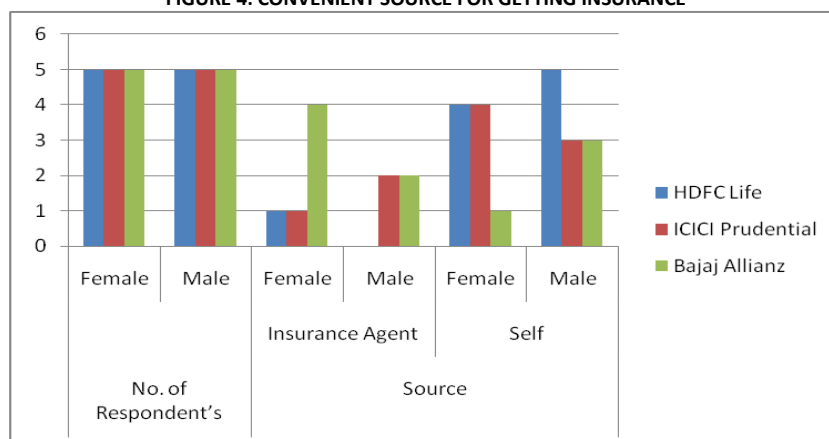
TABLE 4: CONVENIENT SOURCE FOR GETTING INSURANCE

Company	No. of Respondent's		Source			
			Insurance Agent		Self	
	Female	Male	Female	Male	Female	Male
HDFC Life	5	5	1		4	5
ICICI Prudential	5	5	1	2	4	3
Bajaj Allianz	5	5	4	2	1	3

Source: Survey Data

The convenient source for getting insurance in surveyed data is divided into basic two categories Insurance Agent and Self. The number of respondent falling in each two categories (including Female and Male) are: HDFC Life – 1 and 9, ICICI Prudential – 3 and 7, and Bajaj Allianz – 6 and 4. The table shows that the maximum numbers of respondents are falling on second category which is Self, as compared to the earlier days when the main source for getting an insurance policy was through an agent. The following Chart has been given on the basis of the data provided:-

FIGURE 4: CONVENIENT SOURCE FOR GETTING INSURANCE



TAX EXEMPTION AWARENESS

During the survey we also tried to know whether the respondent's had the information regarding the tax exemption or not. The following data provides us with that required information:

TABLE 5: TAX EXEMPTION AWARENESS

Company	No. of Respondent's		Options			
			Yes		No	
	Female	Male	Female	Male	Female	Male
HDFC Life	5	5	4	5	1	
ICICI Prudential	5	5	1	3	4	2
Bajaj Allianz	5	5	3	4	2	1
TOTAL	30		19		10	

Source: Survey Data

The Tax Exemption Awareness data is divided into two options Yes or No. The number of respondent's that fall under Yes category are: HDFC Life – 8, ICICI Prudential – 4, and Bajaj Allianz – 7. The number of respondent's that fall under No category are: HDFC Life – 2, ICICI Prudential – 6, and Bajaj Allianz – 3. The data represents that the maximum number of respondent's are aware about the tax exemption in insurance, as the Total column of the table clearly states 19 for Yes and 11 for No. The following pie chart has been provided using the above data:-

FIGURE 5.1 to 5.3: TAX EXEMPTION AWARENESS

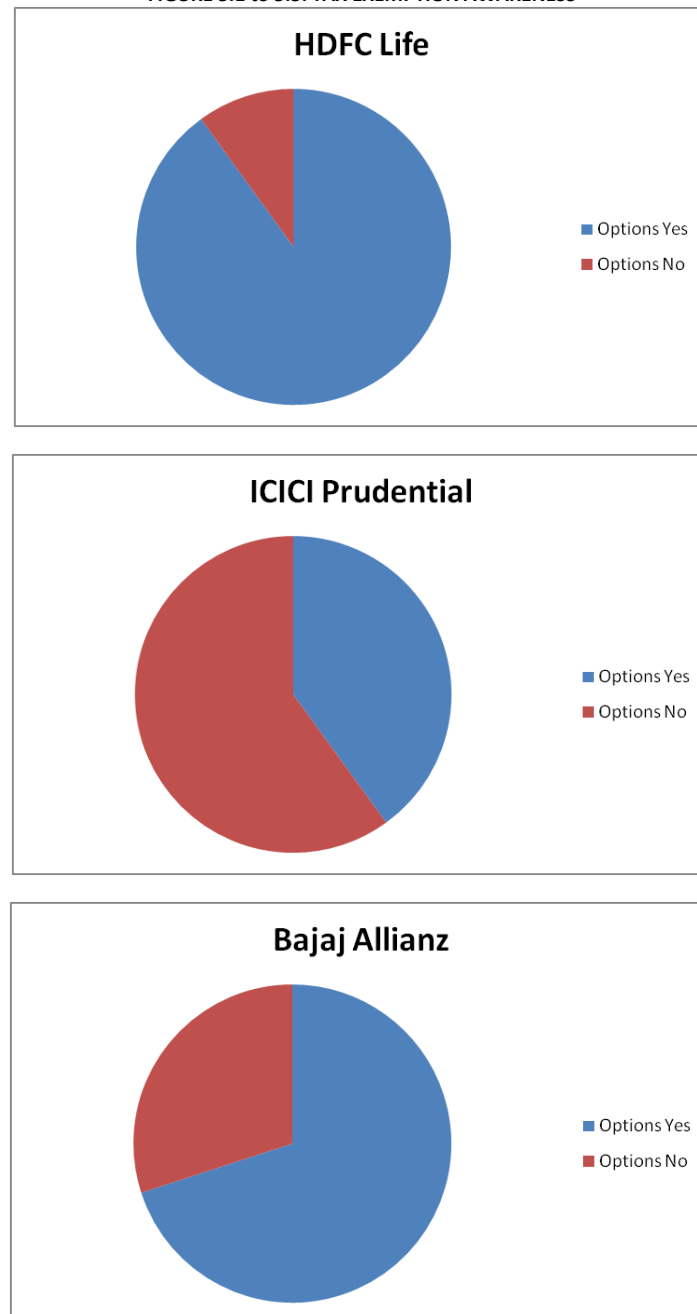


TABLE 6: PREMIUM (TOP TEN PLAYERS)

Insurer	Overall Premium (Rs. Cr)				Individual WRP (Rs. Cr)				Group Total Premium (Rs. Cr)			
	YTD Nov'16	MS	Rank	YOY Growth	YTD Nov'16	MS	Rank	YOY Growth	YTD Nov'16	MS	Rank	YOY Growth
SBI Life	5,973	21.2%	1	68%	2,949	20.6%	2	48%	2,714	22.7%	1	129%
HDFC Life	4,683	16.6%	2	37%	1,773	12.4%	3	1%	2,591	21.7%	2	73%
ICICI Pru	4,475	15.9%	3	6%	3,536	24.8%	1	24%	593	5.0%	7	-49%
Bajaj Allianz	1,867	6.6%	4	28%	1,283	9.0%	4	24%	223	1.9%	11	46%
Max Life	1,831	6.5%	5	24%	500	3.5%	6	52%	1,300	10.9%	3	26%
Birla Sunlife	1,512	5.4%	6	29%	393	2.8%	9	16%	1,098	9.2%	4	35%
Kotak Om	1,431	5.1%	7	30%	493	3.5%	7	12%	859	7.2%	6	39%
India First	1,067	3.8%	8	22%	170	1.2%	17	19%	891	7.4%	5	16%
Reliance Life	645	2.3%	9	-13%	373	2.6%	10	-28%	258	2.2%	9	-49%
Exide Life	600	2.1%	10	12%	523	3.7%	5	8%	67	0.6%	16	41%
Top Ten Pvt. Players	24,086	85.6%		28%	11,995	84.0%		22%	10,594	88.5%		36%
Other Pvt. Players	4,056	14.4%		19%	2,292	16.0%		22%	1,371	11.5%		9%
Private Total	28,142	27.2%		26%	14,287	51.3%		22%	11,965	20.6%		32%
LIC	75,263	72.8%		44%	13,567	48.7%		18%	46,167	79.4%		29%
Grand Total	1,03,405			39%	27,854			20%	58,132			29%

Source: Secondary Data

The above table highlights the top ten players on the basis of Overall Premium, Individual WRP (Weighted Receipt Premium) and Group Premium – YTD (Year Till Date) Nov'16. Through the table we can find out the Rank of this three Companies and the Rate of Growth YTD (Year Over Year). On the basis of Overall Premium the ranks obtained are: HDFC Life – 2, ICICI Prudential – 3, and Bajaj Allianz – 4, and the YOY Growth of these companies are: HDFC Life – 37%, ICICI Prudential – 6%, and Bajaj Allianz - 28%. On the basis of Individual WRP the ranks obtained are: HDFC Life – 3, ICICI Prudential – 1, and Bajaj Allianz – 4, and the YOY Growth of these companies are: HDFC Life – 1%, ICICI Prudential – 24%, and Bajaj Allianz – 24%. On the basis of Group Total Premium the ranks obtained are: HDFC Life - 2, ICICI Prudential - 7, and Bajaj Allianz – 11, and the YOY Growth of these Companies are: HDFC Life – 73%, ICICI Prudential – (-49%), and Bajaj Allianz – 36%.

