

Impact of Financial Management on Decision Making

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Abstract

Three captious aspects mainly decides the rudimentary accomplishment of a strategy that are : genuine Interior view of the elemental competency, checking alignment of a firm to its exterior surrounding, and the competitive benefits, and monitor and implement . This article confers about how finance shows vital role in the strategic planning, formulation, decision-making, execution and observation. The strategy's major achievement relies upon the important three factors: a company's arrangement with its outer condition, a sensible interior perspective on its central abilities, and cautious usage and perceiving and managing the upper hand. This article discuss about the role of finance in arranging the strategies, core leadership, observing and execution, provides the clear understanding of it. In its management cycle, mainly it plans and do budgeting ,allocate resource,safeguard,provide reports and do evaluation.

Keywords: - Decision making, Finance, strategy, leadership, observing and execution.

Introduction

Finance is a science and art that manage the investigation of the supposition. Assets and liabilities are the key elements that notice the position of various degrees of the vulnerabilities and hazards after some time interval. Account can be defined as the art of cashing the executives.It provides the clear description about the experience or event. Fund is a source of generating money, established for a specific purpose within allocated time. Account has mainly three main sub-classes: corporate money ,open fund and individual account. Any individual, organization, or country should have a good knowledge about that who or where they are, the destination where they should be and the way to gain that position. The key arranging procedure by the help of the explored models whose aim is to have a equitable image of the person, firm, or a complete nation. It motivates the advancement that arrange crucially. The stratagem demands the major five unique proceeds that expands in the bottom and the chosen system must have a strong capability to warrant the firm to commit the practices entirely in a progressive best way as compared to the opponents. Vital arrangement is all about the arranging boundless vital in a best and the efficient way. This article expects to provide a clear view of how fund, money related objectives, and the budgetary execution assumes to provide a imperative position in the key arranging in a growing manner and the fundamental leadership procedure , especially in two phases such as usage and inspection .It also deals in the goal achievement and risk taking capability. [1, 2]

The Strategic-Planning and Decision-Making Procedure

Strategic planning is a stratified directing development assures that representatives and various partners are forwarding in a direction of shared objectives,systematic process to

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envision a desired outcome in the future and put it into real achieving with definite goals, perceive the planned results, and performs various types of the modifications in the firm title in light of a developing domain. It is a trained effort to fabricate the principal choices and activities shaping and guiding about an association, to whom it will provide services, what it actually performs, and the goal of performing it. It keep a focus on achieving the objectives. Powerful key arrangement have a vast knowledge about the effective activities with time to time updating.[3,4]

A vision Statement-An informed national media used to capture the spirit of time, create local opportunity, noticing the growth rate and the powerful impact in each small or big community and complete country around the universe. It provides the description about the achievement of the company in the long run, deciding a time frame of minimum five years to the maximum a decade or sometimes a more longer time than these both timings. Besides it, It support the people to live a meaningful life with a decided objective in the community.

Statement of purpose- A captivating statement about the purpose that imparts the eight key parts about the firm: the clients to be targeted and the market under this target; The fundamental objects and performing the administrative tasks; the location on the global areas; central latest enhancements; make guarantee to have a better survival, development and advantages; rationality; self-idea; and desires the open picture. The main focus by taking the organization's pledge is to survive, enhance and provide various kind of the benefits to the different organizations. It procedures a imaginative, refresh, esteem driven, and a better alternative than those of contender as a long haul money related objective's duty.

Inspection- The next step is to perform a evaluation of the available organizational business patterns, the inner assets, and the central capabilities and the outer obtaining results from these patterns. Porter's five powers model of industry is mainly used by the company to notice the competitions to edge over its outer examination, that differentiate the firm dimension of variance having a variety of it including pooled variance and the conditional variance and the existing contenders, the risk of performing the substitution of various objects, the potential for the latest aim achievers, the supplier's dealing strength and thrashing out the strength of the available customers to utilize it in full amount.

To check the internal side, the firms have to apply for the firm's enhancement model, having capability of identifying the retrial including the standard of the items, highlight of article accomplishment, an express evolution which drop down the various expenses and find the progress in various objects, Both latest and intense development having price reduction, administrating the firm's esteem and plan to keep up the additional knowledge about the overall organization, make publishing and doing advertisement of a wide obsession that results into ending of the outlying objects and a continual enhancement of the notable worth chain practices and decay that redirects the rapidly growing business sector parts and achieves a pioneer position amongst the all.

An another approach, esteem chain inspection which provide information about company esteem enhancing method mainly depends on its crucial and the secondary practices. This turns into a progressively logical apparatus utilized to count the cost of the movement based devices and the other model devices that help the firm in making the decision about the significant costs, profit enhancement, asset qualities, and abilities. Re-building is used to make a more notable monetary result.

SWOT (Strengths, Weaknesses, Opportunities, and Threats) is a great framework that do interior and exterior inspection to obtain the managerial data which can set various essential needs and completely make use of the association's skills and capabilities to notice outside situations to know about the basic shortcomings need to be redressed, and count the already present problems.[5,6]



Figure 1: SWOT Analysis

Methodology Formulation-Porter's conventional procedures model is helpful in doing the planning of a prolonged dragged system as it helps the firm to choose an assisting upper hands with these benefits : a) a easy management by choosing purchasers who are value delicate and having rare separation b) the separation phase in which each buyer's demand and readiness is being elicited and separation is easily available there c)the best rate purchasing in which purchasers do expectation about the chief incentive at a minimal cost d) concentrated least attempt provide advertisement in various specialties with explicit needs e) centered separation having extraordinary needs and tendencies.[7]

Implementing methods and various Management activities - Over the decade, the Balanced Score Card is a pioneer that standout amongst the managerial tool for its realistic and observing execution of the procedure as it adjusts technique according to expected occurrences and the significance of building up money related objectives for representatives is the main focus of it.It also include the implementation of region.The method is being converted into real achievement , the operational jobs of various types, and money related aims is being guaranteed .The monetary variables, representative learning and enhancement, pure loyalty of customers and business forms are the key element of these activities.

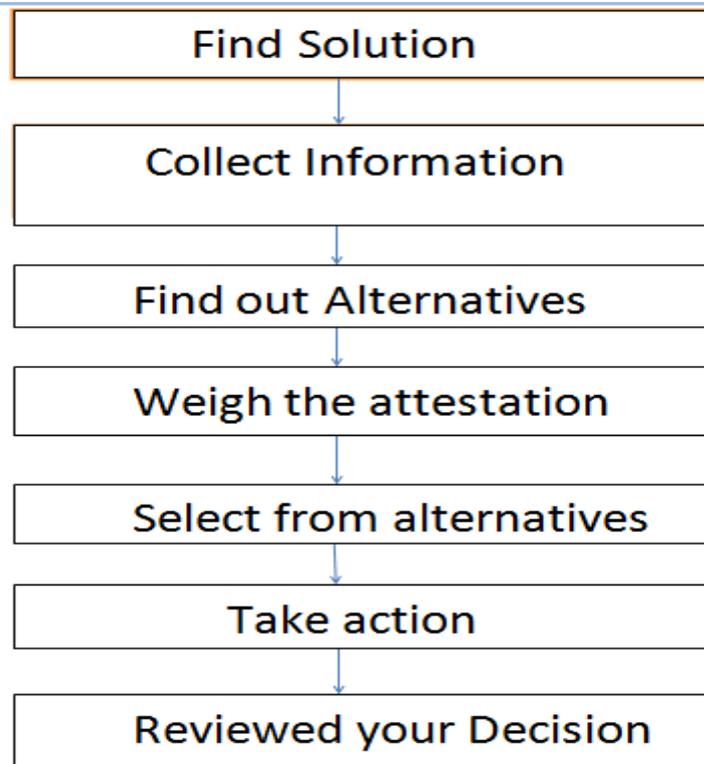


Figure 2: Decision Making Process

Various functions of Finance

Budgetary quantification is considered to one of the level by which a company represents itself. The BSC bolsters does the job of funding in establishing and detecting explicit monetary key objectives for a well planned, an assimilated organization to permit the firm to perform job in a well understood productive manner. Money related objectives includes these below mentioned feature to produce more productive results:

1. Flow of money- Organizational economical strength is the key point to be considered and defines the use of the budgetary assets to build up extra income for the upcoming supposition. Provides the deduction in the suppositions and working capital incentives from the organization execution income. This metric is used in such a condition when significant capital finish the realistic ventures before the deadline limit.[8,9]

2. Budgetary worthiness -This is the key dedication on a problem balanced premise and a reason by which the board choose to build up captivating, favorable choices to expand organizational economical esteem and to actualize restorative activities reducing its esteem. It is controlled by making less use of the working capital expense from the overall its gain. The large industries set financial esteem added goals to have a evaluation of their organizations' esteem commitments in a most adequate manner and make some advancements in the asset designation procedure.

3. Managing a wide variety of the resources-It deals in resources and liabilities that are imposed on it. Money, receivables, stock payables, collections turnovers are effectively administrated. Working capital and money transformation cycle's administration is being upgraded. Organizations make use of this training in case of working implementation falls behind than benchmarked firms.

4. Financial Structure and financing decision- financing is an ideal capital structure which is a combine form of the influence and proportions, basically put a limit over the organizational capital charges. Mainly decides the company's save short-and long haul obtaining limit. It decides the upcoming danger of potential budgetary trouble. This structure is being built up when firm's expense of capital rise above that of direct contenders and new ventures are absent..

5. Productivity Ratios- Operational effectiveness of a firm is mainly counted in it. Benefit proportions additionally show wasteful territories that require restorative activities by the executives.they measure benefit associations with deals, all out resources, and total assets. Organizations must set productivity proportion objectives when they have to work all the more adequately and seek after upgrades in their esteem chain exercises.

6. Development Indices-Growth lists assess deals and piece of the pie development and decide the adequate exchange off of development as for decreases in real money streams, overall revenues, and rates of return. Development more often than not depletes money and hold getting reserves, and here and there, forceful resource the executives are required to guarantee adequate money and restricted obtaining. Organizations must set development file objectives when development rates have lingered behind the business standards or when they have high working influence.

7. Hazard Assessment and Management-A firm should address its key vulnerabilities by distinguishing, estimating, and controlling its current dangers in corporate administration and administrative consistence, the probability of their event, and their monetary effect. At that point, a procedure must be executed to alleviate the circumstances and end results of those dangers. Organizations must cause these evaluations when they to envision more noteworthy vulnerability in their business or when there is a need to improve their hazard culture.

8. Expense Optimization-Many practical zones and specialty units need to deal with the dimension of duty obligation embraced in directing business and to comprehend that alleviating hazard likewise decreases expected charges. Besides, new activities, acquisitions, and item advancement tasks must be weighed against their expense suggestions and net after-charge commitment to the company's esteem. As a rule, execution must, at whatever point conceivable, be estimated on an after-charge premise. Worldwide organizations must embrace this measure when working in various assessment conditions, where they can exploit irregularities in expense guidelines.[10]

Conclusion

The presentation of the reasonable scorecard emphasize that a company's affluence consider the cash accomplishment as one of the key marker among the other mentioned aspects. The lead goal is to execute and provide the opportune such a precious data which persuade the essential and operational control alternatives to be made use of them. The job of fund in the key arranging procedure is prompted due to it, which should end up more importantly than any time in recent memory. Observational explorations reveals that a major part of corporate approach is consist of short amid implementations. The firm execution and screening of their systems is just because of money related measurements with perceptible monetary objectives that do reinforcement of the federation capacities with non-substitute capabilities. They consider supportable upper hands that enhances the esteem of a company and other the principle goals.

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Indo- Bhutan Trade Relation With Special Refrence To Hydroelectric Power

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Abstract

The paper intends to study exploratory bilateral trade and multilateral trade between India and Bhutan with special reference to hydropower, which affects growth. The trade relation between the two countries took different shape when the countries signed trade and transit agreement of 1972 which provided duty free transit of Bhutanese exports to third world countries. Hydropower has been the main engine of economic growth of Bhutan over the last two and half decades. Nearly 99.5% of its electricity is generated from Hydropower. The critical point to better understand the growth of trade relation between India and Bhutan wherein Bhutan is affected directly or indirectly by the phenomenal growth of Indian economy as it is the largest trading partner of the country having more than 90% trade with India. The study reveals that commonly there is gainful financial linkage among India and Bhutan and Bhutan have been a significant component in our reciprocal relations while India keeps on being the biggest exchange and improvement accomplice of Bhutan. At present, the significant things of fares from Bhutan to India are power. It is proposed to be in expectation that till 2025 the GDP will increase to 75-100 per cent through the hydroelectricity contribution to the current level of GDP.

Introduction

Bhutan is small landlocked territory located at the eastern side of the Himalayas at 27°28.0'N and 89°38.5'E in South Asia with China and India neighbouring country. The bilateral or multilateral trade between nations will affect growth. 1) Due to exchange of trade there is witnessed the increased spill over and the possible reasons behind these dynamic spill over effect may be due to efficient management, advanced technology, organised institutions and division of labour (Chuang,1998). 2) An increase in trade enhances the exports which results in the increased output and so does the employment (Helpman and Krugman, 1985). 3) International trade also enables the transport of capital goods abroad and embodies growth, knowledge and technology through international trade (Chuang, 1998). The historic relations between Bhutan and India date back to 747 A.D., when an Indian saint Padma sambhava introduced Buddhism in Bhutan. India and Bhutan Bilateral trade relation dates back to 18th century in the British regime. During British led India, Bhutan had lost Assam and Bengal daurs to British India. Bhutan had fear from British led India. After independence, Indian Government initiated the talks for bilateral trade. In 1949, a treaty was passed between the two countries on bilateral trade and peaceful relations between the two countries. The treaty of 1949 emphasised on two points. a) India will never interfere in the internal matters of Bhutan

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b) Bhutan will have to seek India's advice for any kind of relations with third world countries.

In 1960s Bhutan lost its Tibet part to China; due to which Bhutan Government break their relations with China. Then India came forward and provided help to Bhutan and was able to strengthen their grip in Bhutan. Beginning with India, Bhutan diversified its relations in the international community. They tried to project as an independent nation. In 1971, India sponsored Bhutan's application for UN membership. It clearly showed that Article 2 of the Indo-Bhutan Treaty did not restrict Bhutan to frame its foreign policy. During 1970- 1980 Bhutan Government talked about revision of clause (b) of 1949 India-Bhutan treaty. They wanted to be independent in having relations with other countries. When Pranab Mukherjee became external minister of India in 2007, the old treaty was revised by. It is only after the revised treaty; Bhutan became free to take decisions regarding trade and security with other nations.