The above report signifies that each of the three companies is having variations in their respective WRPs and group total premiums. The individual WRP, in case of HDFC Life, YTD Nov '16 is Rs. 1,773(in Cr) with the rank of 3rd, and the YOY growth being just 1%. In case of ICICI Prudential, YTD Nov'16 is Rs. 3,536(in Cr) with the rank of 1st, and the YOY growth being 24%. In case Bajaj Allianz, YTD Nov'16 is Rs. 1,283(in Cr) with the rank of 4th, and the YOY growth being 24%.

On the other hand the overall Group Total Premiums in 2016 stands as:-

HDFC Life YTD is Rs. 2,591(in Cr) with the rank of 2nd, and the YOY growth being 73%.

ICICI Prudential YTD is Rs. 593(in Cr) with the rank of 7th, and the YOY growth being -49%.

Bajaj Allianz YTD is Rs. 223(in Cr) with the rank of 11th, and the YOY growth being 46%.

CONCLUSIONS

The following conclusion(s) has been made on the basis of study and analysis of data:

1. Maximum number of the Policyholders are satisfied and are not interested in any other Policies;
2. Regarding the selection of policy they mainly go for investment purpose(Maturity Benefit) rather than for Life Coverage;
3. The survey also states that maximum number of customers are self influenced to purchase the insurance rather than be influenced by other sources;
4. Regarding tax exemption, maximum number of policyholder were aware, which signifies the level of awareness is high in Gangtok, Sikkim (India);
5. The survey also determines that maximum number of the customers go for that policy whose maturity date does not exceed 5 years.

RECOMMENDATIONS

Though people have taken Life Insurance Policies they are little aware and concerned about life uncertainties which needs to be downloaded well to the customers and companies also need to train the financial consultants and make a need based selling depending on requirement of customer rather than an investment tool.

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EMPOWERMENT OF WOMEN IN INDIA THROUGH EDUCATION

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ABSTRACT

Education plays a pivotal role in all round economic development and growth of any country as they provide an environment for creating jobs and help in reduction of poverty, unemployment and other related social fallouts. India is a second largest country in the world, to reap the benefits of this demographic dividend to the full, India has to provide education to its population through quality education. The Gandhian era and the decades after independence have seen tremendous changes in the status and the position of the women in Indian society. Women constitute about 46 percent of total population of the country as per the 2011 census. They are suffering many disadvantages as compared to men in terms of literacy rates, employment, wage rates, labour participation rates, income earnings, and social and economical status, education being an important tool for social and economic empowerment of women. Women education has very significant since the beginning of 20th century women education got greater importance in our olden days but it was declined in the moderate period. Women education is an essential element on which people need to pay attention in this new era. The great historical women like Jhansi Laxmi Bai, Indira Gandhi, Sarojini Naidu, etc. who were very inspirational to other women, the history of India was never blank regarding the women who were very brave and intellectual many people stood as a role model to other women which helps in shaping their lives.

KEYWORDS

women empowerment, women education.

INTRODUCTION

"There is no chance for the welfare of the world unless the condition of women is Improved it is not possible for a bird to fly only with one wing"

- **Swami Vivekananda.**

Education plays a pivotal role in all round economic development and growth of any country as they provide an environment for creating jobs and help in reduction of poverty, unemployment and other related social fallouts. India is a second largest country in the world, to reap the benefits of this demographic dividend to the full, India has to provide education to its population through quality education. The Gandhian era the decades after independence have seen tremendous changes in the status and the position of the women in Indian society. Educated women can maintain her family and professional aspects in a correct manner. Women constitute about 46 percent of total population of the country as per the 2011 census. They suffer many disadvantages as compared to men in terms of literacy rates, employment, wage rates, labour participation rates, income earnings, and social and economical status, education being an important tool for social and economic empowerment of women. A mother is a first teacher to her child and society which means there is a very urgent for a mother to be educated to keep her child in a proper way and mould his / her career in a correct path. Women education helps in the development of socio and economic aspects. An educated woman can lead a country successfully, there is a saying that "education to man educates the man, but the education to women is the education to society". So people need to understand the significance of women education for the all round growth of a family, society, country. Ultimately before being involved in any relation, a woman is an independent citizen and has all the rights to enjoy her life and develop in each and every aspect like man. There should not be any sexual differences in educating a person. Women should not be isolated in any development activities. Women consists half of the existing population if women are not educated than half of the population is uneducated and remains in darkness which leads to destruction of future generation. Women Education is a Nation Education is not the amount of information that is keep in your brain and runs riot there undigested all your life, Education is a key to success. It is a systematic long process of development for individual and the society improves their socio – economic status, it is a modification of behavior and balanced development. Education is training for the country, love for the nation and most powerful weapon which you can use to change the world. The absolute objectives of education which are universal consisting of the harmonious development of the personality of the child, the development of his character and helps him to prepare himself to face the tasks of life in each country at each time has also to identify the national goals and organize the education process to achieve them. Education is the largest sense is any act or experience that has a formative effect on the mind character or physical ability of an individual. In its technical sense education is the process by which society deliberately transmits its accumulated knowledge skills and values from generation to another.

OBJECTIVES OF THE STUDY

1. To know the need of women empowerment and analyze factors influencing and the top priority should be given to women development.
2. To study the socio – economic status of women in India and particularly in the rural and urban areas.
3. To study the education level of women in India and the role of women in the economic development.
4. To analyze the impact of empowerment of women where as in many development fields.
5. To find out the taken measures by government of India to improve education and women development.

METHODOLOGY

This study is exclusively based on secondary data. Which is collected from various books, journals, publications, Articles, Indian Economic Survey, Economic and Political Weekly, Economic Times, Indian Economic Journal, government website etc. To examine the first objective i.e. the role and importance of women in economic development of India and the impact of education in empowerment of women in rural and urban areas.

SCOPE OF THE STUDY

This study covers women empowerment, women development activities women education levels in rural – urban, and socio – economic status of women in economic development in India after independence (1951-2011).

IMPORTANCE OF THE STUDY

An education is said to be **Third Eye** of the man which burns the evil and lights the good. Women education is not only helps in the development of half of the human resources, but in improving the quality of life at home and outside. Educated women not only tend to promote education of their girl children, but also can provide better guidance to all children. Moreover educated women can also help in the reduction of poverty and growth of the population. Education gives strength, wealth, health, and power to the all individual. Empowerment of women means developing the mass more aware individuals, who are economically active, politically active, standing in the era of human rights movement with the ambition to develop a better society, the need for women empowerment is getting realized more than ever, it has widely been admitted that improving the status of women in the male dominated society may solve several problems, such as meeting the basic needs of family, overall social advancement and adding quality resources that may bridge the gap between dimensions of socio - cultural existence, women empowerment has been provided with special importance as the subtle methods of gender discrimination are existing within the layers of social

existence. Encouraging corporate leadership capacity with the quality to ascertain gender equality, educating women according to the professional requirement and encourage them to grow further in their life, encouraging adequate respect and support for human rights and non - discrimination and in consequence treating men and women equally at workplaces, making sure that all men and women workers are provided with equal facilities in terms of their overall welfare and safety at workplaces, encouraging women to develop entrepreneurial skills, which is in turn, would make them independent, proper measurement and letting people know of the achievement of gender equality, advocating the promotion of gender equality within in a community. However, it has also been provided with special importance that the process of women empowerment can be initiated properly if adequate importance is given to women's health. It is due to the same reasons, not only medical health law for women needs to be implemented in a stricter manner but also health organizations should function with more empathy while addressing such sensitive issues.

Education is the heart of sustainable development, the human development index which has been developed by UNDP in 1990 to measure the qualitative change in the lives of people identifies literacy as one of its three dimensions to measure human development. India is committed towards the goal of universal and free basic education. Education is the tool which alone can inculcate national and cultural values and liberate people of prejudicious ignorance and representations. Education provides them required knowledge technique, skills and information which enables them to know their vision and outlook provokes the spirit of healthy competition and a desire to advance for achievements of their consciousness regenerating truth and thereby capability to fight ignorance, injustice, corruption, violence, disparity and communalism the greatest hazards to the progress of the nation. Education is thus a means to step up the consciousness of the people against injustice, violence and disparity generally resulting in unrest and violence.

Education is the creation of a sound in mind and in a sound body, Inadequacy of the education system to reach out to girls and women can be seen from four different aspects i.e. supply, access, demand and participation. In order to empower women through education, firstly access education for women and girls should be ensured, reducing the gender gap in secondary and higher education should be a focus area. Gender sensitive curriculum should be developed at all levels of educational system. The existing policies should set several time targets for women particularly those belonging to weaker sections.