India is Bhutan's development partner as well as largest trading partner. Bhutan shares over 90% of trade with India. Bhutan's import from India and export to India accounts 74% and 95% of their total trade respectively. The trade relation between the two countries took another shape when the countries signed trade and transit agreement of 1972 which provided duty free transit of Bhutanese exports to third world countries. Bhutan can offer us other things also if India helps Bhutan in its capacity building, generating domestic revenues, agricultural products like tea, fruits, vegetable products, etc. Prime Minister Tshering Tobgay offered investment opportunities in the infrastructure sectors like special economic zones, dry ports, industrial townships, IT Parks by the Indian private investors. There are opportunities in the tourism, mining, lumbering, cement industry and financial services.

Statement Of Research Problem

The critical point to better understand the growth of trade relation between India and Bhutan wherein Bhutan is affected directly or indirectly by the phenomenal growth of Indian economy as it is the largest trading partner of the country having more than 90% trade with India. Putting another way of big question how the large export of India impact the economy of Bhutan vis-a-vis India wherein Bhutan import from India and export to India accounts for 74% and 95% respectively of their total imports and exports. Out of total exports more than 40% exports to India accounts for hydroelectric power exports which are technically and financially funded by the Indian Government. Recent development in the theory of trade has considered a futuristic and long run growth. It involves externality associated with some activity. The major example of this is hydroelectric contract. As Bhutan's major export is of electricity, so its effects must be studied. Hydropower is attractive to India because of assured security of supply. The country has to look for foreign sources of fossil fuel. The failure to meet the demand for electricity has been the main curse of India's economic growth story. Insufficient availability of power has substantially contributed to the slowing down of India's economic growth rate. It is estimated that India's power demand will rise by 350% in the coming two decades. It implies that the country has to triple its power generation capacity.

Review Of Literature

The exports are the main drivers of economic growth owing to efficiency of resource allocation, economies of scale and advantages of competition. An increase in the exports of a country can create more employment and increase income in the export sector that

consequently lead to overall output growth (Awokuse, Trade openness and economic growth, 2008). Exports also play the role of providing a country with foreign exchange needed for the import of intermediate and capital goods which in turn stimulate growth (Esfahani, 1991). Economic growth could be primarily driven by growth in import through the transfer of intermediate goods, technology and R&D. Endogenous growth models have emphasized the role of imports in long-run economic growth because of transfer of intermediate goods and foreign technology into a domestic economy (Coe & Helpman, 1995; Lee J.-W. , 1995;

Mazumdar, 2001). Thus, import provides access to improved technology and foreign knowledge that will in turn enhance the productivity growth of the domestic economy especially from a developed to a developing country. In addition to the growth enhancing transfer of R&D, it is suggested that imports of competing products spur innovation as domestic producers learn from foreign rivals and competition (Lawrence & Weinstein, 1999). Hydropower has been the main engine of economic growth of Bhutan over the last two and half decades. Nearly 99.5% of its electricity is generated from Hydropower (Bist, 2012). After domestic consumption, Bhutan exports the surplus (75%) hydropower energy to India on bilateral agreement. (Singh 2013). Electricity from Hydropower represents not only important traded goods between India and Bhutan but also depicts a key feature of bilateral relationship (Bist, 2012). Hydropower energy has been Bhutan's top export, accounting for 31.2% of overall exports and 9.8% of GDP during F.Y 2013-14. According to Bhutan's 10th the five year plan, the Hydropower is expected to contribute 50% of its GDP and 75% of fiscal revenue by 2020 (Bist, 2012). Thus, H.P in Bhutan has also been a story of successful bilateral co-operation and energy trade between India and Bhutan. International trade as a driver of economic growth has been emphasized in numerous empirical studies and has demonstrated a positive relationship between trade and economic growth in both developing and industrialized countries.

Objectives Of Research

1. To measure and analyse the volume and composition of trade between India and Bhutan.
- 2 To study the impact of Hydro-Electric power export from Bhutan on the economic growth of Bhutanese economy.

The Volume And Composition Of Trade Between India And Bhutan

At present, Bhutan's exports to India are power (from Tala, Chukha and Kurichhu Hydroelectric Task), base metals and articles, minerals, vegetable fat and oils, mixed drinks, synthetic compounds, bond, timber and wood items, cardamom, natural product items, potatoes, oranges and apples, crude silk, plastic and elastic items. Real fares from India to Bhutan are oil based commodities, mineral items, base metals and articles, hardware, autos and extras, vegetable, nuts, flavors, handled sustenance and creature items, synthetic concoctions, wood, plastic and elastic. The Concession to Exchange and Business likewise accommodates obligation free travel of Bhutanese product for exchange with third nations. Sixteen leave/passage focuses in India distinguished in the Convention for Bhutan's third nation exchange are: Jaigaon, Chamurchi, Ulta Pani, Hathisar (Gelephu), Darranga, Kolkata, Haldia, Dhubri, Raxaul, Panitanki, Changrabandh, Phulbari, Dawki, New Delhi, Chennai and Mumbai. Of these, Kolkata, Haldia, Mumbai and Chennai are the assigned seaports, Dhubri is the riverine course, New Delhi, Chennai, Mumbai and Kolkata are the air courses and Raxaul is the rail course. The others are the assigned street courses.

In 2010, Imports from India were of Rs 2930 crores and it comprised 75% of Bhutan's all imports.

Table 1: Balance of Trade of Bhutan with India (2013 – 2017) (Nu. in Million Trade)

Trade	2013	2014	2015	2016	2017
EXPORTS	28,979.16	31,801.44	31,801.35	32,052.00	31,618.00
IMPORTS	43,889.37	47,847.62	53,740.50	55,285.00	53,973.00
BALANCE OF TRADE	(14,910.21)	(16,046.18)	(21,939.15)	(23,233.00)	(22,355.00)

Notes: (-) indicates deficit in balance of trade

Source : Bhutan Trade Statistics, Department of Revenue & Customs, Ministry of Finance.

The table clearly depicts that Bhutan's deficit with India is increasing over the time from 2013 to 2016 from 14910.21 to 22355.00 (Nu in Million) which is approximately 50 % increase during the span of five years.

Analysis of hydro-electric trade between India and Bhutan

a) Intergovernmental Agreement on Hydroelectricity projects

The present Bhutan-India involvement in CBET exhibits the viability and adequacy of the legislative understanding. Intergovernmental hydropower extends in Bhutan are being attempted under an arrangement between India and Bhutan improving the connections between the two nations. Under the execution of "10,000 MW by 2020" agreement marked on 26th July 2006, the convention to the understanding marked on sixteenth March 2009, the RGoB and GoI consented to create five intergovernmental ventures (Chukha, Kurichhu, Tala have been dispatched, and Punatsangchhu I, Punatsangchhu II, Mangdechhu are under development). Under the intergovernmental understanding, a Detailed Project Report (DPR) is to be set up by the GoI undertaking organization/expert. The report audits all the specialized and monetary parts of the task. After the DPR is settled between the two nations, a Project Agreement between Bhutan (Ministry of Foreign Affairs) and India (Ministry of External Affairs) is marked, which builds up the following:

1. Ownership of the projects lies with the Bhutan Government.
2. Government of India will assume the sole liability for financing the IG ventures (counting the extra expense).
3. Royal Government of Bhutan will set up an undertaking specialist for the development, activity, upkeep and departure of the surplus power.
4. The Government of India will buy all the surplus power from the venture.
5. The task expert will hand over the undertaking to the Government of Bhutan inside two years of fulfilment of the venture.
6. The tax cost will be controlled by the "cost in addition to" approach after the authorizing of the venture. (Cost in addition to incorporates the expenses of the undertaking, financing costs, task and support charges, quickened devaluation and economic situations and a net return of 15%)
7. The levy will be surveyed at regular intervals.
8. India will back the venture according to the referenced terms (offer of allow versus credit financing from India, basic - non promoted loan cost, amortization period, with the principal reimbursement beginning one year from the mean date of business activity).

b) Existing hydroelectric generating stations

Electricity generation however is in correlation with the rest of the world is developing its importance between two Nations. Recently, electricity is in low proportion mainly dependant on diesel and smaller scale hydro stations, giving restricted supply of power, which was enhanced by imports from India. The economy of the nation is up to a great extent subject to the advancement of Hydropower projects. Hydropower plants contribute essentially to the general GDP Growth and economy. With the production of hydropower by the initial two units of Chhukha Hydro Projects in 1986, and the other two units in 1988 Bhutan considerably expanded its power.

Bhutan with large capacity of hydroelectric potential and being techno financial with hydropower capability of 23,700 MW and currently it only explored 1,614 MW which is just six per cent of it achievable hydropower potential.

Table-2: Existing Hydroelectric Generating Stations

Plant name	Installed Capacity (Unit * Unit Size) MW	Transmission Voltage (KV)
Chhukha (CHP)	(4*84) 336	220 KV, 66KV
Basochhu-I (BHP)	(2*12) 24	66 KV
Basochhu-II (BHP)	(2*20) 40	220 KV, 66KV
Kurichhu (KHP)	(4*15) 60	132 KV
Tala (THP)	6*170) 1020	400 KV
Dagachhu	(2*63) 126	220 KV
Mini/ Macro	8 (17 no)	6.6 KV/415 V
Total	1614	

(Statistical Yearbook of Bhutan, 2018)

Out of such five hydroelectricity stations reviewed in Table 2, Basochhu-I and Basochhu-II are producing power to meet Bhutan's domestic requirement and the others (Chukha, Kurichhu, Tala and Dagachhu) are exporting power to India. India will fulfill its anticipated demand for electricity through these hydro-power projects. The Chhukha Hydro power with the installed capacity of 336 MW, the Kurichu Hydro power with 60 MW and Basochu Hydro Power with 64 MW.

TABLE 3 Annual Power Generations from Hydropower (GWh)

DETAILS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Electricity Generation	7161.7	6918.8	7330.2	7066.50	6827	7551.10	7166.30	7005.5	7953.58	7729.77
Chhukha Hydroplant	1802	1808	1870	1774	1745	1907	1798	1667	1930	1883
Kurichhu Hydropower Plant	386	370	378	362	361	379	368	335	378.98	389.56
Basochhu Hydropower Plant	336	323	330	322	300	332	306	270	323	339
Dagachhu Hydropower Plant	-	-	-	-	-	-	-	305	798	798
Tala Hydropower Plant	4610	4396	4726	4588	4405	4914	4675	4409	4925	4645
Other Hydro power plants	24.8	21	25.6	20	15.2	18.5	18.5	18.5	11	11
All diesel generators	1.8	0.2	0.3	0.3	0.2	0.5	0.5	0.5	0	0

(Statistical Yearbook of Bhutan, 2018)

With the commissioning of mega Tala Hydro Power Project with the installed capacity of 1,020 MW, there is a substantial increase in the energy generation of the country. In 2008 the total electricity generation was 71,61.7.Million Unit (MU) which increased to 7,729.77 Million Unit (MU) in 2017 which is approximately 8 % more. Domestic consumption of electricity has been marginal but it will rise with Rural Electrification Programs. Other forms of energy like solar, wind and biomass energy are also being explored.

Impact of hydroelectricity export on Bhutan's economy

Hydroelectricity has a huge impact on Bhutan's economy. In Bhutan's GDP electricity sector is the major contributor for the last ten years. Its direct contribution ranged from 11 per cent to 21 percent. In 2007 when Tala Hydro plant was started, the growth rate of Bhutan's GDP jumped from 12% to 21 % in just a single year. From 2003-2012 the revenue generated from power exports ranged from 11 to 21 %. It is anticipated that Bhutan's GDP would increase by expansion of the industrial sector and which includes ongoing hydropower construction and the new hydropower projects implementation in the future. By 2025, due to full fledged working of these hydro projects, the contribution of electricity sector will increase by 75-100 per cent at the current level of GDP.

Future Demand-Supply Situation

By 2020, as per the Bhutan Government National Transmission Grid Master Plan (NTGMP), it is expected that the power generation capacity of 10,334 MW would be installed basically for export. There is delay in the different stages of implementations..Out of the total electricity generated, 70 to 80 percent is exported. With the completion of new projects, the share will increase to 90 percent.

It is expected that by 2020, power exports of Bhutan will almost be double due to which Bhutan will be self sufficient for its domestic demand during the dry season. Bhutan's transmission grid master plan has already developed considering the future generation plants and power export. By 2014-2025 , all these projects are expected to be completed. The gestation period for hydro power projects is long as compared to other power projects.

Table-4: Bhutan's future Hydropower development plan and expected cost in Nu

S.No	PROJECTS	Projects River Basin/ Location	IC (MW)	Project Cost Nu. million)	Associated Transmission Cost (Nu. million)	Commission Date	Mode of Operation	Remarks
1	Punatsangchhu-I	Punatsangchh/ Wangdiphodra	1,200	93,960.85	under implementation	DEC-19	IG	Under construction
2	Punatsangchhu-II	Punatsangchhu/ Wangdiphodrang	1,020	74,890.00	4442.00	Jun-18	IG	Under construction
3	Mangdechhu	Mangdechhu/ Trongsa	720	40,755.80	5299.90	May-18	IG	Under construction
4	Amochhu	Amochhu/ Chukha	540	37,383.70	1051.00		IG	Dropped from implementation
5	Sankosh	Punatsangchhu/ Lhamoizingkha	2,560	140,951.56	2969.50	2022	IG	Implementation under discussion
6	Kuri-Gongri	Drangmechhu/ Monga	2,640	146,799.51	8099.00	2027	IG	DPR and its implementation
7	Kholongchhu	Drangmechhu/ Trashiyangtse	600	31,436.39	8858.25	2020	JV	Under construction since Sept 2015
8	Bunakha	Wangchhu/ Chukha	180	24,926.42	895.00	2021	JV	Under discussion between the JV partners
9	Wangchhu	Wangchhu/ Chukha	570	40,027.56	538.00	2021	JV	Under discussion between the JV partner
10	Chamkharchhu-I	Mangdechhu/ Zhemgang	770	47,760.22	6372.30	2025	JV	Under discussion between the JV partner
11	Nikachhu	Mangdechhu/ Trongsa	118	11,964.59	1026.75	Mar-19	Ppp	Under construction\

(Source-SOUTH ASIA REGIONAL INITIATIVE FOR ENER G INTEGRATION (SARI/EI))

Conclusion

Hydroelectricity power projects are aid for the Bhutanese economy as Bhutan through its high hydro potential almost doubles its per capita income and will achieve new status of

success in future. Financial analysts will open doors with appealing returns in Bhutan Hydroelectricity power will create a chance of creating 80,000-90,000 MU every year. It will likewise bring a steady income; this income would give a major lift to the GDP to the tune of 40 per cent of the present GDP. The power produced from the current and the planned hydropower plants will sold to India to a great extent. Correspondingly, the import necessities related with the development of these hydropower projects are based to meet the hydropower obligations and records current shortage. The hydroelectricity exchange between the two nations is a start which heals the deficiency of hydropower. Thus, the obligation regarding the hydropower between the two nations will thus improve and will create opportunities in the following years to come. The problems in between administrative ventures seem to be low and subsequently having a decent reputation of intensity exchange between India-Bhutan. In this way, Bhutan is expected not to delay these upcoming hydropower ventures, as the deferral would make the nation lose large profits. At present, the major exports from Bhutan to India is power and it is likely that by 2025, agreement for charging hydropower plants, the GDP will increase by 75-100 percent through the commitment of the power.