EDUCATION LEVEL AFTER INDEPENDENCE IN INDIA

After independence all India Education Conference was convened by Maulana Azad the central education ministers in 1948 and accepted the recommendations of the Sargent plan proposed to achieve compulsory elementary education throughout India a time shorter than the forty years proposed by the Sargent plan. That compulsory basic education should be introduced in the country.

WOMEN EDUCATION IN RURAL AND URBAN IN INDIA AFTER INDEPENDENCE FROM 1951 TO 2011

TABLE 1

year	Female Literacy rate in total population	Male literacy rate in total population	Literacy rate in total population	Gender gap	Rural female literacy	Urban female literacy
1951	8.9	27.2	18.3	18.3	4.8	22.3
1961	15.3	40.4	28.3	25.0	8.5	34.5
1971	21.9	45.0	34.5	23.9	13.1	42.1
1981	28.5	56.4	43.4	26.6	21.7	56.3
1991	39.3	64.1	52.2	24.8	30.6	64.0
2001	52.6	75.8	64.8	21.7	46.5	72.9
2011	65.5	82.1	74.0	16.6	57.9	79.1

Source: Dutt and Sundaram Indian economy 2014.

After independence in India the female education is meager, the above data shows that the female education is very low than compared to male education. The female education is 8.9 percent, rural 4.8 percent, and urban 22.3 percent in 1951 it is increased to 65.5 percent, rural 57.9 percent, and urban 79.1 percent in 2011. The male literacy is 27.2 percent in 1951 and 82.1 percent in 2011 so improvement of women education is compulsory.

The government has initiated many schemes for elementary and secondary education some are Development of Women and Children in Rural Areas (DWACRA)- 1982, Rastriya Mahila Kosh (RMK) - 1993, Indira Mahila Yojana (IMY) - 1995, Mid Day Meal scheme (MDM) - 1995, Balika Samridhhi Yojana (MSY) - 1997, Raja Rajeshawari Mahila Kalyan Yojana (RRMKY) - 1998, Sarva Shiksha Abhiyan (SSA) - 2001, Mahila Swayam Sidha Yojana (MSSY) - 2001, National Programme for Education of Girls at an Elementary Level (NPEGEL) - 2003, Kasturba Gandhi Balika Vidyalaya (KGBV) - July 2004, Janani Suraksha Yojana (JSY) - 2005, Rashtriya Madhyamika Shiksha Abhiyan (RMSA) - March 2009, National Mission For Empowerment of Women (NMEM)- 2010-11, Indira Gandhi Mitritya Sahayog Yojana (IGMSY) - 2012, Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABALA) - 2012-13, Beti Bachavo - Beti Padhao (BBBM) - Jan' 2015, Education Development Index 2012 - 13 EDI is prepared by the National University of Education Planning and Administration (NEUPA) relised on 6th December 2013. The Indian - Government expressed strong commitment towards education for all. However, India still has one of the lowest female literacy rates in Asia. This low level of literacy not only has negative impact on women's live but also lives on their country's economic development.

Today, India is a force in the global economy, with a high demand for talent. A key source of talent is educated women. While Indian corporations have not yet fully recognized or utilized this talent pool, the growing gender diversity in Indian managerial ranks now offers a pathway for change for Indian women. Cultural and social change means a shift away from traditional views, stereotypes and societal attitudes, with increasing opportunities for Indian women in management. While change is slow for Indian women to gain executive positions, they have made progress in management in a relatively short time. As social values change, Indian women have been entering the workforce in the past couple decades, Globalization has brought an influx of multinational corporations to India, with western HR practices and concepts such as gender diversity in leadership roles. As opportunities for women in management in India slowly increase, women are entering professions previously seen as the domain of men in the corporate world: advertising, banking, civil services, engineering, financial services, manufacturing, police and armed forces, and emerging fields such as IT and communications. The Indian rural women actively participated in the field agriculture sector the back bone of the family, they are working equal to male farmers and also supported to agriculture and the majority women lead their families in the rural areas. India has been ranked at a poor 115 by a global survey which looked into the level of economical empowerment of women in 128 countries. The list was topped by Australia and followed by three Scandinavian countries- Norway, Sweden, and Finland, at the bottom of the list were Yemen, Pakistan, Sudan, and Chad. The research done by an international consulting and management firm Booz, and company ranked the India at 115 and noted that with the second largest population in the world, India generates 14 percent of the global talent pool, among which are the 5.5 million women entering India's workforce each year all overwhelmingly driven to succeed. National Mission for Empowerment of Women this initiative for holistic empowerment of women through better convergence and engendering of policies, programs, and schemes of different ministries was operationalized in 2010-11. Under the mission institutional structures at state level including state mission authorities headed by Chief Ministers and State Resource Centers for Women (SRCWs) for spearheading initiatives for women empowerment have been established across the country. The education sustains the human values which contribute to individual and collective well being. It forms the basis for lifelong learning and inspires confidence to face challenges. It provides the skills to individuals to become more self reliance and aware of opportunities and duties and rights. It also enhances the ability of individuals to manage health and family problems, improve nutrition and childcare, and plan for the future. The education not only impacts on human development and economic growth, but also is the fundamental requirement of democracy. Through education more responsible and informed citizens it is essential for sustain democracy. It is essential for eradicating poverty and it allows people to be more productive playing greater roles in economic and social life and earning a better living.

SUGGESTIONS

1. The first priority should be given to the education of women in rural and urban areas, which is the grassroots problem. Hence, education for women has to be paid special attention in the rural India.
2. Awareness programmes need to be organized for creating awareness among women especially belonging to weaker sections in the rural areas about their rights.
3. Women should be allowed to work and should be provided enough safety and support to work. They should be provided with proper wages and work at par with men so that their status can be elevated in the society particularly weaker sections.
4. Providing education and health facilities and social awareness programmes to the rural and urban poor women.

CONCLUSION

In spite of all reasons women must understand and realize that education can actually end the vicious cycle of poverty. Their misfortune in life it is education that would help her not anything else. We should encourage the girl child in getting education to create a balanced and educated society. We are the responsible citizens don't Wait for a perfect movement, take a movement and make it perfect. Educate Women Educate World, no nation can develop half free and half chained, empowerment of women through their full participation in education, employment, political and social life is vital for this purpose. In July 1937 Gandhi wrote in HARIJAN, as "nation we are so backward in education that we cannot hope to fulfill our obligations to the nation in this respect in a given time during this generation". In this program is to depend on money came with the startling suggestion that education should be self supporting. If education given to man only individual is educated, if education is given to women the entire family is educated. An educated mother gives to the birth of civilized educational nation. The women education reflects that the relationship between development of nation as well as the importance of education to women. We make our women more powerful. If we want a healthy society woman constitute almost half of the population in the world but the hegemonic masculine ideology made them suffer a lot as they were denied equal opportunities in different parts of the world the rises of feminist ideas have however led to the tremendous improvement of women's condition throughout the world in recent times. Historically education has been a determining factor of the progress of human civilization, creation of social opportunities for all sections for society. It is a reflection of the progress of the society. Education is the principal instrument for all round development and inclusive growth. In the principle of devolution primary and secondary education could increase the accountability of teachers and improve efficiency and relate decisions on school infrastructure to local needs of rapid expansion. The involvement of the local community could lead to a greater alignment of the supply of quality and excellence education to its demand, the present Government is encourage to women in many fields and taken steps to providing social, economical, political, cultural freedom, through the India is a stable economy or fastest growing country in the feature.

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IMPACT OF GOODS AND SERVICES TAX (GST) ON COMMON MAN IN INDIA

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ABSTRACT

Goods and Services Tax (GST) is an indirect tax that is applicable throughout India. The Govt. of India was implemented from 1st July, 2017 neither Govt. nor business men nor common man are ready to implement these changes in the system. How does GST affect common man? In India, the maximum population is middle class and lower middle class where people either belong to service class or they depend on agriculture for their living. In this scenario, the most important question is what will be the impact of GST on a common man or a middle-class family. There are lots of question in the mind of a common man in these days. Therefore, we need to be aware of different aspects of GST. In this connection, this paper is an outcome of an explanatory research which is based on secondary data to understand the concept of GST and how its impact on common man.

KEYWORDS

goods and services tax (GST), impact of GST on a common man.

INTRODUCTION

The word 'Tax' is derived from Latin word 'Taxare' which means 'To Estimate'. A tax is an enforced contribution, exacted pursuant to legislative authority. Taxation System in India includes both Direct and Indirect Tax. Goods and Services Tax (GST) is one of the most debated Indirect Taxation reforms. GST is a comprehensive tax regime levied on manufacture, sales and consumption of goods and services. It is expected to bring about 2% incremental GDP growth of the country. Therefore, the introduction of GST would be a substantial step in the reform of indirect taxation in India. Merging several Central and State taxes into a single tax would diminish cascading or double taxation, facilitating a common national market. The simplicity of the tax would lead to easier administration and enforcement. From the consumer point of view, the major advantage would be in terms of a reduction in the overall tax burden on goods, which is currently estimated at 25% - 30%, free movement of goods from one state to another without stopping at state borders for hours for payment of state-tax or entry-tax and reduction in paperwork to a large extent.

GST is also called as one country one tax as under this tax regime it amalgamates all different central and state tax under one single tax and avoids cascading/ double taxation [i.e. tax on tax]. The entire Indian market will be under the single umbrella for taxation. Under GST, it is expected to improve compliance procedures and better tracking on the supply of goods and services. This will lead to a lesser chance of tax evasion, reduced paperwork, more collection of tax revenue by Central and State Government.

The Common Man of India is still trying to understand GST and its impact on them. People believe GST law will yield positive results although there may be some teething issues at the implementation stage. As per the previous indirect tax laws, there were different products in different states with different tax rates, now with the implementation of GST, the entire nation will charge the same rate for the product in every state.

THE CONCEPT OF GST

GST or Goods and Services Tax is applicable on supply of goods and services. It will replace the current taxes of excise, VAT and service tax.

GST or Goods and Services Tax as the name implies, it is an indirect tax applied both on goods and services at a uniform rate. This means goods and services will be subject to a uniform tax rate and both will be treated at par. A single form of tax known as GST or Goods and services tax will be applied throughout the country, replacing a number of other indirect taxes like VAT, Service tax, CST, CAD etc.

REVIEW OF LITERATURE

Srinivas K. R (2016)⁶ concluded in his study that the introduction of GST provides more opportunities to the concept of 'Make in India' which would attract new foreign investment, and it would also reduce the manufacturing cost of the products.

Pradeep Chaurasia et. al., (2016)⁴ pointed out that, in India, the unified tax will take the form of a Dual GST, to be levied concurrently by both the Centre and States. They concluded that, GST will be helpful for the development of Indian economy as well it will be very much helpful in improving the GDP of our country higher than 2 percent

Monika Sehrawat et. al., (2015)² concluded that, GST implementation stands for a coherent tax system which will colligate most of current indirect taxes and in long term it will lead to higher output, will generate more employment opportunities and will flourish GDP by 1-1.5%. Further they stressed that, GST will give India a world class tax system by clutching different treatment to manufacturing as well as service sectors.

Nitin Kumar (2014)³ inferred from his study 'Goods and Service Tax- A Way Forward' that, the implementation of GST in India would help in removing economic distortion by current indirect tax system and this would encourage an unbiased tax structure which is indifferent to geographical locations.

According to Dr. R. Vasanthagopal (2011)⁷, switching to seamless GST from current complicated indirect tax system in India will be a positive step in booming Indian economy. He also inferred that the success of GST will lead to its acceptance by more number of countries in world and a new preferred form of indirect tax system in Asia too.

Rizal Palil et. al., (2011)⁵ stated that the implementation of GST in Malaysia is of course to increase the efficiency of the tax collection system as well as become a major source of indirect income to the government. They also suggested that the government could use media more to promote GST so that people will be ready to accept its impacts. This study also found that consumption behaviour of people would change significantly with the implementation of GST as they are selective in their purchasing behaviour. This may lead to potentially distort the economic growth particularly on aggregate demand.

OBJECTIVES OF THE STUDY

The study has the following objectives:

1. To know the concept of GST.
2. To study the impact of GST on common man in India.

SCOPE OF THE STUDY

The scope of the study is extended to understand the concept of GST, its impact of GST on common man in India.

RESEARCH METHODOLOGY

The research it is based on the secondary data. The data collection is done through various sources like newspapers, articles from different journals and from different websites.

IMPACT OF GST ON COMMON MAN IN INDIA**POSITIVE IMPACTS OF GST ON COMMON MAN IN INDIA**

At this initial stage, it may be difficult for the common man to understand benefits of GST however, in the long run, it will become extremely beneficial. As to now, it is a question in the minds of every common man of India on understanding what impact GST will have in their wallets, whether the goods will be more expensive or economical, or whether tax returns and other compliances processes will be lesser cumbersome, or what would be the treatment of old stocks or which industries would get more impacted, or whether the system would be updated correctly. With the unified tax regime we said goodbye to a big pile of indirect taxes making India **One Nation One Market One Tax** country. Now, businesses or common man don't need to worry about the plethora of taxes.

- Reduction of prices due to reduction of tax costs of the manufacturer, dealers and service providers
- Easy access to goods and services due to the elimination of toll plazas and check posts at the time of transportation
- Improved service levels due to lesser complications on tax procedures, formalities and administration as everything is bucketed under one tax
- A unified tax system removing a bundle of indirect taxes like VAT, CST, Service tax, CAD, SAD, Excise etc.
- A simplified tax policy as compared to earlier tax structure. However, it's not as simple as it seems to be, Check disadvantages below to grab more details.
- Removes cascading effect of taxes i.e. removes tax on tax.
- Due to lower burden of taxes on the manufacturing sector, the manufacturing costs will be reduced, hence prices of consumer goods likely to come down.
- Due to reduced costs some products like cars, FMCG etc. will become cheaper.
- This will help in lowering the burden on the common man i.e. you will have to shed less money to buy the same products which were earlier costly.
- The low prices will further lead to an increase in the demand/consumption of goods.
- Increased demand will lead to increase supply. Hence, this will ultimately lead to rise in the production of goods.
- The increased production will lead to more job opportunities in the long run. But, this can happen only if consumers actually get cheaper goods.
- It will curb circulation of black money. This can happen only if the "kacha bill" system, normally followed by traders and shopkeepers is put to check.
- A unified tax regime will lead to less corruption which will indirectly affect the common man.

NEGATIVE IMPACT OF GST IN INDIA

GST is confusing the common man even large scale businesses; they need to rely on advocates and chartered accountants to make them understand **what GST is** and how it works. Not only is that but using computerized process, online registration and return filing a hassle for those who are barely touch with technology. The government has estimated that Indian economy will require at least 2 years becoming stable.

- Service tax rate @ 15% is presently charged on the services. So, if GST is introduced at a higher rate which is likely to be seen in the near future, the cost of services will increase all the services like telecom, banking, airline etc. will become more expensive.
- Increased cost of services means, an add-on to your monthly expenses.
- You will have to reorganize your budgets to bear the additional services cost.
- An increase in inflation might be seen initially.
- If actual benefit is not passed to the consumer and the seller increases his profit margin, the prices of goods can also see a rising trend.

However, GST or Goods and Services tax is a long term strategy planned by the Government and its positive impact shall be seen in the long run only. The rates of GST and how effectively GST is introduced in all the States and at the Centre also plays a crucial role in deciding the actual impact of GST on the common man.

CONCLUSION

With the implementation of GST, India would eliminate all taxes levied by the different states and would come under the category of "one nation, one tax although there is lot of confusion in its application. The banks, finance professionals, traders, industries and common man seems to be not fully prepared accept the changes of implemented the GST. Therefore GST affected the life of a common man as they were the ultimate consumers. Many things become cheaper and many things become costly. There are various challenges in way of GST implementation as discussed above in paper but with the passage of time and proper implementation of GST could overcome these challenges.

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STATUS OF WOMEN IN EGYPT SINCE *INFITAH*

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ABSTRACT

Egyptian women who were confined mainly within the household activities were found to have changed in their outlook after embracing education. Slowly women stepped out of their primary private domain to the public life. Educated women were seen in the public arena. Women started contributing in economy and politics. The women belonging to the high strata of society became conscious of their own position in the family and in the society. They began to realize how they were treated and looked down upon by the male dominated social system. Were women just left behind in every field socially, politically and economically? Women lived in the shadow of her husband. For many decades, man carried out everything and ruled the family and society. Some Educated women became more conscious and concerned about their own gender. They started campaigning for propagation and emancipation of women from all adverse clutches and barriers of social, political and economic perspectives. They campaigned for equal right of education for both the sexes. Earlier, women were not given proper education by the family. Family did not encourage them to do so and even the government did not provide facilities for girls' education. Only few interested families, who were rich supported girls' education just for leisure. Other ordinary girls were busy in doing the household chores of their family and they were given away in marriage at an early age when they reached puberty. Egypt is still a strong belt in patriarchal chain. In the constitution of Egypt, the article 40 mentions, "All citizens are equal before the law. They have equal public rights and duties without discrimination due to sex, ethnic origin, language, religion or creed." Nevertheless, we find that Egyptian women do not are treated as equal with men in society. There is still a long way to go.

KEYWORDS

women status in Egypt, Infatih.

INTRODUCTION

The *Infatih* or 'openness' was Egyptian President Anwar Sadat's policy of "opening the door" to private investment in Egypt in the years following the '1973 October Yom Kippur War' with Israel. *Infatih* was accompanied by a departure with long time ally and aid-giver the USSR, and replaced by the United States. It was also accompanied by a peace process with Israel symbolized by Sadat's dramatic flight services to Jerusalem in 1977. *Infatih* ended the domination of Egypt's economy by the public sector and encouraged both domestic and foreign investment in the private sector. The Egyptian Army's cross through the Suez Canal in the October 1973 War, which most Egyptians considered a strategic victory, gave Sadat the prestige to initiate a major reversal of his predecessor Gamal Abdel Nasser's policies.