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Measuring Student Satisfaction Index using Structural Equation Modeling

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N. Suresh**

Dr. Shad Ahmad Khan***

Abstract

In this competitive world, students have wider choices available to pursue their education either within or outside the country. Gedu College of Business Studies (GCBS) being the premier business institute under Royal University of Bhutan, with the advent of other private colleges in Bhutan in business studies, the college has to draw attention in retaining existing students and to attract the new ones, through better quality services. Hence the management needs to give top priority for students' satisfaction.

To gain competitive edge, GCBS has to ensure effective quality services in terms of academics, administration and logistics support to maintain a healthy competition within the country. Hence the present study attempts to look at determining the level of satisfaction on the services offered by the college. The study uses Structural Equation Modeling (SEM) to analyze the critical factors affecting student satisfaction level.

Keywords: *Service Quality Dimension, Students satisfaction, Structural Equation Modeling*

1. Introduction

Education is an integral part of success of an individual and it can be broadly classified into primary, secondary and tertiary education. Tertiary education includes students studying in universities, colleges and academic institutions are crucial for transformation into a knowledgeable society for country's growth and development. It is therefore, imperative that these institutions that provide tertiary education meet the expected standards that promote learning and development of the students. The students should derive satisfaction from the facilities provided by the institution so that students can learn and grow. Satisfaction with the facilities of an institution can boost morale of the students hence resulting in less violation of the rules and regulations of the college which would lead to satisfaction of students in the services offered in particular on academics. The introduction of feedback system of students at college level has evolved as a part of quality improvement initiative to determine satisfaction level. Institutions with various facilities coupled with academic facilities can help students obtain wholesome education.

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The present study aims to measure satisfaction of various services to the students of Gedu College of Business Studies (GCBS). The addresses the following research questions:

1. Does quality of services have relationship with the level of students' satisfaction?
2. Do service quality dimensions directly influence the level of students' satisfaction?
3. What are the significant factors contribute to determine the students' satisfaction?

2. Literature Review

2.1. Service quality dimensions at Tertiary Education

Service quality at tertiary education signifies the image at both the institutional level and at the university level in terms of academic excellence, atmosphere, intellectual faculty, infrastructure, administrative efficiency that can enhance student's competency. Service quality framework is applicable across tertiary education with respect to teaching and learning. The study uses the service quality dimension of Parasuraman, Zeithamal, and Berry (1985).

2.1.1. Reliability

Ziethamland Bitner(2003) describes ability to rely upon the promised services with accuracy as termed as "reliability". Previous studies conclude that reliability is the most important determinants aspect of service quality. In the present context reliability would mean knowledge dissemination, students services, addressing student problems is given utmost importance.

2.1.2. Responsiveness

Ziethaml et al (2003) defined the term "responsiveness" as the willfulness to help students and to render better service. This dimension addresses the problems of students promptly. In the present context responsiveness from student perspective is to render timely services, address to answer students queries and trying to be courteous.

2.1.3. Assurance

Ziethaml et al (2003) defined "assurance" as individual's capability and their competency to render academic service so as to build trust and loyalty. This particular dimension is of utmost importance to link both students and faculties together. In the present context of study assurance would mean how faculties develop trust and instill confidence among the students.

2.1.4. Empathy

Ziethaml et al (2003) describes empathy as feeling of oneness, and drawing individual attention and understanding their needs at institutional level. This service quality dimension in the present context of study would mean showing concern and understanding student's specific needs both at institutional level as well at the university level.

2.1.5. Tangibility

Ziethaml et al (2003) describes tangibility as the essential infrastructure facilities provided for student's learning. This dimensions looks at the facilities like library, IT, hostel and other ancillary for ensuring quality and to enhance the brand image for the institution in particular.

2.2. Empirical evidences

Student Satisfaction Index (SSI) is an important tool for measuring an institutional strength in terms of quality services that it renders to the students community (Guo, Teng, Guo, and Sun, 2014). The study by (Fitri and Hasan, 2008) found that assurance and empathy are the factors dominating to explain students' satisfaction. The study of (Fitri & Hasan, 2008) states that Empathy and Assurance are the most important factor in explaining students'

satisfaction. Students Satisfaction depends on learning and teaching environment at university with qualified and senior faculty members for achieving academic excellence and career opportunities (Danish, 2014). The study also shows the tangibles in terms of infrastructure facilities which would contribute towards growth and development of the institution. The study of (Abbasi, Malik, & Imdadullah, 2011) revealed that the overall satisfaction in Pakistani University is very low as perceived by the students.

According to (Mehipour et al., 2013) students have many universities option both nationally and internationally. Therefore, to recruit and retain the students, the universities should provide services that satisfy students. The study also stated that student satisfaction survey should be taken at a regular basis as students are the sole judge for the services offered by university. The study of (Guo et al., 2014) used structural equation model for construction of college student's satisfaction and the findings reveals that university construction should pay more focus on infrastructure, quality of teachers and perceived quality. Improvement in student satisfaction can get more students and promote Chinese education. The study of (Anwowie, Amoako, & Abrefa, 2015) revealed that the best way in developing student's satisfaction is through outstanding services and it can happen if there is unity of management and staff in terms of teamwork and flows of communication between them. Student satisfaction in educational institutes needs to be measured because it would go on to show how efficient and effective the institution is in delivering its services. Researchers have carried out various works on "Student Satisfaction" indicating its importance. Kashan (2012) observed that teaching faculty plays a bigger role in augmenting the satisfaction among the students.

The teaching faculty in an institution is detrimental for delivering good educational services so the reputation of the teaching faculty is also a major factor in student satisfaction. According to Martirosyan, Saxon & Wanjohi (2014), students with lower satisfaction in the services offered by the institute have low in performance of academics. This indicates how significant student satisfaction is for achieving greater academic performance. The technological progress is another factor for student satisfaction which needs to be studied. The study of Militaru, Deselnicu, and Pollifroni (2015), research indicates that institutes must be abreast with the technological advances that can improve the manner in delivering their services. The researchers have focused on various factors such as teaching faculty, digital technology and academic performance with relationship to student satisfaction which goes on to show the significance of student satisfaction.

From the various literatures it is found that students satisfaction is found to be an important factor for universities in the tertiary education, no studies has been done from the perspective of Bhutan. Hence the absence of empirical findings had motivated our research group to look at the student satisfaction level at GCBS. The following hypotheses are constructed with the help of above literatures to achieve objectives set in the study.

Several other researchers have used the SERVQUAL model to determine the level of gratification Leonard and Berry (1988); Zhang, Han, and Guo (2007); Amazt and Idris (2011); Stoltenberg (2011); Fieger (2012); Tuan (2012); Mehdipour and Zerehkafi (2013); Anwowie, Amoako and Abrefa (2015); Weerasinghe and Dedunu (2017); Ali and Ahmed (2018).

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research group to look at the student satisfaction level at Gedu College of Business Studies. The following hypotheses are constructed with the help of above literatures to achieve objectives set in the study.

2.3. Hypotheses

H₁: The service quality dimensions and students' satisfaction have a relationship.

H₂: The level of satisfaction varies with the demographic characteristics

H₃: The service quality dimensions affect the level of students' satisfaction.

3. Research Methodology

3.1 Research design

The study adapts the SERVQUAL model of Parasuraman et., al, (1985). Most of the studies in the literature is found to be with the SERVQUAL model in order to predict the level of students' satisfaction.

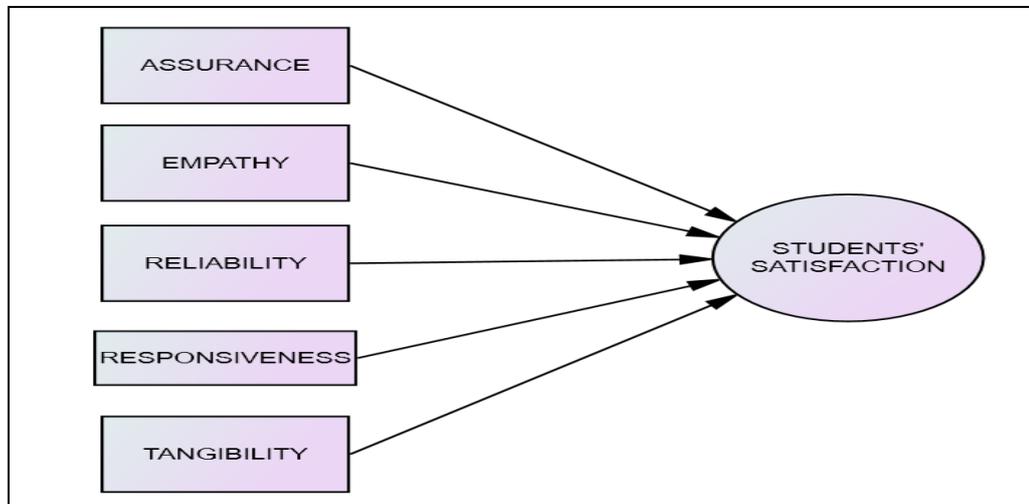


Figure1. Research Framework

Source: SERVQUAL Method (Parasuraman et., al, 1985)3.2 Sampling design

A pilot study was carried out with 33 students and the reliability measure of the same was calculated with Cronbach's alpha value 0.94. For the main study, the population was divided into separate groups with different courses and semester. Then stratified systematic random sampling was used as it was easier when the population was known. The survey was taken from 308 respondents of GCBS including which covers both undergraduate and postgraduate degree programs.

4. Data Analysis

4.1 Structural Equation Modeling

SEM is becoming popular and used in the field of education, management, and economics. The model has the capability of reflecting real situation more accurately. In SEM, the variables are divided into latent variable and measurable variables. "Latent Variables" are unobserved variables and "Measurable Variables" are observed variables. The SEM consists of the models namely "Measurement Model" and "Structural Model". A Confirmatory Factor Analysis (CFA) was performed with the variables under study.

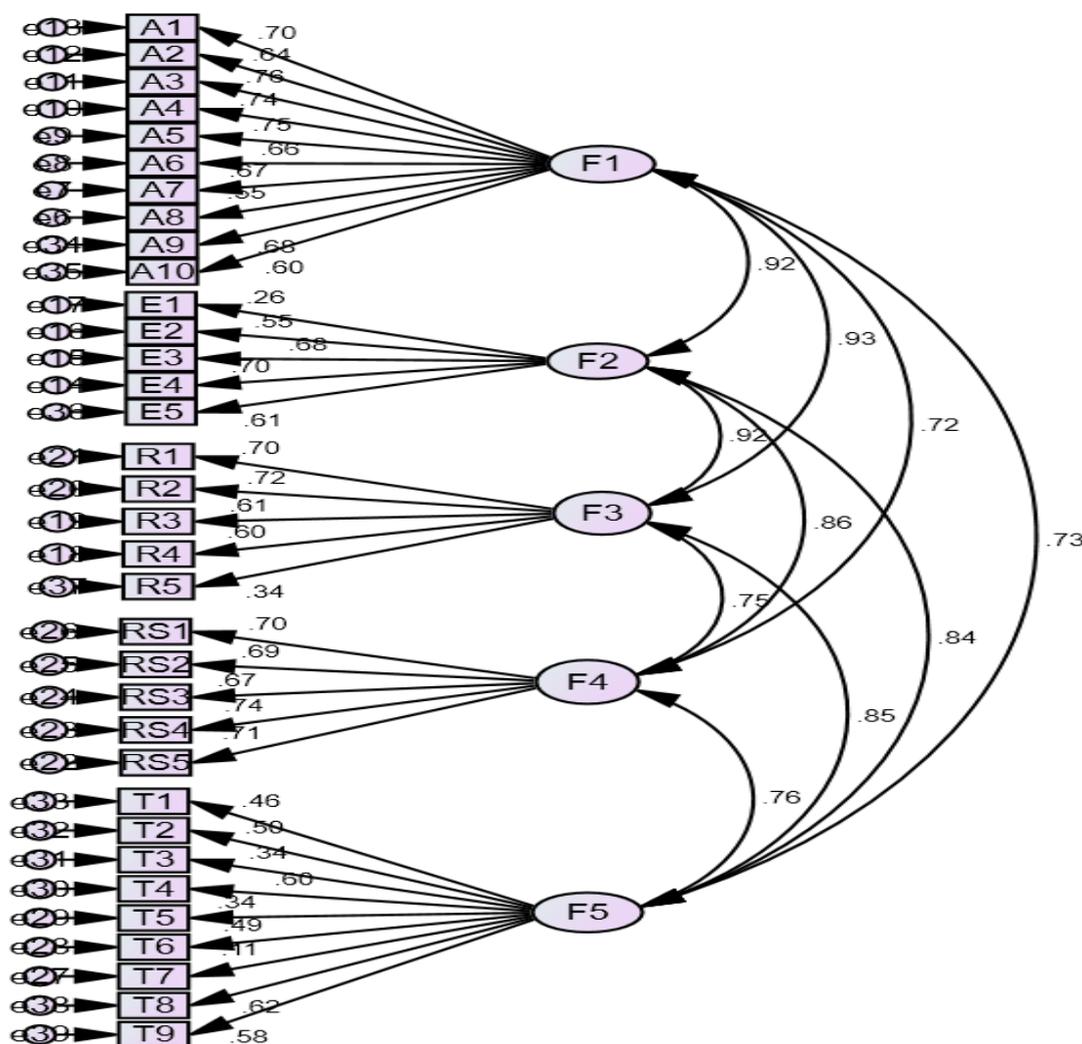


Figure 2 Confirmatory Factor Analysis using AMOS (Initial Fit)

Table 1 Goodness-of-fit Indicators for Service Quality Dimensions on Student Satisfaction

Measures	CMIN/df	GFI	CFI	RMSEA
Recommended value	<5	>0.9	>0.9	<.07
Values	2.726	0.745	0.798	0.075
Conclusion	Fit	Not Fit	Not Fit	Not Fit

As the initial fit of CFA analysis shown in Figure 2 has to be tuned to the best fit which consumes several procedures, the concept of measurement models are used for confirmatory factor analysis on all the SERVQUAL dimensions. Table 2 Goodness-of-fit of SERVQUAL dimensions and Student Satisfaction.