Since 1973, the clear prevalence and considerable evidences of unequal women position are a major factor responsible for gender inequality in Egypt social system. From the past decades, there is existence of gender disparity in access to quality health, nutrition, and education and employment opportunities. It is also a matter of fact that gender inequality also inhibits economic growth. Enhancing the social, political and economic wellbeing of women in Egypt is an urgent and fundamental condition to achieving prosperous societies. In Middle East region, there is persistent lack of key indicators of women's well being such as female labour force participation, political inclusion, access to health and sanitation, etc. Abolition of gender discrimination requires a logical involvement across social, political and economic spheres. For instance, Egypt has progressed on some areas including health with a reduction in maternal and child mortality and enhanced quality of childcare, though more can be done in pressing health issues such as hepatitis, diabetes, obesity, and malnutrition. Moreover, major improvements have been seen in female literacy and access to education, but still the improvement is marginal and a significant gender gap persists in comparison to males in social, political and economic aspects. The United Nations Human Development Report (EHDR) of 2014 stated that, "Egypt ranks 130 on the Gender Equality Index among 187 countries, thus more urgency is required to bridge the gender gap and promote women's wellbeing".¹ This article deliberates on the social, political and economic status of women since *Infatih* and gender inequality that prevail in Egypt.

OBJECTIVES

1. To analyse the problems encounter by women in the society in regards to social, political and economy.
2. To examine their rights vis-a-vis work outside home, inheritance and marriage.
3. To examine the rights given to women through Islamic Sharia law.
4. To examine how far religious-cultural factors are responsible for less participation of women in political arena.

RESEARCH METHODOLOGY

The research methodology is based on primary and secondary data's. The primary source include reports from Egypt government, Egypt's National Council for Women, etc. Secondary include academically published works from Egypt and Middle East area.

POSITION OF WOMEN SINCE *INFITAH*

Under President Nasser, proponents of statism and a command economy with limited private investment dominated the political scene. However, "by the 1970s, critics believed Egypt's economy, with its large public sector, had evolved into a 'Soviet-style system' of "inefficiency, suffocating bureaucracy, and waste".² Sadat also wanted to turn Egypt away from its focus on war with Israel and devotion of resources to a large military establishment. "He believed capitalist economic policies would build a substantial private sector, and alliance with the United States and the West would lead to prosperity (*rakhaa*) and eventually democratic pluralism".³ *Infatih* was not only ideologically but also politically motivated by aligning himself with the capitalist West, and the rich and powerful members of Egyptian society, Sadat differentiated himself from his predecessor Nasser while at the same time securing his position in power.

In 1972, the publication of the book 'Women and Sex' by "Nawal El Saadawi"⁴ was symbolic of the re-emergence and radicalisation of another feminist movement. The book demanded "unified criteria for 'honor' for both women and men, and denounced social practices which used religion to justify women's oppression".⁵ The book caused a strong backlash within Egyptian society especially due to the rising religious fundamentalism within the state.

During the 1980s, however, new feminist groups were formed to counter religious fundamentalism. "The New Woman Group was formed in Cairo and was mainly concerned with studying the feminist history of the country in order to determine a new program which would start off from where the previous one had stopped."⁶ Another organisation was the Committee for the Defence of Women and Family Rights, which was formed in 1985. "This Committee was established to support the campaign for the amendment of the Person Status Code".⁷ Emergence of many different feminist groups within Egypt gives stimulus to women movement. Some of the movements are affiliated with the state in some way in that they are women's committees of political parties such as The Progressive Women's Union to the Women's Secretariat of the Labor Party. There are however also many independent feminist associations such as The New Woman Research Centre and *Bint El Ard* (Daughter of the Land) Association. Although the organisations have different goals in general they all entail the improvement of women's position in Egyptian by improving literacy, democratic and human rights, increasing women's participation in political life, and women's health.

An Islamic feminist movement has also re-emerged in recent years. Islamic feminism is a “feminist discourse and practice articulated within an Islamic paradigm”.⁸ Islamic feminism sees the sexes not as different in capability, but rather in their characteristics and roles in society. “Followers of such beliefs hold the view that their religion has established a framework of equality and rather than calling for change to existing laws, Islamic fundamentalists cry for a return to authentic Islam so that both women and men can achieve their full potential.”⁹ Feminism seems to have become a priority of the state since 2000 with the foundation of the National Council for Women (NCW) who is very active in promoting women's rights in Egypt. In the year 2000, legislation was passed allowing women to divorce under the khul-law and to pass on their nationality to their biological children in 2004. These are great steps forward and due also in part to a very friendly Egyptian government and lobby in government and outside the state structures through civil society organisations.

SOCIAL POSITION OF WOMEN

Domestic violence against women was a significant but rarely acknowledged problem in Egypt. As in other places around the world, there was a tendency to blame the victim and they were few, if any social and economic support for women who must deal with violence in their private lives. These issues were further exacerbated by rigid interpretation of Quranic law and culturally prevailing values that permit man to use violence against their wives as a legitimate form of discipline. There were however limited data on domestic data in Egypt. Because family privacy was highly valued in Egypt, abuses, including wives beating were not a public issue. However, it was known that violence of all kind occurred in all social classes and among most occupational groups. During those days' changes were less to get divorce for the abuses and violence to them. The women must produce eye witnesses, which was often difficult for women if not completely impossible. Even more problematic was that even with solid proof, many court dismiss a majority of cases due to cultural beliefs based on issue of family honor, traditions, and provision in the criminal code that allowed husband to discipline wife. Courts were male dominated and were also characterized by extreme sentencing disparities, with social class often playing a direct role in decisions. It was thus lightly that poorer were less able to get justices in their cases. Although there were no credible statistics, activists believe that despite cultural belief to the contrary retaliation by women was not an unusual occurrence. “This observation was substantiated by the increased in the number of women who killed their abusive husbands”.¹⁰ In order to assist in changing the situation, Egyptian female activist were increasingly turning to culturally and religiously based initiative, including reinterpretation of Quranic law, retreatment of women into criminal justice agencies, and the development of support services to deal with these issues.

There was no reliable statistic on rape in Egypt, nor was there any public discussion on this topic, but there was a law against rapist indicating its hidden existence in the society. Under the strict laws, rapist could face death or life imprisonment. However, there were numerous barriers to report rape. Many of those barriers were based on cultural traditions that may bring social dishonor to the woman and her family in the face of even the suspicion of rape. Further complicating this issue was that marital rape was not legitimated concept in Egypt and was legal. “And according to law 291 of 1937, the rapist was allowed to marry his victim in whom the punishment of the rapist could be cancel”.¹¹ Those days' people were afraid of reporting and spreading of news because of the social dishonoured to the woman. In rural area, honor killing-the murder of women if she was suspected of having potentially participated elicit sexual relation. This concept was based on cultural conception that the loss of women's virginity was a shame that can only be wiped out in blood. If women were rape, there exists the strong likelihood that she and her family were forever shunned by the community. This stigma was even passed on to the family's offspring. Sentiment about rape was rooted in deep traditional beliefs about the importance of sexual purity of women and the honour or shame that their behavior brought to the families.

WOMEN'S POLITICAL STATUS

The Egyptian government took steps to enhance women's participation in political, economic and social life since the nationalist movement of 1919. “However, achievements with regard to eliminating discrimination and women's political participation were rather modest”.¹² According to the report of the Egyptian Centre for Women's Rights, the number of women candidates nominated by political parties for the 2008 local council elections, were shamefully very low.

“During the 2008 local council election, the parties nominated low percentages of women candidates. Out of the National Democratic Party's (NDP) 52000 candidates, only 6000 were women. The Wafd Party nominated 24 women out of their 520 candidates. El Tagamoa'a Party nominated sixteen women out of their 234 candidates, and the Generation Party (El Gil) nominated seven women out of their 74 candidates. The Nasserist party nominated only five women out of 151 total candidates, and out of the Republican Party's (El Gomhory) fourteen candidates, two were women. Only 2335 women were elected, totalling 4.4% of the total local council members. The 2008 report of the International Parliamentary Union on Women's Status ranks Egypt 134 in women's participation in parliament out of 188 countries. Rwanda, Sudan, and Cuba come in first, second and third respectively”.¹³

In June 2009, the law on the people's assembly was amended so that women were entitled to an additional reserved 64 seats. “The total number of seats in the Parliament increased from 454 to 518, which means women were allocated 12% of the seats”.¹⁴ However, the number of female candidates remained very low. In the 2010 parliamentary elections, from the 4,000 registered candidates, 378 were women, most of them running for the 64 women's quota seats. The National Democratic Party (NDP) had 763 candidates, including 69 women, which is a positive development in women's role and representation within the party compared to past elections. The Wafd Party had 168 candidates, including 23 women. Out of the 66 Tagammu Party candidates, eight were women. The Arab Nasserist Party had 31 candidates, six of whom were females, while the wing of the Ghad Party, which split off from Ayman Nour, had 20 candidates, among them five were women. “The Brotherhood had 5 female candidates, which although an improvement from its lone female candidate in 2005 is still the lowest rate of any political grouping”.¹⁵

Women's active role in the 2011 Egyptian revolution, gave them a new hope in claiming their full rights and being an active participators in the political life. “Nevertheless, women's status in Egypt has regressed in the realm of civil rights, freedoms and equal representation, especially after the Muslim Brotherhood (MB) won the majority of Parliamentary seats and assumed most of the major offices in the Cabinet, following the holding of Morsi (the MB's candidate) the Egyptian Presidency”.¹⁶ One indicator for the undermined inclusion of women was the MB's 2013 constitution that did not safeguard the rights of women for example, “the revocation of women's quota in the parliament in Article 11 of the constitution”.¹⁷ In addition, women have been denied their fair share of representation clinching only 2% (only 6 women) of the 2012 parliament seats while 12% of seats were preserved solely for women in the 2010 parliamentary elections during Mubarak era. Moreover, the parliamentarian Azza El Garf from the MB's Freedom and Justice Party (FJP) further stated “women had not yet proven themselves competent enough to be appointed”.¹⁸ This issue has provoked furious responses as Mervat El Talawy, the President of the NCW, for example stated “How come after a revolution a Constitution is formed with no justice for women?”¹⁹

ECONOMIC STATUS OF WOMEN

In 1971, President Sadat inherited an economy that was debt-ridden due to two Arab-Israeli wars in the previous years. The expenditure on defence was one of the highest spent in the planned economy of Egypt. Due to the imbalance of income and expenditure, Sadat launched the *Infitah* aimed at stabilizing the economy of the Egypt. This policy facilitated the flow of private and foreign investments in the country and brought changes in the field of tourism, land, employment, housing, reopening of the Suez Canal and, especially, improvement in the position of women in society and in the eyes of the state. Women entrepreneurs and the investors found opportunity to utilize their talents in the field of commerce and science. This led to a general enhancement of the position of women in society. As a consequence, by the Law of 1979, women got more rights and freedom in the fields of marriage, divorce, and child custody. The women's participation in economic activities increased and socially they felt more confident owing to reforms in laws affecting personal spheres. Feminist aspect also became more politically active than before in the state.

The Egyptian economy is one of the Middle East's most versatile economies. The sectors of agriculture, industry, tourism and services are engaged in comparable proportions in its basic configuration. “The Egyptian economy depends basically on agriculture, Suez Canal revenues, tourism, taxation, cultural and media production, petroleum exports and remittances of more than three million Egyptians abroad, mostly in the Gulf States, the United States, Europe and Australia”.²⁰ The Middle East economy suffers from high unemployment especially among women and youth. “Despite low Labor Force Participation (LFP) of females, and the fact that more than 50 percent of college students in many of these countries are women, the unemployment rate among females is much higher than their male counterparts”.²¹ The increase in education for women in recent decades has provided many women in urban areas with human capital and skills that can benefit

society if given the opportunity of employment. The prevalence of high unemployment rate among women not only brings economic costs as lost output but it also brings financial hardship and psychological stress to those unemployed. Studies show that unemployment gives a sense of exclusion and lack of seeing oneself as an active participant in working society. The concept of LFP in Egypt has attracted research on the underlying factors behind women's willingness and ability to work.

In a fragile economy like Egypt, the harsh economic conditions since *Infitah* were justified and perhaps argued away by the requirements of a wartime economy, i.e. the conflict with Israel. "The 1977-78 budget for example, showed a deficit of E 1,300 million pound, inflation was about 40 percent and rising, and the growing chasm between rich and poor was of a magnitude never seen before".²² "The regime apparently hoped that the open door policy will alleviate the employment problem by absorbing the masses of Egyptian underemployed secondary school and university graduates into an expanding private sector of the economy".²³ "The migration propensities of the Egyptian workforce which could slightly alleviate the problem and also provide remittances back home are mainly confined to the white collar skills, and the professionally trained: teachers, doctors, lawyers, engineers, scientists".²⁴ According to the "Global Competitiveness Report 2014-2015, Egypt's rank improved from 41st out of 144 countries in 2009 to 38th in 2014 for cluster development".²⁵ The improvement is due to recent shift of focus of policy towards supporting existing clusters and establishing new ones.

The Neqdar Nesharek program in Egypt is aimed to empower young rural Upper Egyptian women economically by providing them with business skills and actual support in finding employment or in starting a business. It includes access to microfinance and markets, registration and licensing and other logistics. It also aimed to empower those young women socially and politically through providing them with life skills, health knowledge and legal rights training, while emphasizing the importance of involving the whole community members. "Neqdar Nesharek is a program launched by the Population Council-Egypt office in September 2011 and continued until December 2014 that aimed to enhance young women transition to work in the rural communities of Upper Egypt".²⁶ This programme served as a role model of women's achievements in areas where they face many social and economic restrictions.

The *Infitah* economic policy has coincided with more conservative "official" attitudes toward women's work outside the home. The Constitution of 1971, which was drawn up and ratified under President Sadat, is more conservative on the subject of women rights and duties. Section 2, article 11 states that "the state shall be responsible for maintaining the balance between women's duties towards the family and her activity in society, as well as for maintaining her equality with man in the fields of political, social, economic and cultural life, without detriment to the laws of the Islamic shari'a.

CONCLUSION

Egyptian women who were confined mainly within the household activities were found to have changed in their outlook after embracing education. Slowly women stepped out of their primary private domain to the public life. Educated women were seen in the public arena. Women started contributing in economy and politics. The women belonging to the high strata of society became conscious of their own position in the family and in the society. They began to realize how they were treated and looked down upon by the male dominated social system. Were women just left behind in every field socially, politically and economically? Women lived in the shadow of her husband. For many decades, man carried out everything and ruled the family and society.

Some Educated women became more conscious and concerned about their own gender. They started campaigning for propagation and emancipation of women from all adverse clutches and barriers of social, political and economic perspectives. They campaigned for equal right of education for both the sexes. Earlier, women were not given proper education by the family. Family did not encourage them to do so and even the government did not provide facilities for girls' education. Only few interested families, who were rich supported girls' education just for leisure. Other ordinary girls were busy in doing the household chores of their family and they were given away in marriage at an early age when they reached puberty. Egypt is still a strong belt in patriarchal chain. In the constitution of Egypt, the article 40 mentions, "All citizens are equal before the law. They have equal public rights and duties without discrimination due to sex, ethnic origin, language, religion or creed." Nevertheless, we find that Egyptian women do not are treated as equal with men in society. There is still a long way to go.

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INCOME AND INVESTMENT PATTERN AMONG WORKING WOMEN WITH REFERENCE TO MADURAI CITY – A CASE STUDY

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ABSTRACT

The research study is based on the analysis of income and investment pattern of the respondent's example: working women in the city Madurai. The objective of the study was to determine the relationship between the income and investment pattern among women employee. The study was conducted on women across both government and private sectors in the city of Madurai. The data was collected by distributing a structured questionnaire to 50 respondents. The major impact on savings is due to the level of income which has considerably increased in the last decade. This research has analyzed the salaried women employees consider the safety as well as high return on investment on regular basis.

KEYWORDS

Madurai city, income and investment pattern, working women.

INTRODUCTION

Investment is nothing but goods or commodities purchased today to be used in future or at the times of crisis. An individual must plan his future well to ensure happiness for himself as well as his immediate family members. Consuming everything today and saving nothing for the future is foolish. Not every day is a bed of roses, you never know what your future has in store for you.

DEFINITION OF A FINANCIAL INVESTMENT

A financial investment is an asset that you put money into with the hope that it will grow or appreciate into a larger sum of money. The idea is that you can later sell it at a higher price or earn money on it while you own it. You may be looking to grow something over the next year, such as saving up for a car, or over the next 30 years, such as saving for retirement.

IMPORTANT OF FINANCIAL INVESTMENT

1. Planning plays a pivotal role in financial investment
2. Before investment careful analysis and focused approach are mandatory before investing.

NEED FOR FINANCIAL INVESTMENT

1. Financial investment ensures all your dreams turn real and you enjoy life to the fullest without actually worrying about the future.
2. Financial investment ensures you save for rainy days. Careful investment makes your future secure.
3. Financial investment controls an individual's spending pattern. It decides how and what amount one should spend so that he has sufficient money for future.

INVESTMENT IN MADURAI CITY

Madurai is the one of the largest city in the state of Tamil Nadu, after Chennai and Coimbatore. The city has a very pleasant climate, unlike most other South Indian cities that experience extremely hot temperatures. The main industries of the city are textile and engineering. Madurai is home to many engineering colleges. Thus, IT investment in this city was inevitable as qualified manpower is easily available. The IT and ITES (IT Enabled Services) policies of the Tamil Nadu government have played a very important role in the development of the IT sector in the city of Madurai.