Variables	CMIN/df	GFI	CFI	RMSEA
Recommended Values	<5	>0.9	>0.9	<0.07
Assurance	1.843	0.975	0.986	0.052
Empathy	1.712	0.995	0.994	0.048
Reliability	2.425	0.996	0.995	0.068
Responsiveness	1.864	0.988	0.992	0.053
Tangibility	2.277	0.978	0.956	0.064
Student Satisfaction	1.780	0.989	0.995	0.050

From the Table 2, the measured variables are confirmed for the SERVQUAL dimensions. The following table shows the Cronbach's values of the factors employed in the study.

Table 3 Cronbach's values of the SERVQUAL factors

Dimensions	No. of Items	Pilot Study (N=33) [α]- Value	No. of Items (After Factor Analysis)	Main Study (N=308) [α]- Value
Assurance	10	0.934	8	0.874
Empathy	5	0.794	4	0.724
Reliability	5	0.748	4	0.748
Responsiveness	5	0.867	5	0.828
Tangibility	9	0.804	7	0.708
Overall Reliability	34	0.952	28	0.934

5. Results and Findings

5.1 Student Satisfaction Index (SSI)

The SSI is constructed with the help of SERVQUAL dimensions. The overall students' satisfaction at GCBS is found to be 66.50%.

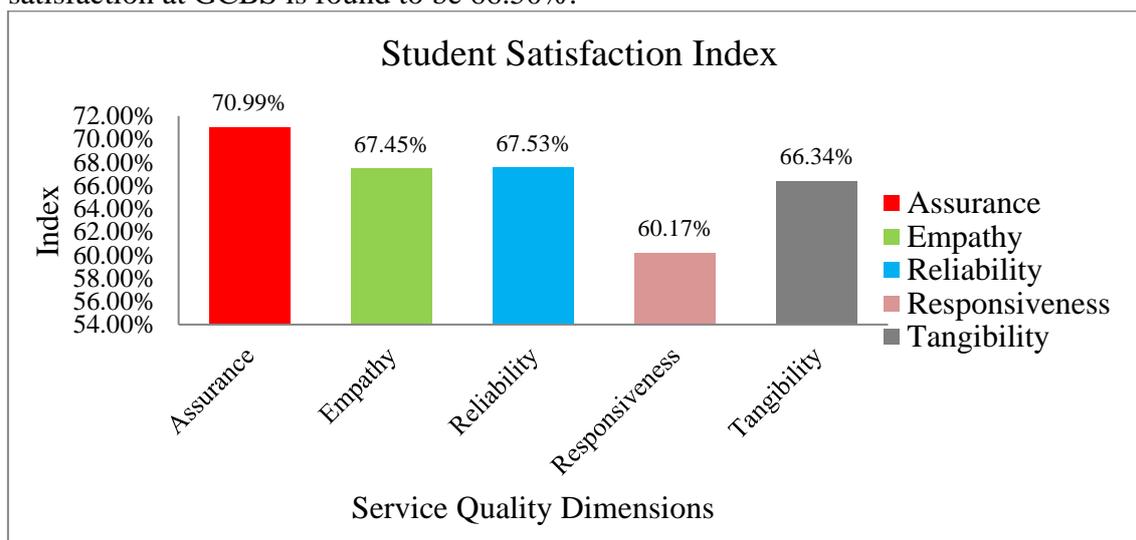


Figure 3. Satisfaction on Service Quality Dimensions

The students of GCBS are found to be more satisfied with respect to the services offered in terms of Assurance services with 71% approximately followed by Reliability, Empathy, and Tangibility services at 67.53%, 67.45%, and 66.34% respectively. The students find the least level of satisfaction with regard to Responsiveness services at 60.17%.

5.2 Results of Hypothesis Testing

The following Table 4 is used for testing the hypothesis 1.

Table 4 Correlation Coefficient of SERVQUAL dimensions

	ASS	EMP	REL	RES	TAN	SSI
ASS	1	.741**	.748**	.611**	.581**	.551**
EMP		1	.681**	.653**	.613**	.547**
REL			1	.612**	.634**	.482**
RES				1	.568**	.465**
TAN					1	.450**
SSI						1

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

From the Table 4, it is observed that the correlation coefficient for all the service dimensions with the dependent variable is significant $p < 0.001$ for a two-tailed test based on 308 complete observations. Hence there is a relationship between service quality dimensions and students' satisfaction. Hence the hypothesis H1 is accepted. The following table used for testing the hypothesis 2.

Table 5. Summary of Student Satisfaction Index based on demographic profile

Demographic Variables		N	SSI
Gender	Male	158	66.19%
	Female	150	66.82%
Funding of Students	Full Scholarship	233	66.47%
	Self-Funding	74	66.68%
Program of Study	Common Foundation	130	67.06%
	BBA	60	62.60%
	B Com	107	67.48%
	MBA	11	71.46%
Year of Study	Year – I	130	67.06%
	Year – II	96	65.77%
	Year – III	71	65.67%
	PG Year – I	6	70.44%
	PG Year – II	5	72.66%

From the Table 5, it is observed that the mean of the SSI for the male (M=66.19%, SD=12.97) and female (M=66.82%, SD=11.38) is statistically insignificant derived from the Levene's test, $F(306)=1.868, p=0.173 > 0.05$ indicate that the variances in the gender are assumed to be equal. It is observed that the mean of the SSI for the full-scholarship (M=66.47%, SD=12.40) and self-funding (M=66.68%, SD=11.68) is statistically insignificant derived from the Levene's test, $F(305)=0.165, p=0.684 > 0.05$ indicate that the variances in the source of funding are assumed to be equal. It is observed from the Table 5 that, the level of satisfaction among the different programs available at GCBS differs as $F=3.027$ and $p < 0.05$. It is also observed from the Table 5 that, the level of satisfaction do not vary between the different semesters at GCBS, as $F=0.711$ and $p > 0.05$.

5.3 The effect of Service Quality Dimensions on Student Satisfaction

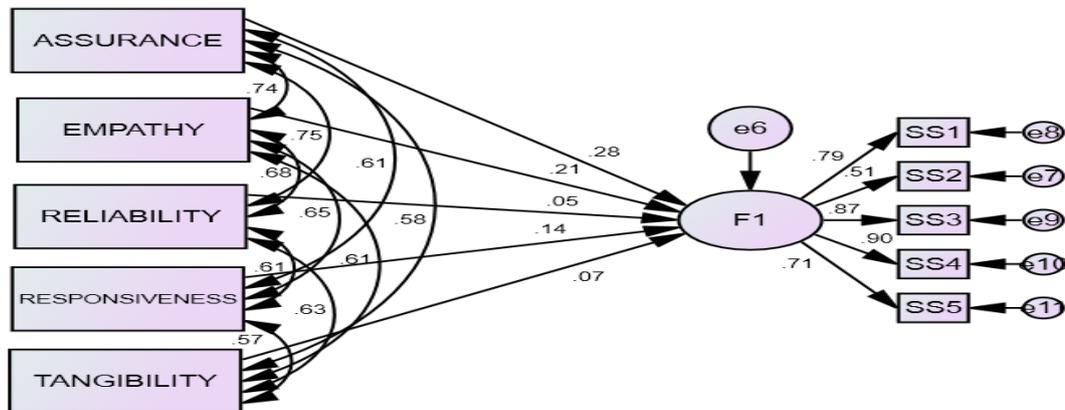


Figure 4. Structural Equation Model for Students' Satisfaction

The goodness of fit of the above SEM is shown in the Table 6.

Table 6 Goodness-of-fit Indicators for Service Quality Dimensions on Student Satisfaction

CMIN/df	Chi-Square	Df	GFI	AGFI	CFI	TLI	IFI	NFI	RMSEA
2.068	51.697	25	0.967	0.928	0.986	0.975	0.986	0.973	0.059

The table 7 represents the Path Analysis.

Table 7 Standardized Regression Weights and Beta values

Relation	Estimate	P
SATISFACTION <--- ASSURANCE	.28	***
SATISFACTION <--- EMPATHY	.21	.009
SATISFACTION <--- RELIABILITY	.05	.561
SATISFACTION <--- RESPONSIVENESS	.14	.036
SATISFACTION <--- TANGIBILITY	.07	.272
SS1 <--- SATISFACTION	.79	***
SS2 <--- SATISFACTION	.51	***
SS3 <--- SATISFACTION	.87	***
SS4 <--- SATISFACTION	.90	***
SS5 <--- SATISFACTION	.71	***

The testing of hypothesis 3 is done using table 7. As shown in Table 7 the assurance services ($\beta=.28$; $p=.001$) was significantly impacting on the student satisfaction as ($p<.01$). Therefore, we fail to accept the null hypothesis. The result of study in Table 7, ($\beta=.21$, $p=.009$), where $p<.05$, reject the null hypothesis and there is a significant direct impact on student satisfaction by empathy services (Archambault, 2008) and (Teerawut, 2011). Reliability is not significantly impacting on student satisfaction because the significant value shown at Table 7 ($\beta=.05$; $p=.561$) is greater than 5% ($.561>.05$). Therefore, accept the null hypothesis. Responsiveness has a direct impact on student satisfaction significantly as shown in Table 7 ($\beta=.14$; $p=.036$), where $p<.05$, reject the null hypothesis and there is a direct impact on student satisfaction by responsiveness significantly (Archambault, 2008) and (Teerawut, 2011). As per the result shown in Table 7 ($\beta=.07$; $p=.272$), where $p>.05$, therefore tangibility service is insignificantly impacting on student satisfaction, and fail to accept the alternate hypothesis (Archambault, 2008) and (Teerawut, 2011). From the Table 7, it is observed that Assurance, Empathy and Responsiveness services are significantly impacting the level of students' satisfaction at 5% level.

6. Conclusion

The present research attempted to study the association between SERVQUAL dimensions and student satisfaction. From the research findings, the SERVQUAL dimensions and students satisfaction has noteworthy positive affiliation with overall satisfaction index as 66.50%. Using SEM, the level of student satisfaction is being affected greatly by assurance, empathy and Responsiveness services. The future study can be dealt with inclusion of variables like curriculum and university image to study the mediating effect on the students' satisfaction level.

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Demonetization-2016: Do Reasons Commensurate with Results?

Dr. Preetam Sampatrao Gaikwad*

Abstract:

On 8 November 2016, the Government of India scraped Rs. 500 and Rs. 1,000 denomination currency notes of their legal tender status. The primary targets were to get rid of counterfeit currency, bashing up at tax evaders, flushing out black money, to strike at the root of terror financing, boosting digitalization of payments. Even if the government's intentions were commendable, the sudden disappearance of a significant part (around 86%) of currency notes from the economy had caught the public by surprise and unlocked unparalleled monetary chaos.

Demonetization-2016 (hereinafter mentioned as Demonetization) has attracted significant attention of many academic discourses on its socio-economic impact. Irrespective of Reserve Bank of India's (hereinafter mentioned as RBI) skepticism about this monetary step and previous miserably failed demonetization experiences (1946 and 1978); the Government of India chose to go along with Demonetization-2016. The present paper probes RBI's stand on the Government of India's decision of Demonetization-2016. It also studies how RBI's assessment before Demonetization corresponds with the aftermath of demonetization unlike Government of India's. Besides this, the paper analyses the objectives set by the Government of India and their results after two years of time span. Each objective further analyzed in detail according to their pre and post-demonetization status. This paper has an analytical and a conceptual base as well as has used secondary data.

Keywords: Demonetization, Reserve bank of India, Black Money, Digital Economy

Introduction

Demonetization-2016 has been one of the most radical steps in the recent history of monetary management of the country wherein currency notes of the denominations of Rs. 500 and Rs. 1000 seized to be a legal tender with immediate effect, on 8 November 2016 (Shah, Abram, & Nandani, 2018). These currencies accounted for 86% of the total value of currencies in circulation (Rowlatt, 2016). 'Money supply' is, according to Wikipedia, the total value of monetary assets available in an economy at a specific time or the entire stock of currency and other liquid instruments circulating in a country's economy as of a particular time. On 8 November, India experienced a shock to money supply of 86%; like a famous affair in the world's history, where faulty monetary policy led to bad outcomes, in the US in the early 20th century. At the time, mistakes by the US Federation led to a decline in the money supply of 30% from 1929 to 1933. This large shock triggered off 'the Great Depression'. By this benchmark, India's money supply shock, a sudden decline of 86%, is a big one (Shah A. , 2016).

In India, demonetization was implemented in 1946 and 1978. Experts have criticized that it did not achieve the objective it was aimed at (Government of India, 2012, pp. 12-13). The

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first demonetization happened in January 1946, when Rs. 1,000, Rs. 5,000, and Rs. 10,000 notes were taken out of circulation. These higher denomination banknotes were reintroduced in 1954 and were again demonetized in January 1978. The current is the third in a row. Independent India's previous experience with demonetization was when the then President of India circulated the High Denomination Bank Notes (Demonetization) Ordinance on 16 January 1978, demonetizing the Rs. 1,000, Rs. 5,000 and Rs. 10,000 currency notes with the objective of eliminating "the possible use of such notes for financing illegal transactions" (Reserve Bank of India, 1978, p. 77).

Results And Discussion

There have been arguments favouring or opposing the step taken by Government of India. The main objectives were to get rid of fake currency from the economy, bashing up at tax evaders who had accumulated their illegitimately acquired wealth in the form of high-value currency notes, flushing out black money, to strike at the root of terror financing, boosting digitalization of payments and making India a less-cash economy. A careful review of the ministry of finance's claims as "immensely beneficial to the Indian economy and people" and the above-stated targets of demonetization discloses that they are mostly wrong and deceitful.

If to be compared with previous demonetization events, High denomination notes demonetized then formed just a tiny portion (about 0.6%) of the total currency in circulation. The current situation is different; the demonetized Rs. 500 and Rs. 1,000 notes constitute over 85% of total notes in circulation by value (Rajkumar & Shetty, 2016, pp. 13-17). There is another facet of the 1978 incident that needs to be noted. A large portion, 45% of the high denomination notes in circulation were with banks and government treasuries and not with the public (RBI, Annual Report 1977-78, 1978, p. 38). This time, however, only Rs. 96,080 crore or just about 5% of the total notes in circulation were with banks and government treasuries.