Madurai is a preferred destination for studies for many students due to the large number of courses, such as engineering, nursing, medicine and law, being offered here. Another upcoming field is medical tourism. The city has witnessed a steady stream of people coming in from different parts of the country and the globe for world class health care at a fraction of the cost. Over 40,000 small, medium and large scale industries in the city cater to engineering companies all over the country. Madurai attracts a large number of domestic tourists every year. Thus, investing in the tourism industry of the city is also a very lucrative option. The economic base of the city is expanding fast and the government of Tamil Nadu is trying to keep pace with it by providing adequate infrastructures. Madurai is well connected to other major cities of the country by road, rail and airway networks. The city enjoys a steady supply of electric power and water. The telecommunication infrastructure of the city is also state of the art. The city of Madurai is undergoing tremendous changes at a very fast pace. The economic environment of the city is very conducive for investment.

WOMEN INVESTMENT

Women are highly confident in their ability to save and the majority of women say they have good savings habits, but one in five they don't save. Women and men report similar attitude and behaviors when it comes to saving but women are more likely to say they save before they spend. The key to successful saving is to start early, no matter how small the savings. Through successful savings, people are more like have an improved ability to hope with unexpected expenses or financial emergencies. They can also experience less stress and uncertainty regarding their ability to meet their financial needs, particularly as they progress towards meeting their financial goals. Currently, only one in five members of lower or single houses of parliament worldwide is a woman. Women are also underrepresented among senior-level civil servants, and seldom represent their governments at the international level. Women's representation among corporate managers, legislators and senior officials remains low, with only about half of countries having shares of women in managerial positions of 30 per cent or more, and none reaching or surpassing parity. The gender compositions of executive boards of private companies are nowhere near parity—meaning that the "glass ceiling" remains a reality for the vast majority of the world's women.

OBJECTIVES OF STUDY

1. Social economic status of urban women employee.
2. To study the level of awareness among women employee investment pattern.
3. To study the behavioral pattern of investment among urban women employee.
4. Analyses the factor influencing the savings and investment pattern of urban women employees in Madurai city.

NEED & METHODOLOGY OF THE STUDY

The goals of the study are to understand the level of urban working women investment pattern in Madurai city. Now days many women are come out their home they are earning person in current fast moving world so that earning are go to their family investment activity. Working women are changing the lifestyle of their entire family. The final accomplishment of the study is to be find the extent of satisfaction level on usage of money.

✓ **AREA OF THE STUDY**

- The study is based on the respondents in Madurai city.

✓ **SOURCE OF DATA**

- Convenience sampling method is used, to know the working women investment.

✓ **SAMPLE SIZE**

- The sample size is limited to 50 respondents.

✓ **TOOL USED**

- Tool used are simple percentage method.

USE OF PRIMARY AND SECONDARY DATA

The primary sources of collecting data are carried through interviews, surveys, questionnaires etc. the primary sources of collection data are carried through sample questionnaires. Structured questionnaires method is followed. The questionnaires consist of 50 questions connecting to the objective of the research.

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STATISTICAL TOOLS

There are various statistical tools which are used in various analyzing data.

Data representation

- ✓ Table
- ✓ Percentage

The data analyzed by using mentioned techniques:

- ✓ Chi – Square test

HYPOTHESIS

H0: There is significance between both dependent variable and independent variable.

H1: There is no significance between both dependent variable and independent variable.

TESTING HYPOTHESIS

H o: “there is a significant relationship between type of investment and age group of the investor”.

To test the above hypotheses is the researcher has used the chi – square”.

TABLE 1: HYPOTHESES. AGE AND TYPE OF INVESTMENT

Kind Of Investment %	Age			Total
	Upto30 years	31 – 40 years	41 – 50 years	
Financial Investment	10	16	20	46
Non-Financial Investment	12	11	12	35
Both	3	8	8	19
Total	25	35	40	100

TABLE 2: CHI – SQUARE TEST

O	E	(O – E)	(O – E)	(O – E) ² / E
10	11	1	1	0.09
12	9	3	9	1.00
3	8	-5	25	3.13
16	16	0	0	0
11	12	-1	1	0.08
8	7	1	1	0.14
20	18	2	4	0.22
12	14	-2	4	0.29
8	8	0	0	0
Total				4.93

$$X^2 = \sum_{i=1}^n \frac{(O_i - E_i)^2}{E_i}$$

Degree Of Freedom

$$V = (r-1) (c-1)$$

$$V = (3-1) (3-1)$$

$$V = 2$$

2 degree of freedom 5% of level of significance is 5.99. The calculated value (4.93) is less than the table value. So hypotheses is accepted. Hence it is concluded that, “There is no significant relationship between Type of Investment and awareness of age group of the investors”.

$$\chi^2 c = 4.93$$

$$\chi^2 t = 5.99$$

The calculated value is lesser than the table value. Therefore the observed frequency is lesser then the expected frequency the null hypothesis has been accepted.

RESEARCH ANALYSIS AND INTERPRETATION OF DATA SIMPLE PERCENTAGE

Marital status: 64% of the respondent belongs to the married women. 46% of the respondent comes under categories of unmarried women.

Age group of the respondents: 22% of the respondents belongs to the age group of below 30 years.so years 44% of the respondents belongs the age of below 31- 40 years.24% of respondent belongs to the age group of 41- 50 years and above 10%.

Educational qualification of the respondents: 5% respondents are uneducated. 11% of the respondents are under HSC.20% respondents are under graduate.14% respondents are under post graduate.

Occupation of the respondents: 12% of the respondents are in public working women employee. 72% of the respondents are in private working women employee. 8% of the respondents are in self-employee. 8% of the respondents are in professional.

Family type of the respondents: 90% of the respondents are in single family. 10% of the respondent are in joint family

Residential status of the respondent: 46% of the respondents are in own house. 34% of the respondents are in rental house. 12% of the respondents are in housing quarters. 8% of the respondents are living in other type of housing sectors.

Investment plan for respondent: 64% of the respondents are planning to make investment. 36% of the respondents are without plan to invest money.

Earning member of the respondent: 34% of the respondents are one earning member in family. 26% of the respondent are two earning member in family. 18% of the respondent are three earning member in family. 22% of the respondent are four earning member in family.

Investment decision: 38% of the respondents are decision to invest money. 62% of the respondent are don't making an investment decision.

Expenditure budget : 58% of the respondent are create a budget for family expenditure oriented. 42% of the respondent are not create a budget for family expenditure oriented.

Investment pattern of the respondent: 24% of the respondent are invest high return on investment. 12% of the respondent are invest future security oriented investment. 14% of the respondent are invest tax benefit oriented investment. 30% of the respondent are invest children education oriented investment. 8% of the respondent are invest personal safety oriented invest. 12% of the respondents invest children marriage oriented investment.

Information sources about investment of the respondent: 44% of the respondents are collecting investment information from internet. 28% of the respondents are collecting best return on investment from TV/Newspaper. 10% of the respondents are collecting are collecting investment information from book and magazine. 8% of the respondents are in collection information about investment from their family member. 6% of the respondents are collecting information from friends. 4 % of the respondents are collecting financial investment decision from financial broker. so financial broker charging fee regarding their services lesser percentage of investor visit.

Income move to saving: 0-20% income category people go to invest 26% of the saving. 21- 30% income category people go to invest 48% of the saving. 31-40% income category people go to invest 16% of the saving. 41-50% income category people go to saving 10%.

Employment circumstances of the respondent: 42% of the respondent are working full time employee. 20% of respondent are working self – employee. 16% of the respondent are working part time employee. 22% of the respondent working other circumstances of the employment.

Investment duration of the respondent: 30% of the respondent are invest less than 1 year investment. 32% of the respondent are invest 1 to 3 year of the investment. 22% of the respondent are invest 3 to 5 year of investment. 16% of the respondents are belonging to invest a more than 5 years.

Kind of investment of the respondent: 36% of the respondents are financial investment. 24% of the respondents are non – financial investment. 40% of the respondent are both financial and non – financial investment.

Financial investment of the respondent: 22% of the respondent are invest shares. 6% of the respondent are invest debentures. 8% of the respondent are invest mutual fund. 6% of the respondent are invest bank deposits. 18% of the respondent are invest private insurance. 4% of the respondent are invest post office deposits. 16% of the respondent are invest life insurance scheme. 6% of the respondent are invest a government securities. 14% of the respondent are invest private chits.

Non – financial investment of the respondent: 24% of the respondent are invest land. 10% of the respondent are invest building. 16% of the respondent are invest gold and silver. 24% of the respondent are invest diamond. 20% of the respondent are invest livestock. 6% of the respondent are invest antiques.