The underlying shared theme for the two episodes of demonetizations in independent India, a new government had come to power riding a wave of popular anger against their predecessors who were perceived to be soft on corruption (Nag, 2016, p. 18). In India, there is a common belief that corrupt officials, politicians and businesspeople hoard their black money in the form of hard cash. This impression was outright confuted by none other than the then RBI Governor I G Patel. He pointed out, "such an exercise seldom produces striking results. The idea that black money or wealth is held in the form of notes tucked away in suitcases or pillowcases is naïve. In any case, some provision must be made to convert at par notes tendered in small amounts for which explanations cannot be reasonably sought. But, the gesture had to be made which produced much work and little gain" (RBI, History of the Reserve Bank of India (1967-81), Vol III, 2005).

First ever Indian RBI governor before that who saw the earliest ever demonetization in India in 1946, Mr. C. D. Deshmukh said, "It was really not a revolutionary measure and even its purpose as a minatory and punitive gesture towards black-marketing was not effectively served. There was no full proof administrative method by which a particular note brought by an individual could be proved as the lifesavings of the hard-working man who presented it or established as the distasteful gains of a black-market players. In the end, out of a total issue of Rs.143.97 crores, notes worth only Rs.9.07 crores were probably 'demonetized', not having been presented. It was more of 'conversion', at varying rates of profits and losses than 'demonetization'." (Anonymous, 2017)

Reserve Bank of India and Demonetization

There was little in the public domain to illustrate what the RBI thought about Demonetization-2016. Nevertheless, we did know certainly, what RBI governor's predecessors had opined about demonetization (RBI, History of the Reserve Bank of India (1967-81), Vol III, 2005) (Anonymous, 2017). However, according to (Indian Express, 2019), the minutes of a final meeting reveal how the RBI perceived demonetization this time too.

According to minutes of the meeting of Board of Directors of the RBI (Nayak, 2019), RBI directors were uncertain about the Government of India's objective of curbing Black Money through Demonetization. They indicated the fact that "Most of the black money is held in the form of real sector assets such as gold or real estate not in cash and this move would not have a material impact on the assets." Some RBI directors had countered the government's argument "While any incidence of counterfeiting is a concern, Rs 400 crore as a percentage of the total quantum of currency in circulation is not very significant."

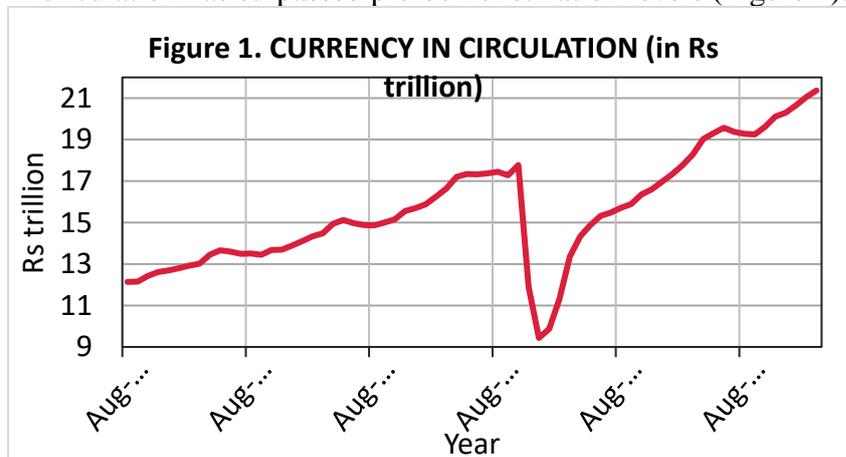
Despite all the above doubts, the boards gave its assent to the move, presumably because it felt that demonetization would boost digital payments and spur people to use non-cash modes of payment.

Black money and corruption

According to (Government of India, 2012), in India, various studies have indicated that only 6 percent or so of India's black-market wealth is kept in cash. In this connection, it is observed that demonetization may not be a solution for tackling black money or economy, which is largely held in the form of benami properties, bullion and jewellery, etc. After demonetization-2016, Rs 2,000 notes were introduced. If it was easy to store black money in the form of Rs. 500 and Rs. 1,000 notes; Rs 2,000 notes made it even easier.

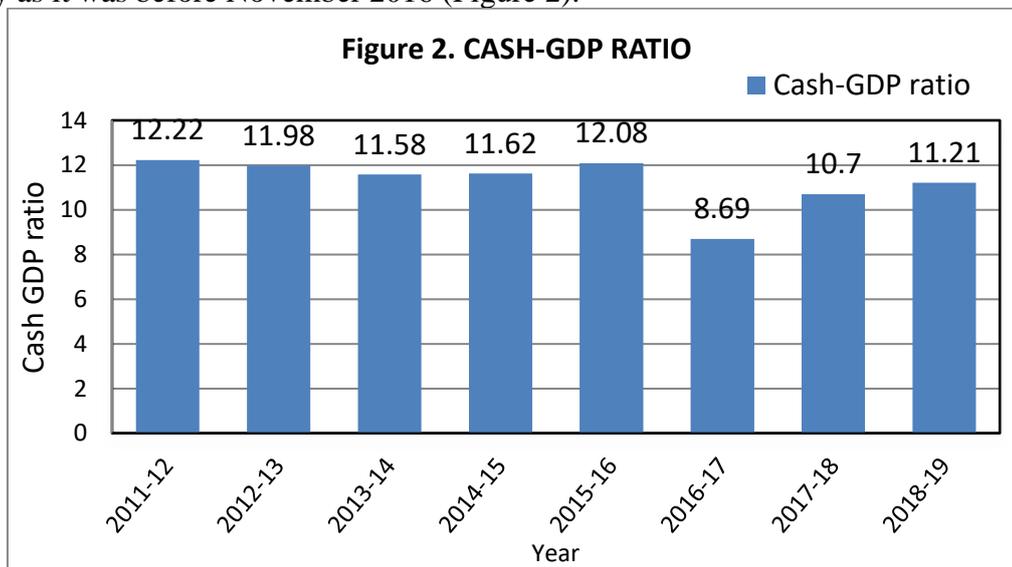
As per RBI handbook on statistics of Indian economy 2015-16, a total of Rs. 16.42 lakh crore worth of currency was in circulation as at end March 2016. Out of this, Rs. 14.18 lakh crore was in the form of Rs. 500 and Rs. 1000 denomination notes. They also observed that black money is not always held in the form of cash and that the Rs. 400 crore cited by the government as a counterfeit currency is insignificant in comparison to the Rs. 17.7 trillion in circulation. Two years later, this was proven right when official statistics showed 99% of the demonetized currency notes had returned to the banking system.

Demonetization did bring down cash usage in the economy temporarily, but total currency in circulation has surpassed pre-demonetization levels (Figure 1).



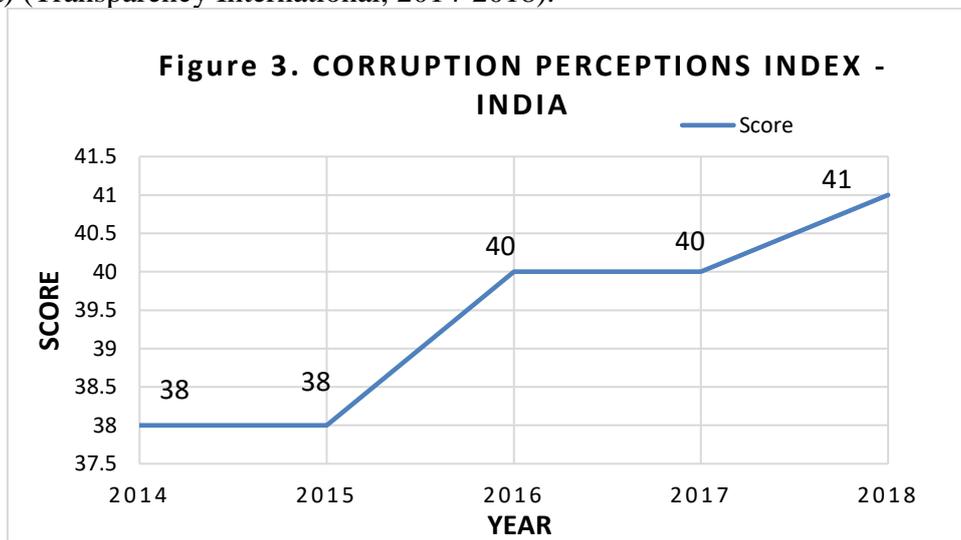
Source: Reserve bank of India

Even the cash-to-gross domestic product (GDP) ratio is inching back towards average pre-demonetization levels of 12%. As per the declaration speech by Modi and more cash equal to more corruption formula, India should seem to have gone back to being as corrupt a country as it was before November 2016 (Figure 2).



Source: Reserve bank of India

But this is clearly not the case, according to corruption perception index (figure 3), even though cash to GDP ratio is increasing after demonetization, India is becoming more and more cleaner nation in case of corruption (on a scale from 100 - very clean to 0 - highly corrupt) (Transparency International, 2014-2018).



Source: transparencyinternational.org

The country with the highest cash to GDP ratio is Japan (19.40%), happens to be one of the least corrupt. On the other hand, Nigeria with a cash to GDP ratio of 1.55% is one of the world's most corrupt. According to the same ranking, Singapore, Switzerland, Hong Kong and the whole of the Eurozone have cash to GDP ratios significantly above India's. They're also significantly less corrupt. Also, Argentina, Colombia, South Africa and Brazil

have around half or less cash to GDP ratios that of India's, but they're perceived to be as corrupt.

The truth is the cash to GDP ratio is not a test of corruption or corruptibility. What matters is the character of the people, which in turn, is determined by the incentives or disincentives to encourage or deter corruption (Thapar, 2017).

Increasing tax-base

According to the ministry of finance's estimates published in the Economic Survey (2016-17), the tax base expansion attributable to demonetization was Rs. 10,600 crore, lower than what RBI spent on interest expenses, and equivalent to only 0.1% of India's gross domestic product (GDP). RBI's domestic earnings declined as it had to pay interest of Rs. 17,426 crore after it mopped up excess liquidity in the banking system following demonetization and printing costs of new notes. During the year 2015-16, the RBI had earned interest of Rs. 506 crore in its liquidity management operations.

Terrorism and terror financing

Hardly any decline in terrorism post-demonetization shows that total fatalities in terrorism-related violence in India have hardly seen any significant decline in 2017 compared to the two previous years, with violence in Jammu and Kashmir witnessed an escalation. While there are several complex reasons for the rise and fall in terrorism related violence anywhere, there is hardly any sign of a decline in such violence in major conflict zones in India post-demonetization. It can rather be argued that demonetization has had no impact on the financing of terror unless the finance ministry is suggesting that the perpetrators of such violence are now suddenly being able to carry on their activities free of any cost.

Fake currency

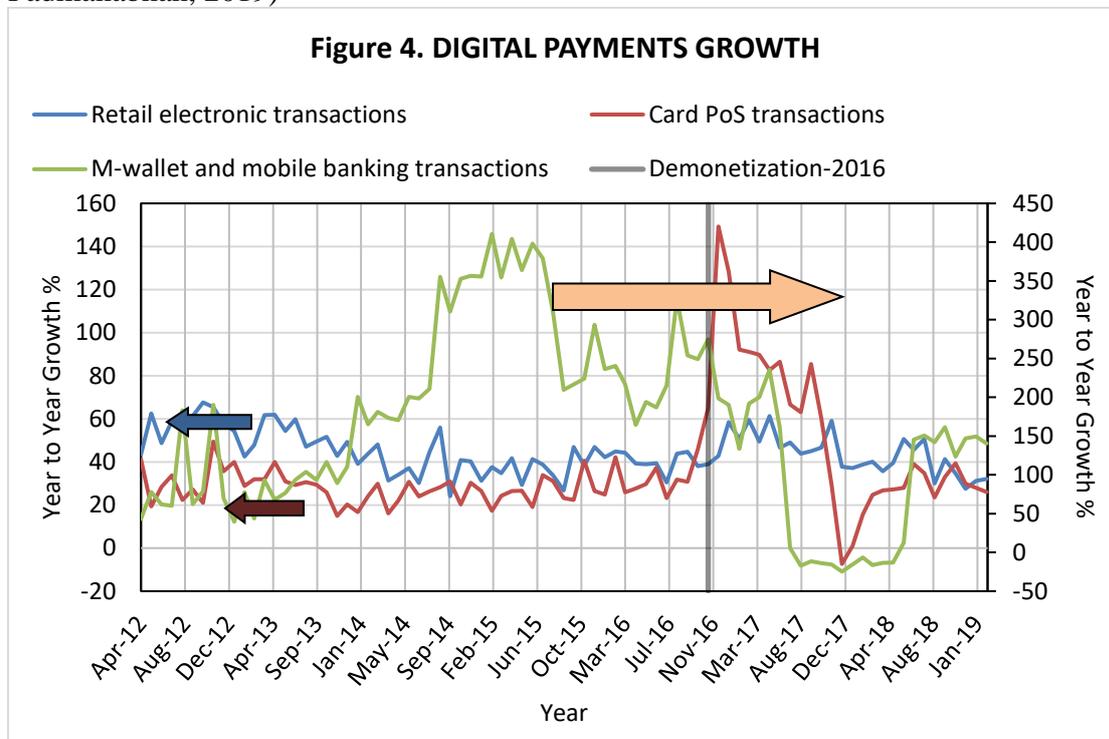
As far as fake currency is concerned, the evidence is even murkier. The affidavit filed by the government in the Supreme Court estimated Rs. 400 crore worth of fake currencies circulating in the Indian economy, based on data from a 2016 study conducted by the Indian Statistical Institute (ISI) (commissioned by the Ministry of Home Affairs or MHA). The RBI annual report states that total counterfeit currency notes of Rs. 500 and Rs. 1,000 denomination detected until March 2017 were worth only Rs. 41.5 crore, which is around one-tenth of the ISI-MHA estimate for 2014-15. This implies that only a minuscule 0.003% of the Rs. 15.28 lakh crore worth currency notes returned to the banking system post-demonetization found to be forged.

Therefore, the Fake Indian Currency Note (FICN) estimates that drove the demonetization decision were over-the-top and alarmist. There was absolutely no justification for nullifying 86% of the economy's currency in circulation in one stroke just to neutralize Rs. 41.5 crore worth of fake currency. Moreover, the RBI's annual report shows that Rs. 13.75 lakh worth of counterfeit in the newly issued Rs. 2,000 and Rs. 500 currency notes were detected by March 2017. Thus, the infrastructure of counterfeiting Indian currency notes appears to have remained untouched by demonetization.

Digital Economy

Digital payments did spike immediately after demonetization, but since then, growth has fallen to pre-demonetization levels (figure 4). This suggests the spike was just a reaction to the immediate cash shortage and did not have a lasting impact on people's transaction pattern. None of the large economies, which surpass India in digital payments, had to go through the painful experience of demonetization to boost cashless transactions. What they did experience, though, was a systematic boost to the infrastructure for digital payments. In

terms of digital infrastructure, India did see a sharp increase in point-of-sale (PoS terminals) and the number of credit cards post-demonetization. (Alexander & Padmanabhan, 2019)



Source: Reserve bank of India

Socio-economic Impact

Demonetization only increased the cost, as more currency notes had to be printed for disbursing the same amount. It also had an adverse impact on the banking system, mainly logistic issues, i.e. handling and cash transportation became difficult and caused inconvenience to the public as the disbursal or payments of wages/salaries to the workers became difficult. Besides, it adversely affected the environment, as more natural resources would have been depleted for printing more currency notes. Demonetization was undertaken twice in the past (1946 and 1978) and miserably failed, with less than 15% of high currency notes being exchanged while more than 85% of the currency notes never surfaced as the owners suspected penal action by the government agencies.

Though experts, economists and RBI reports say that demonetization 2016 failed gloomily, many voters have felt that others, wealthier than them, were also being hurt by demonetization, and hence supported the adventurist move (Bhattacharya, 2017). The results of the second round of the YouGov-Mint Millennial Survey conducted in early 2019 suggest that even today and, despite all the evidence to the contrary, many urban youths who support the ruling party consider demonetization to be a great success of the government (Kwatra & Bhattacharya, 2019).

Conclusion

A public spat between apex monetary authority (RBI) and policy-making authority (Government of India) was evident on the matter of Demonetization over the years. The official data show that ignoring RBI's skepticism has struck Indian economy with 'much

work and less gain'. Despite of RBI's warning, gamble of demonetization came out as futile adventure and failed to meet its objectives too.

Though there is a general belief that Black Money is hoarded in the form of cash and Demonetization of high denomination currency notes is believed to be one of the methods to 'kill' the existing black economy but in the country like India, inflation over the years and a large-cash economy require higher denomination currency notes to keep the cost of monetary management of the economy low.

Above analysis shows that none of the mentioned objectives have been evidently met. Some other objectives put down fighting terrorism and corruption even that has clearly not been met. Despite the buzz of misleading official propaganda, the fiscal costs of demonetization have far outdone its benefits, let alone its impact on the rest of the economy and the people.

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Role of Financial Literacy in Financial Inclusion: An Evidence from India

Dr Seema Mahajan*

Abstract

Research in finance has always focused on how finance could help an economy. In present times, research shows that financial inclusion is as important. The new possibility for research in finance is – how can financial inclusion be made workable. Financial inclusion has become the buzz word in academics and policy making. The purpose of financial inclusion is to provide financial services at affordable cost to all such sections of the society, who are mainly out of the net of the financial institutions. It requires the people to be financially literate to avail the benefit of such services. Financial illiteracy is one of the reasons for financial exclusion, among other reasons, as, low income and poverty.

Financial literacy is the process by which individuals/investors gain knowledge about financial products, financial markets and the risks and returns involved. It enables the individuals to take informed financial decisions and improve their financial position. Financial literacy is the first step towards financial inclusion.

The motivation for the study was to understand the relation between financial literacy and financial inclusion. The objective of the study is to know various initiatives taken by Government of India, RBI and other regulatory bodies, as, IRDA and SEBI for financial literacy and to understand their impact on financial inclusion. This has been done through literature survey analysis. Various secondary sources of information, as newspaper articles, journals, reports and websites have been referred to.

The study concluded that due to various initiatives by Government of India and RBI, level of financial literacy and financial inclusion has improved. But still lot is to be done for complete financial inclusion.

Introduction

Globalization has thrown tremendous opportunities of growth. This growth will be beneficial to the society only when there is inclusive growth. An all inclusive financial system is necessary for inclusive growth, as it provides a scope for secure and safe saving practices and hence improves the efficiency and welfare of a nation. However, there is a huge gap between haves and have-nots in Indian society. The reason for such disparity is financial exclusion. Financial inclusion is an important requirement for effective functioning of a modern society. Sustainable development of a country depends to a great extent on the level of financial inclusion of its population. One of the reasons contributing to financial exclusion is the geographic dimension. The inaccessibility, distance and proper infrastructure hinder financial inclusion. Dynamic financial markets, plethora of financial products and vast needs of individuals makes money management a herculean task and hence the need for financial literacy becomes imperative. Research all over the world has also stressed on the need for enhancing the financial literacy levels amongst people for financial inclusion.

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Meaning of Financial Inclusion

According to Rangarajan Committee on financial inclusion (2008) 'Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by the vulnerable group such as weaker sections and low income groups at an affordable cost'.

Meaning of Financial Literacy

Financial literacy is a combination of financial awareness, knowledge, skills, attitude and behaviors necessary to make sound financial decisions and ultimately achieve individual financial well being”

(OECD, 2015)

According to RBI, Financial literacy can broadly be defined as “providing familiarity with and understanding of financial market products, especially rewards and risks, in order to make informed choices”.

Objectives of the Study

Present study is qualitative in nature. The objective of the study is to study the level of financial literacy/inclusion in India by using literature based analysis. Secondary sources of data for the present study comprise research articles, websites, newspaper articles and reports etc.

Research Design: Research design is exploratory.

Financial Literacy and Financial Inclusion

Financial literacy is the first step towards achieving financial inclusion. In fact, financial literacy and financial inclusion are twin pillars, where financial inclusion acts as supply side for providing financial services and financial literacy acts as demand side. Whereas the purpose of financial inclusion is to provide financial services at affordable cost, it requires the people to be financially literate to avail the benefit of such services. Financial literacy provides an individual the proficiency to handle his money. Dr. Subbarao, Ex Governor RBI also referred to financial inclusion and financial literacy as the twin pillars. Whereas financial literacy stimulates the demand, financial inclusion acts from the supply side. Lower levels of financial literacy prevents individuals from making right financial decisions and use of financial services. This is because, the individuals do not demand financial services when they are not familiar or comfortable with financial products. Financial illiteracy affects people of all age groups and all socioeconomic levels.

Financial literacy implies gaining knowledge, skills and confidence to make sound financial decisions, so that such decisions can improve financial well-being of the individuals and make them feel financially secure. There has been a rapid growth in Indian economy over the last decade and financial markets have expanded exponentially resulting in overabundance of financial products. Studies provide evidences that individuals face challenges in managing their money effectively and also that more number of people are financially illiterate.

Gupta and Singh (2013) assessed the correlation between financial literacy and financial inclusion. They found large variation in the extent of correlation among different states of India. Kerala, for example, had low financial inclusion despite highest literacy rate. On the other hand, Karnataka was found to have higher financial inclusion in relation to the literacy level. The authors suggested that the Government should use information communication models, as, biometric ATMs and telecentres etc. for the purpose of financial inclusion in India.

Pandey and Raman (2013) stated that the initiatives by the government and RBI have significantly contributed in financial inclusion process in India. But still exclusion is higher among weaker sections of the society. This can be attributed to many factors including financial literacy.

Aggarwal et al. (2013) examined the financial literacy levels of working youth in urban India and observed that the large proportion of the respondents being graduate and post-graduate did not translate into adequate financial literacy. This could be attributed to absence of inputs relevant to financial literacy in the general education process. The authors suggested that it should be possible to enhance the financial literacy of youngsters relatively quickly through inclusion of relevant material on financial literacy in the general education program of schools and colleges.

HarshaJariwala (2014) in her study on individual investors in the state of Gujarat also observed that financial literacy had a significant impact on investment decisions.

PaluriRatna A (2016) in her study conducted in 2014-15 in Nashik examined the factors influencing the financial attitudes of Indian women. The results of the study identified four clusters of women on the basis of their financial attitude. These were judicious consumers, conservative consumers, acquisitive consumers and unsure consumers. It was also observed that Indian women preferred investing in fixed deposits and Insurance policies.

Using district level data, Ghosh (2019) examined the effect of financial literacy centres on financial inclusion in India. The researcher found an evidence of improvement in the use of bank accounts over time. Banks with strong capital position and asset quality were found to be more inclusive through their financial literacy centres. However, the overall impact of financial literacy on bank account ownership was found to be limited. There is a need to address the barriers that hamper the process.

Status of Financial Inclusion in the World

Financial inclusion is a global issue. Developed countries too are confronted with the issue of financial exclusion. According to United Nations Report (2006) "Financial inclusion has become worldwide concern, relevant equally in the economies of the underdeveloped, developing and developed nations bringing to the fore the need for development strategies that touch all lives, instead of a selected few" However, according to the World Bank Report 2018 financial inclusion is on the rise globally. This has been accelerated by the use of mobile phones and the internet. However, gains have been uneven across countries. The report also found that in 2018, 69 percent of adults globally had an account at a bank or mobile money provider as compared to 62 percent in 2014 and 51 percent in 2011, which is a crucial step in escaping poverty.

Status of Financial Literacy and Financial Inclusion in India

Indian economy has rapidly grown over the last decade and the financial markets have expanded tremendously. Liberalization, privatization and globalization have resulted in innumerable financial products. Various studies reveal that level of financial literacy is very low in India, which prevents individuals from making right choices regarding financial decisions. As compared to BRICS countries and European countries, where level of literacy was found to be 28 percent and 52 percent respectively in the year 2017, India's literacy level was found to be as low as 24 percent in the same year. Poor literacy levels cannot accelerate the pace of financial inclusion and also leads to ill informed financial decisions. This in turn will have the negative impact on the financial system as a whole and hamper the economic growth of Indian economy.

India is a developing country. A major chunk of Indian population resides in rural and semi-urban areas, work in unorganized sectors and earn mainly from agriculture and related activities. A large part of population in India is deprived of basic banking facilities. Financial institutions in India prefer to operate in commercial areas, where they have the infrastructure, focus on key customers and can earn profits. People in rural areas are undereducated and are not aware of financial services. Thus, they remain deprived to the access of financial services from these financial institutions. Further, the private moneylenders do not ask for many documents unlike the formal financial institutions where the paperwork and documentation is given over importance. Poor, therefore, approach private moneylenders for their emergency financial requirements. Such people suffer problems like debt trap, under insurance and low return on investments.

Over the last five decades, there have been efforts towards nationalization of banks, well-knit network of banks, promotion of priority sector lending, formation of self-help groups and provision of zero balance accounts. The process of rural penetration of commercial banking gathered some momentum during the seventies and eighties. The process of financial inclusion started first in the late sixties through the process of mass banking which provided the people living in rural areas with small amounts of deposits, the opportunity to have bank accounts in their names. At that point of time private and foreign banks were concentrated in large cities only. Government of India made efforts towards financial inclusion by improving and enhancing financial literacy among the under privileged and by improving credit delivery mechanisms to the targeted sections. This has resulted in increase in number of bank accounts and reduction in dormant accounts. India's traditionally marginalized communities have been significantly financially included. Also the gaps between rural and urban, men and women and people below and above poverty line have narrowed.

For inclusive growth of the nation, The Pradhan Mantri Jan Dhan Yojana (PMJDY) - a National Mission on Financial Inclusion was launched by Prime Minister Narendra Modi in 2014. The scheme aimed to educate people both in rural and urban, on financial literacy, by conducting financial literacy programmes about savings, credit, management of money, timely repayments of loans, building a good credit history, awareness of banking products and advantages of access to a formal financial system. The scheme stressed on the need to have one account per household. The scheme has significantly achieved financial inclusion and has brought the socially excluded within the preview of the banking system. The reports have also shown a steady increase in the number of adults registered bank accounts between 2013 and 2015 after the launch of PMJDY. The Government of India and Reserve bank of India has taken various measures such as No-frill accounts, Business correspondents, MFI, SHG, GCC etc to overcome the barriers. Though in India, there has been much progress toward inclusion over the past years, it has still not been able to achieve universal financial inclusion.

Steps taken by Govt of India for Financial Literacy and Financial Inclusion

Following steps have been taken by Govt of India:

- RBI has initiated a project titled 'Project Financial Literacy'. The objective of the project is to disseminate information regarding the banking to poor, defence personnel and senior citizens.
- Unique Identification Authority of India (UIDAI) issues Aadhaar numbers to every Indian citizen. Around 400 million bank accounts were linked to Aadhaar by April

2017 and 6 million bank accounts were opened by e-KYC. This reduced the number of people who have not opened bank accounts due to lack of legal documents. The banks accept the Aadhaar card as a legal document for opening bank account.

- Govt. of India has introduced Direct Benefit Transfer for preventing financial leakages in the form of intermediaries, fake beneficiaries, and delayed payment. In 2016-17, Rs.22,006 Cr Direct Benefit Payments were sent using Aadhaar payment Bridge System.
- Reserve Bank of India has identified five target groups, who will be provided financial literacy through Financial Literacy Centres (FLCs). These target groups are farmers, small Entrepreneurs, Self Help Groups (SHGs), school students, and senior citizens. 1384 Financial Literacy Centres were operational as in March 2016. Also the financial literacy week was celebrated from June 5 to 9, 2017.
- The Public Sector Banks in consultation with the Department of Financial Services, undertook area-based deployment of ATMs and Cash dispensers so as to take benefit of the power of aggregation. The requirements of all PSBs and RRBs was clubbed and one of the PSBs issued a common tender on behalf of all the banks for a geographical cluster.
- Unbanked villages with population less than 2000 were identified during the second phase of financial inclusion and were allotted to Public sector, private sector and regional rural banks.
- RBI's No Frills Account scheme has brought significant progress in financial inclusion scenario in India. The report on financial inclusion, 2017 showed that No-frills accounts/Basic Savings Bank Deposit Accounts (BSBDA) increased to 469 million in 2016 and 533 million in 2017 from 73 million BSBDA accounts in India in the year 2010.
- RBI has permitted intermediaries such as Business Facilitators (BFs) and Business correspondents (BCs) for providing financial services to the places where banks are not able to provide services directly.
- Banks have introduced General Credit Card (GCC) facility/Kisan Credit Card (KCC) With a view to helping the poor and the disadvantaged with access to hassle free credit.
- SEBI has constituted 'Sanchayan', an investor association for promotion of financial literacy. It is conducting programmes to promote financial education amongst school students, college students, employed executives, Self Help Groups, retired personnel and working professionals etc. The Resource Persons appointed by SEBI provide training on various aspects of finance and equip people with the knowledge of financial markets, procedures and risks involved etc.
- Insurance Regulatory and Development Authority (IRDA) has also made serious efforts to enhance the level of financial literacy in India. IRDA is organizing many programmes on awareness through TV and Radio campaigns. It is providing information to the public about the rights and duties of the policy holders.