FINDINGS SIMPLE PERCENTAGE

In our study "Income and Investment Pattern among Working Women with Reference to Madurai City". Has to find the 90% of the respondent are single family, 72% of the respondent are come under private sector employee and 72% of the respondent are living in rental house, 64% of the respondent are planning best financial investment, 58% of the respondent create budget for family expenditure oriented budget, 48% of the respondent are moving income to investment 20-30%, 44% of the respondent are getting investment based information from internet, 42% of the respondent are full time workers, 40% of the respondent are invest both financial and non-financial investment, 40% of the respondent are graduate, 38% of the respondent make own investment decision, 32% of the respondent are 1-3 years duration of investment, 30% of the respondent are invest a children's education, 26% of the respondent are 2 earning member in family, 24% of the respondents belongs to the age group of below 31-40 years, 24% of the respondent non - financial investment land and 22% of the respondent financial investment shares.

CONCLUSION

The success of every investment decision has become increasingly important in recent times, making sound investment decisions require both knowledge and skill. The working women investors have different expectations from the investment as their needs different such as savings, safety, and interest and capital appreciation. The research identified the relationship between the factors influencing the level of awareness of various investment and factors influencing the benefits. Investors describe safety of funds as their priority for choosing an investment. So, the government should provide more investor protection.

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DIGITAL INDIA: INFUSE TECHNOLOGY IN GOVERNANCE

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ABSTRACT

We are living in the environment of technologies and digital world. The digital world is a world where the best possible utilization is made of digital technologies. The 'Digital India' programme, an initiative of honorable Prime Minister Mr. Narendra Modi, aims to make government e-services available to people and enjoy the advantage of the newest information and technological innovations. It is a programme to prepare India for a knowledge future. The purpose behind the concept is to connect rural areas with high speed internet network and improving digital literacy. Digital India (Power to empower) was launched in 1 July 2015. The main objective of Digital India is to deliver government services to citizens electronically by improving online infrastructure and by increasing internet connectivity. Digital India Scheme is focused on three main components 1) Digital Infrastructure creation as a utility to each and every citizen 2) Governance and services on demand, and 3) Digital empowerment of citizens. The motto of this research is to find out how the government emphasis on paperless governance/work with practical solutions and innovative ideas to complete the vision of a digital India-a reality.

KEYWORDS

digital India, governance, paperless.

INTRODUCTION

Today, the world has transformed as techno knowledge savvy from a knowledge savvy. Think about something and it is available in one click. In the twenty-first century, one of the most important technologies is the power of the digitization. A system, that permits individuals to communicate globally. Digital India is a scheme to transform India into a digitally sound society and knowledgeable economy. Digital India was launched on 1 July 2015 to assure that services are made available to people electronically by improving online infrastructure and by increasing internet connectivity or by making the country digitally sound in the area of technology.

Digital India is an umbrella scheme which covers many departments. This project will ensure that government services and information are available anywhere, anytime on any system that are user friendly and shielded with Digital India project, the government is ready for the big project by connecting every service with e-power. The objective of Digital India is to available Digital services in Indian languages. Digital India initiative could help in achieving the objectives of:

- 1) Education for all.
- 2) Information for all.
- 3) Broadband for all.
- 4) Leadership structure.

Digital India consists of three core components as follows:

1. THE CREATION OF DIGITAL INFRASTRUCTURE

This provides high speed internet facility as a fundamental public service i.e. certificates, land records and many more will be made available online. It provides a safe cyber space in the nation.

2. DELIVERING SERVICES DIGITALLY

Under this, every information or government services is provided in real time from online portal and mobile app. It makes financial transactions cashless and electronics and gives single window access to each and every individual.

3. DIGITAL LITERACY

All digital sources will be provided globally in Indian languages. The certificates and documents to be available on the digital portal.

REVIEW OF LITERATURE

Digital India project has been an important topic of various researches from numerous disciplines because of its huge importance and effect on the economy as a whole and specifically the technological sector. In recent age, there have been numerous researches on various aspects of the project ranging from the social to economical dimensions. Some of these researches have been reviewed here.

Sharma stated that in recent time each individual has a bright prospect to change the lives in various ways that were difficult to envision just a couple of years ago. It was concluded that more opportunities through Digital India Project will open for the youth that will boost the Indian economy.

Satya Nadella wants to become India's partner in Digital India project. He said that his company will set up broadband technology services at low cost over 5 lakh villages across the country.

Jain described that some projects are under implementation which may require some transition process to get the desired goals.

Prof. Singh started with the basics of what Digital India about. He led a discussion of conceptual framework of the project and analyzed the effect of Digital India project on the technological sector of Indian economy. He concluded that Digital India has to be implemented with transformation in Indian labour laws to make it a successful project.

Elon Musk, Sundar Pichai analyzed about Digital India and its preparedness to make jobs offers in the information technology sector. He concluded that making new jobs should be associated with shifting workers into high productivity jobs in order to boost the technological sector in each and every field of Indian economy.

Arvind Gupta described to say that Digital India project will play a significant role in improving governance, effective delivery of services and monitoring performance managing projects.

OBJECTIVES OF THE STUDY

1. To know the concept of Digital India.
2. To know the effect of Digital India on governance.

METHODOLOGY

The constructed paper is descriptive kind of study in nature. The secondary data and information have been examined for constructing the paper broadly. The secondary data have been gathered from different scholars, researchers and articles in different journals, conference papers, periodicals, working papers and websites.

SCOPE OF DIGITAL INDIA

The scope of overall scheme of Digital India is:

1. Digital India is an eminent scheme to develop India for a knowledgeable future.
2. For transition in India- to realize IT (Indian Talent) + IT (Information Technology) = IT (India Tomorrow).
3. Digital India scheme pulls together various plans like e-Education, e-Health and e-Sign etc.
4. It waves together a wide variety of thoughts and ideas into a single and comprehensive object to make Digital India scheme success as a whole.
5. Common branding of the scheme as Digital India lighten their transformative impact.

PILLARS OF DIGITAL INDIA

The government aims to target nine "Pillars of Digital India" which are as follows:

1. BROADBAND HIGHWAYS

- Broadband facility for all urban people.
- Sound communication infrastructure in the urban development area and buildings.

2. UNIVERSAL MOBILE ACCESS

- Widen networking e-services.
- Using digital technology for connecting untouched areas.
- Availability of phone connection universally.

3. PUBLIC INTERNET ACCESS PROGRAMME

- It is a national mission for rural internet.
- Sound service delivery with multifunctional end-points.
- To make post offices, multi-service centers.

4. REFORMING GOVERNMENT THROUGH TECHNOLOGY

- Use technology as a government reformers.
- To change each manual work in fully mechanical system inside government.
- Resolve problems and quickly respond.

5. E-KRANTI- E DELIVERY OF SERVICES

- Health Technology.
- Education Technology.
- E-Security.
- E-Justice.
- Using technology for farmers.
- Financial inclusion through technology.

6. INFORMATION TO ALL

- Easy access to information for each and every people.
- Two way communication between government and citizen.

7. ELECTRONICS MANUFACTURING

- Target net zero imports.
- Manufacturing through electronic mode.

8. IT FOR JOBS

- Educate and train people in town and villages for IT jobs.
- To provide teaching and training to the youth of nation for employment opportunities in IT sector.

9. EARLY HARVEST PROGRAMMES

- Government greetings.
- E-books regarding education.
- Easy access for weather information, entertainment etc. through e-services.
- Wi-fi facility for public.

BARRIERS

Digital India is a huge plan but its inadequate implementation because of inflexibility and inaccessibility to requisite can lead to it's lose. The barriers as follows:

1. Each and every pillar has its own obstacles.
2. Infrastructure barriers.
3. People may not have enough knowledge of Digital India Programme.
4. Lack of separate entity for consumer redress under Digital India Programme.

REMEDIES

1. New scheme and plans may be required specifically on skill development and electronics manufacturing.
2. In every state, there should be training institute to increase the digital literacy and awareness.
3. Government of India should conduct the conference and seminars to aware regarding digital services.
4. To advertise the policies of Digital India Scheme on TV, books, newspapers, pen etc. to create awareness between people.
5. There should be a help-line number of Digital India Scheme to solve the problems relates to digital services.
6. In each state, there should be a help center to solve problems related to Digital India Scheme.
7. To transform the villages into smart centres which connects Indian farmers directly to e-Markets to know everything about crops.

IMPACTS OF DIGITAL INDIA ON GOVERNANCE

The Digital India project provides various opportunities to utilize the latest technology to redefine India in context of digital services. Digitalised India can help in improving paperless work/governance by e-services, e-kranti, universal mobile access, public internet access, updated information to all, electronic manufacturing, e-governance, digital literacy, broadband highways etc. Most of the work will be done through online/e-services in the offices. Modern ICT makes it easier for persons to obtain access to digital services and resources. The access to mobile devices may be very useful as a complementary channel to service delivery apart from generating of entirely new services. This project will also improve the economic and social condition of persons living in rural areas by development of non-agricultural economic activities apart from providing access to health, education and financial services.

CONCLUSION

Digital India is a vision to change India into a digitally empowered and advanced economy. It is a good scheme to develop India. After that Digital India scheme have some problems, although it has a huge impact on India to make bright future of each and every citizen. We Indians and other people of globe should work

collectively to shape the digitally empowered economy. Digital India Scheme is a good step in shaping India as powerful country for modern era empowered by technical and connectivity ground.

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