All above steps have facilitated and promoted financial inclusion.

Challenges to Financial Inclusion in India

The challenges to financial inclusion in India are both from supply as well as demand for financial services. Some of the demand side issues are large unbanked population across vast geographies, limited access to credit, resistance of small and marginal farmers towards risk and financial illiteracy. On the other hand, financial institutions are reluctant to serve

small value and unprofitable customers with irregular income and also because of high default rate. These institutions perceive inclusion as an obligation rather than a business opportunity. High transaction cost and requirement of various documentary proofs also restricts the urban poor in full utilization of the financial services. Only opening of the accounts does not assure inclusion, it requires the people to involve in income generating economic activities with monetary transactions. One of the major criticisms against PMJDY is the existence of dormant accounts, which is highest in case of Regional Rural Banks. Another challenge to financial inclusion is too much reliance on the informal sector by the rural population for availing finance. They avail these funds at exorbitant rates and get trapped in vicious circle of poverty and debt. The major reason behind such behavior is financial illiteracy, which poses a great challenge for policy makers.

Steps to be taken to accelerate the Process of Financial Inclusion

- The success of financial inclusion greatly depends on expanding the scope of PMJDY to include all people (above certain age) rather than only one account per household.
- People should be provided with an affordable and accessible platform to avail the services.
- There is a need for Post offices to play a proactive role in areas where there are no banks and other formal financial institutions. This will facilitate inclusive growth.
- Mobile technology involving low cost can provide a good platform to deliver financial services. Government should ensure that the telecom service providers provide improved banking products at affordable prices.
- There is a need for every individual to have an adequate level of financial literacy in India, so that they can use sophisticated financial products. Involvement of educational institutions in a drive for financial inclusion will promote financial literacy.
- Besides this, regular surveys should be conducted in villages to understand and estimate the financial needs of people.
- Further, there is a need to check whether they actually use the products and also that these products meet their expectations.

Conclusion

Rapid growth of Indian economy has led to development of complex and numerous financial products. Such complex and abundant financial products lead to improper financial decisions. There is a need for the people to possess basic financial skills, awareness, knowledge and attitude. Despite many initiatives from RBI and Govt of India, financial literacy in India is very low, especially among women and youngsters, who lack financial knowledge. There is a need for policy decisions to enhance the level of literacy through new initiatives. Besides improving financial literacy, the government should also emphasize on the behavioural factors. Financial services like, Biometric ATM, Mobile Based Payment System, Smart Card, and Telecentres can be useful to achieve the goal of financial inclusion in India. More capital should be infused towards financial literacy workshops, seminars at the school, college, workplaces and the residential areas so as to boost up its effectiveness on the usage of financial products and services and thereby enhancing the financial system of the nation. Also the awareness of all seminars, programmes, schemes, workshops and projects should be made among the target group to give the maximum benefit.

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Bhutan's Commitment To Environmental Protection And It's Correlation To India

Ms. Vatsala Sharma*

Introduction

Bhutan's pristine land is home to wide biodiversity, culture, and traditions. This small Buddhist country in the Himalayan ranges has made a unique place in the global alters. This small least developed country with a total area of 38,394 km² is characterized by rugged mountainous terrain with elevations ranging from around 160 meters to more than 7000 meters above sea level. Scrunched between two giants India and China, Bhutan promises to keep a minimum of 60% of its total land area under forest cover by law. Although Bhutan has made a relatively insignificant contribution towards global GHG emissions, it is one of the most vulnerable countries to climate change. (Munawar Sana, 2016). Bhutan has committed to be carbon neutral and is, in fact, a carbon negative country at present i.e., its net sequestration far exceeds its carbon emissions in this century where the world is struggling to protect the Mother Earth. A country that runs on the concept of Gross National Happiness, Bhutan believes that development is a lot wider concept than mere GDP increase, thus Bhutan takes pride in the environmental services it provides to the world and supports 1.5⁰ C limit to global temperature.

Bhutan is a member of the South Asia Cooperative Environmental Programme that promotes environmental cooperation and hosted the 16th SAARC summit with a thematic focus on climate change and 'Climate Summit for Living Himalayas' in Thimphu, Nov 2011, a sub-regional initiative which emphasized regional cooperative actions on climate change.

the report 'Initial Estimate of Value of Ecosystem Services' puts a monetary value on ecological goods and suggests that the country's eco-system in worth Nu 700bn with almost half of the ecosystem services benefitting people outside Bhutan (Bisht Medha, 2013).

Bhutan's commitment to providing environmental service is so profound that it's developmental policies and planning process is centered around "Green Growth". Quoting Pema Gyamtsho, the Minister-In-Charge of the National Environment Commission, "the carbon neutral commitment is not only aligned with the green growth principle of our Economic Development Policy but also with the global goal of preventing dangerous anthropogenic interference with the climate system" shows the commitment of Bhutan to saving environment and making sustainability the overarching theme of development/prioritising climate change saving (Second National Communication, 2011).

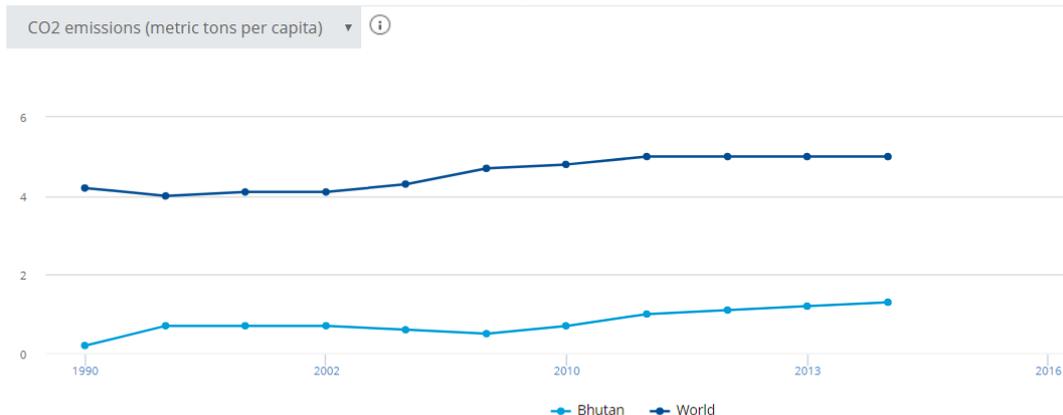
The National Environment Commission (NEC) is the highest decision making and coordinating body in Bhutan, on all the matters relating to the protection, conservation, and improvement of the natural environment. It is also the national focal agency for climate change in Bhutan and the UN Framework Convention on Climate Change. It is also the Designated National Authority under the Kyoto Protocol for the Clean Development Mechanism.

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Carbon Neutrality Commitment

Bhutan committed carbon neutrality in 2009 during the Copenhagen Climate Change Conference and issued the declaration entitled “Declaration of the Kingdom of Bhutan-The Land of Gross National Happiness to Save our Planet”. Bhutan brought the “Low Carbon Strategy and Action Plan for Low Carbon Document” in 2012. This document was prepared to enable Bhutan to fulfill its commitment of carbon neutrality.

- By aiming to limit emissions rather than increasing sequestration, The Low Carbon Strategy Document gives both short term and long term strategies.
- The document aims at identifying and studying the areas of increasing emission in future and forming policies (both short term and long term) of curbing carbon emissions in the respective identified field.
- It assumes constant sequestration (6.3 million tonnes CO₂) as given in the second communication and makes predictions for emissions.
- This document makes projections for 2010, 2020, 2030 up to 2040 with the baseline 2005 as there is a maximum data available in 2005.
- The data for baseline is taken from National Environment Commission (NEC) and National Statistics Bureau, Bhutan Energy Directory 2005.



Source: World Bank Database

TABLE 1:CO₂ emissions in 2005 and 2040 predictions in various sectors in ktCO₂e/Year and % change

Sector	2005	2040	% increase
Energy Intensive Industry	62.363	158.878	155%
Industrial Process	0.280	1.900	578%
Other Industries	70.214	207.517	195%
Aviation	2.905	7.684	164%
Road Transport	143.634	347.947	142%
Tertiary Sector	18.402	59.911	225%
Residential Sector	27.536	98.176	256%
Agriculture and Forestry	1.604	11.303	604%
Municipal Solid Waste	300	470	57%

Source: Bhutan’s National Strategy and Action Plan for Low Carbon Development, 2012

Table 2: Percentage change in Energy related, Non-energy related emissions and total emissions

Emissions in ktCO ₂ e/Year	Energy-related emissions	% change in energy-related emissions	Non-energy related emissions	% change in non-energy related emissions	Total emissions	% change in total emissions
2005	357		1,454		1,811	
2010	468	31	1,764	21	2,232	23
2020	905	93	3,492	97	4,398	97
2030	906	.1	3,678	5	4,585	4
2040	885	-2	3,837	4	4,723	3

Source- Table 1, National Strategy and Action Plan for Low Carbon Development, 2012

NOTE: The emissions are categorized as energy-related i.e., emissions caused by fossil fuels (residential, commercial, industrial energy consumption, transport) and non-energy related emissions (industrial process, agriculture, land use, and forestry and municipal waste) i.e., non-fossil fuel emissions.

- The baseline projections (under BAU) show that emissions will be 4.7 million t CO₂e in 2040 which is more than double the 2010 level but still below the expected sequestration.
- Energy-related emissions (transport) will increase by 90% while non-energy related (industrial process and livestock) will increase by 110% with most emissions coming from industrial process.
- 2020 is the year with the highest emission post which emissions are decreasing in both the sectors and also total emissions. 2020 is the plateau.
- Major emitting sectors will be industrial process, agriculture and road transportation.
- Urban municipal solid waste is an important new field of emissions.
- Other industries a sub-group of Energy-related emissions will show an ever-increasing emission.

TABLE 3: Percentage change in Energy-related and Non-Energy Related Emissions under BAU

(in ktCO ₂ e/Year)	2005	% of total emissions	2010	% of total emissions	2020	% of total emissions	2030	% of total emissions	2040	% of total emissions
Energy related emissions	357	19%	468	20%	905	20%	906	19%	885	18%
Non-energy related emissions	1,454	80%	1,764	79%	3,492	79%	3,678	80%	3,837	81%
Total emissions	1,811		2,232		4,398		4,585		4,723	

Source: National Strategy and Action Plan for Low Carbon Development, 2012

- It is predicted that the non-energy related emissions will be dominant in the over all emission profile of Bhutan, being almost constant at 79-81%. The energy-related emission will have an almost constant share of 18-20% starting from 2005 to 2040.

Table 4: Percentage change in Final Energy Consumption and CO₂ Emission in Alternate Scenarios

Model	% reduction in FEC	% reduction in CO ₂ emission
Energy Efficiency	7%	9%
Renewable Energy	16%	41%
Energy Efficiency & Renewable Energy	21%	49%

- The highest benefits are achieved in the Energy Efficiency and Renewable Energy Scenario.

Low Carbon Strategy, Mitigation, Adaptation, NDC's, Policies

As a land-locked least developed country located in a fragile mountainous environment, Bhutan remains highly vulnerable to climate change and will disproportionately bear the consequences of climate change. The fact that the people of Bhutan are highly dependent on agriculture for their livelihood further threatens Bhutan to climate change. Thus the NDC's of Bhutan include both mitigation and adaptation components.

Bhutan's mitigation efforts rest on conserving forests as carbon sinks, managing growing emissions as a result of economic development, plan mitigation to support a low emission pathway.

The table below which lists Bhutan's adaptation and mitigation efforts has been compiled from various documents namely, Second National Communication to UNFCCC (2011), Bhutan's National Strategy and Action Plan for Low Carbon Development (2012), Nationally Determined Contributions, Kingdom of Bhutan (2015), Bhutan Transport 2040. Based on the above study, areas have been identified of increasing emissions and areas which have a potential of carbon emission reduction. The policies aim to provide additional benefits like increased economic benefit, increased self-reliance, employment, improved health, etc.

Selected Intervention Area	Mitigation/ Adaptation Measure
Energy Intensive Industries (High abatement cost)	<ol style="list-style-type: none"> 1. Energy Efficiency in appliances, buildings, industrial process and technologies 2. Limiting the number of licensing to exploit the natural resources 3. Using best available technology to efficiently reduce the use of coke and coal as reducing agents, in short, use of better technologies which emit less of carbon 4. Enhance and strengthen environmental compliance monitoring system
Crop Production	<ol style="list-style-type: none"> 1. Regulation of flood through multiple aerations of areas previously under single aeration <p>NOTE- the cultivation of paddy includes the use of excess quantities of water thus choking the land with water is known as flood irrigation. Employing multiple aerations instead of single</p>

	<p>aeration will reduce methane emission.</p> <ol style="list-style-type: none"> 2. Organic farming 3. Development and promotion of sustainable agriculture practices 4. Developing and introducing climate resilient crop varieties 5. Enhancement of national capacity to develop and implement emergency response to agricultural pests and disease outbreak/ epidemics 6. Establishment of cold storage facilities at sub-regions and increasing investment in irrigation system and management 7. Crop insurance program
Livestock Raising	<ol style="list-style-type: none"> 1. Phasing out of fodder-cooking and fuel switch to biogas 2. Reduce livestock population by improving yak and cattle breed for enteric fermentation 3. Manure management 4. Organic livestock farming and eco-friendly farm design 5. Expansion of biogas production with stall feeding 6. Providing urea-molasses multi-nutrient block supplement and urea-treatment of straw prior to feeding it to local dairy cattle NOTE- urea-molasses reduces the time for enteric fermentation in livestock thus reducing methane emission 7. Livestock insurance against climate-induced extremes
Municipal Solid Waste	<ol style="list-style-type: none"> 1. Reducing the volume of solid waste by application of zero-waste concept 2. Recycling 3. Composting and capture of emissions for energy 4. Improving current system and infrastructure for waste management
Road Transport (The 2040 Transport strategy)	<ol style="list-style-type: none"> 1. Decrease the number of vehicles as a result of increasing price and increasing fuel price 2. Parking fee in urban areas 3. Regulation of taxis 4. Upgrading pedestrian and cycling 5. Increasing share of electrical vehicle 6. Improved traffic engineering and management 7. Improve public transport 8. Providing quality transport service to all 9. Improving efficiency in freight transport 10. Climate proofing transport infrastructure
Residential Sector	<ol style="list-style-type: none"> 1. Bhutan's Carbon neutrality document has the most ambitious targets for the residential sector. It plans to reduce fuel wood share and promote fuel efficiency by switching to efficient means of cooking like LPG stoves. The Government will also encourage solar water heating and solar space heating. 2. Promotion of solar vehicles

	<ol style="list-style-type: none"> 3. Promotion of solar water heating systems and solar space heating 4. Targeting building energy efficiency 5. Promotion of climate-smart cities
Forestry	<ol style="list-style-type: none"> 1. Sustainable forest management, conservation of biodiversity, forest fire management and rehabilitation of degraded and barren forest lands
Renewable Energy	<ol style="list-style-type: none"> 1. Pursue sustainable and clean hydropower development with support from various market mechanisms like CDM and to reduce emissions within Bhutan and the region by exporting surplus electricity 2. Diversify energy supply mix through promotion of renewable energy (solar, wind, small hydro, biomass) 3. Ensuring energy security during lean dry season through water storage
Water Security through Integrated Water Resource Management (IWRM)	<ol style="list-style-type: none"> 1. Water resource monitoring, assessment, and mapping 2. Adoption and diffusion of appropriate technologies for water harvesting and efficient use 3. Climate proofing water distributing system
Climate change induces hazards	<ol style="list-style-type: none"> 1. Improved monitoring and detection of hydromet extremes using remote-sensing and satellite-based technologies 2. Develop monitoring, assessment and warning system for flash flood and landslides 3. Early warning system of GLOFs 4. Enhancing preparedness and response to climate change induced disasters at national and local level.
Data on sequestration capacity	<ol style="list-style-type: none"> 1. National Forest Inventory
Data on carbon footprint	<ul style="list-style-type: none"> • Devise mapping system and conduct pilot study of system • Establish sample data collection routines

Findings and Suggestions

1. Bhutan aims to achieve a right balance between economic development and carbon neutrality simultaneously by achieving self-sufficiency but ensuring open exchange with the world in terms of goods and services along with climate benefits.
2. The theory of comparative advantage of international economics states that a country (small country) must not try to produce everything rather it should produce what it can produce with perfection and import the other necessities. The idea is to be least worst off for small countries. Bhutan is abundant in hydropower and carbon sequestration. It is profitably harnessing and exporting hydropower which is being appreciated and used in India. Carbon sequestration, on the other hand, could be assumed like a good or product in Bhutan's case, which it is exploiting and exporting to the world because Bhutan is abundant in it. It could be one component in the GDP or revenues of the Government.
3. Because of its small size, Bhutan is putting all its resources to the development of those fields where it has a comparative advantage. Thus the development of a Green growth strategy is a part of well thought out economic policy.

4. Bhutan, with its hydropower resource abundance, has a natural advantage of clean energy source. And the fact that is worth appreciating is that it is skilfully harnessing this resource. Due to the higher share of hydropower based electricity in the energy mix, Bhutan currently has low carbon intensity of 0.15 kg CO₂e/USD of GDP purchasing power parity compared to an average of 0.46 kg CO₂e/USD among other developing countries. (National Strategy and Action Plan for Low Carbon Development, National Environment Commission, 2012)
5. This hydropower potential is also benefiting India. In 2009 Bhutan produced 6,925 GWh of electricity of which 78% was exported to India. The carbon emission from every marginal unit of production of electricity in India is 1.0 tCO₂e/MWh. Thus exporting electricity to India resulted in about 5.4 million tCO₂e avoided emission had this electricity been generated in India. One cannot ignore India's dependence on thermal power which is expected not to decrease in the near future. As assumed that the sequestration of 6.3 million tCO₂e, the total emissions avoided come to 11.7 million tCO₂e.
6. It is important to read Bhutan's perspective and concerns towards climate change for India as it will provide ideas for further strengthening India-Bhutan cooperation (Bisht Medha, 2013).
7. Centering its national development on environment sustainability, Bhutan has emerged as a successful player in climate diplomacy. It is for Bhutan to further its commitment to environmental conservation by forming FDI policies that promote clean technology transfer.
8. The Indian Himalayan states like Bhutan are rich in natural wealth. Places like Badrinath, Kedarnath, Nainital, North-Eastern states are seats of rich biodiversity and natural beauty. It is for the Indian Government to cooperate with the Bhutanese Government and develop certain regions in India on the lines of carbon-neutral state of Bhutan by curbing industries and construction and also by implementing strict forest laws and Forest Management.

Conclusion

Bhutan, a tiny least developed country with a comparative advantage in environment sustainability has hit a different level in climate diplomacy. Morally committed to saving the environment, it is for other countries, big, small and especially Bhutan's closest associate India, to idealize this nation and develop regions in their capacity on lines of Bhutan. Also centering national development on environment sustainability can help governments fully integrate environmental conservation with domestic and foreign policy. Green Growth is the way forward.

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Demonetisation

N.SUDHA*

Abstract:

Demonetisation is the disposing of old currency and replace it with a new currency. Demonetisation is taking place to avoid black money, to avoid smuggling business, to avoid gambling business and to avoid corruption. It is helping to increase the business of banking. It increases the profits of business industries since all the customers are able to pay the required amount of money through online transactions.

Keywords: Demonetisation, Currency, Black money, Corruption

I Introduction

1. Definition of Demonetisation

Demonetisation is the act of stripping a currency unit of its status as legal tender. It occurs whenever there is a change in a national currency. The current form or forms of money is pulled from circulation and retired, often to be replaced with new notes or coins. Sometimes, a country completely replaces the old currency with new currency.

The opposite of demonetization is remonetization, in which a form of payment is restored as legal tender

2. Purpose of Demonetisation in India

- To handle the threat of black money
- To avoid corruption in India
- To oppose the threat of counterfeit currency
- To make India a cashless economy.

3. Advantages of Demonetisation

- The threat of black Money can be controlled.
- Property market rates will be lowered.
- Fiscal deficit of the government may be reduced.
- Banking business will increase
- Lending rates will be lowered in Banks
- Fraudulent currencies which have Impact on Economy will be taken out
- Increased credit flow in banks
- Inflation will be under control.
- Usage of black money for illegal activities and terror financing can be avoided.
- Revenue collection for the government will be raised.
- Cashless economy will be formed by the Government.
- Funding of elections by fraudulent ways will be avoided.
- Gold prices have been reduced.
- Prices of two wheeler sales in rural areas have been reduced.

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4. Disadvantages of Demonetisation

- This measure can control only the usage of black money. It cannot control the causes of Black Money.
- New currencies were demanded all of a sudden.
- Small shops, ration shops suffered a lot.
- Banks and hospitals were under a lot of stress.
- The rise of new currencies/notes is being black marketed.
- Liquidity in the market have been reduced.
- Agricultural labourers were affected a lot.
- Cash on delivery businesses like flipkart, amazon were affected a lot.
- Lot of man hours have been wasted for many people standing in ATM queue and banks for long time.
- Many ATM machines were out of cash.

5. History of Demonetisation

(a) Pre Independent

Soon after world war II, while the government was giving attention to ways and means to avert the expected slump, thought was also given to check black market operations and tax evasion, which were known to have occurred on a considerable scale.

Following action in several foreign countries, including France, Belgium and the UK, the government of India decided to demonetise high-denomination notes of Rs 1000, Rs 5000 and Rs 10000 which took place on 12th Jan 1946 (Saturday) which was preceded by another ordinance called the bank ordinance (Declaration of holdings). People stood at bank for long time in a big queue for exchanging their denominations. As these denominations accounted for only 3 % of India's population, normal life were not affected that much. These moves were called death blow to black marketers. There were no ATM'S to dispense money and also no debit and credit cards to make cashless transactions. There was no computerised banking. So the process of exchanging denominations would be very slow. There were no banking transactions. There were no social media like whatsapp, facebook and twitter etc. People may come to know important events through news paper only. They had not heard the news at the earliest stage. Denominations were being sold at 60%-70% of their price. There was also no television those days to know the news as quick as possible. For violators it was told that there would be fine and imprisonment upto 3 years. Gold prices went up from Rs 73 to Rs 96. The demand for diamonds were increased. Silver prices have remained the same. There was massive fall in the stock markets. Those denominations were used only for real estate purposes.

(b) Independent India

• Second Demonetisation

Denominations of Rs 1000, Rs 5000 and Rs 10000 were reintroduced again in 1954. But it was demonetised again in 1978.

The High Denomination Bank Notes (Demonetisation) Act, 1978, of India is a law passed in the Indian Parliament, ceasing the usage of high-denomination bank notes of ₹ 1000, ₹ 5000, and ₹ 10000. On 16 January 1978, the then President of India Neelam Sanjiva Reddy introduced the High Denomination Bank Notes (Demonetisation), Ordinance 1978. The then Prime Minister India, Morarji Desai of Bharathi Janata Party, Finance

Minister Hirubhai M. Patel and Reserve Bank of India Governor I. G. Patel, are considered the key architects in the development and execution of the policy.

Preamble to the Demonetisation act 1978

The Preamble to the Demonetisation Act 1978 highlights the need for demonetisation of high denominations, in the public interest. The usage of high-denomination bank notes was considered detrimental to Economy of India, due to illegal financial transactions facilitated by high-denomination bank notes.

Opposition

The Constitutional validity of 1978 Act of Demonetisation was challenged in the Supreme Court of India, on the claimed grounds that it violated the then Fundamental Rights of India of property. The Constitutional bench of the Supreme Court of India rejected the petitioners' plea, and upheld the Constitutional validity of Demonetisation Act, 1978.

Passage in the Parliament

The Act was passed by consideration in both Houses of Parliament and supreme court, and was implemented by an issue of an ordinance on 16 January 1978, which was later made an Act, from 30 March 1978.

The Second Demonetisation upon the rule of Moraji Desai was not able to succeed that much..Rich people were the persons who had denominations of these amounts. So banks were not able to earn so much profits.

• Third Demonetisation

The Third Demonetisation took place upon the rule of Narendra Modi on 8th November at 20:00. He declared the use of all Rs 500 and Rs 1000 denominations of Mahatma Gandhi series would be invalid past midnight. and announced the issuance of new ₹500 and ₹2000 banknotes of the Mahatma Gandhi new series in exchange for the old banknotes. The BSE SENSEX and NIFTY 50 stock indices fell over 6 percent on the very next day. The country faced severe cash shortages with severe detrimental effects across the economy. People stood for a long time in a very big queue in banks to exchange their currencies. Many people were dead standing in queue for a long time.

• Procedure

The plan to demonetise the ₹500 and ₹1000 bank notes began six to ten months prior, and was kept highly confidential with only about ten people aware of it completely. The logistical processes and preparations for printing the new ₹500 and ₹2000 bank notes began in early-May. The cabinet was informed about the demonetisation on 8 November 2016 in a meeting called by the Prime Minister of India Narendra Modi which was followed by Modi's public announcement about the demonetisation in a televised address

• 30 Days Demonetisation-

- **10 Nov:** Long queues to exchange and deposit annulled notes witnessed at banks across India which opened for public while ATMs continued to remain shut.
- **11 Nov:** ATMs open for the first time after demonetisation announcement. But, after opening, most ATMs went dry in a few hours with people drawing the maximum possible amount; long queues beginning to see across the country.
- RBI assures public that enough currency is available with banks for exchange Govt extends exemptions for using old Rs 500 and Rs 1,000 notes till 14 November midnight Toll waiver on national highways extended till 14 November midnight by the govt.

- **12 Nov:** PM Modi hints at more steps to unearth black money. week-end rush adds to woes; anger, impatience at banks; ATMs ran dry on cash.
- **13 Nov:** Queues gets longer at banks, ATMs Sunday sees no let up in rush; long queues continue outside banks, ATMs For the second time in a week, RBI assures public that there is no need to be anxious and enough cash is available with banks. But that assurance isn't reflecting on the ground
- Exchanged limit increased from Rs 4,000 to Rs 4,500
- ATM withdrawal limit increased from Rs 2,000 to Rs 2,500
- To augment cash supplies, newly printed hard-to-fake Rs 500 notes were released in market
- The weekly limit of Rs 20,000 for withdrawal from bank counters has been increased to Rs 24,000. The maximum limit of Rs 10,000 per day on such withdrawals has been removed.
- **14 Nov:** Government extended acceptance of Rs 500 and Rs 1,000 notes for public utility and fuel payment till 24 November
- Banks were closed on account of Guru Nanak Jayanti; queues gets longer at ATMs Cash withdrawal for current account holders increased to Rs 50,000 per week
- Note ban has led to 'financial chaos', said bank unions
- Charges on ATM transactions waived till 30 Dec
- Cash crunch continued; Parliament House ATMs too ran dry.
- **15 Nov:** No respite from long queues at banks, ATMs
- Government asks banks to put indelible ink on the right hand finger of those exchanging banned 500 and 1,000 rupee notes
- SC refused to stay Centre's move to demonetise currency notes.
- **16 Nov:** Chaos continue at banks; most ATMs ran out of cash SBI collected Rs 1,14,139-crore in deposits in last 7 days.
- **17 Nov:** Government lowers the exchange limit for now-defunct 500 and 1,000 rupee notes to Rs 2,000 from the existing cap of Rs 4,500
- Cash withdrawal of Rs 2.5 lakh from bank account were allowed for wedding ceremonies
- Government eases cash withdrawal limit for farmers by allowing them to withdraw up to Rs 50,000 cash per week from bank.
- Don't hoard currency, sufficient notes in supply, RBI tells public
- Govt extended toll exemption on National Highways till November 24 midnight.
- Select petrol pumps allowed to dispense cash up to Rs 2,000 through debit card swipe.
- Some banks cut fixed deposit rates up to 1 percent.
- **18 Nov:** No respite from queues, chaos; ATMs still fight cash shortage.
- Demonetisation to lower GDP growth by 0.3-0.5 percent, CARE Ratings says.
- Congress party alleges 55 died due to demonetisation, seeks PM's apology
- Proceedings in Parliament were washed out for the second consecutive day.
- **19 Nov:** Queues got shorter at banks; long wait at ATMs continued.
- **20 Nov:** With banks closed on Sunday, longer queues at ATMs
- **21 Nov:** Farmers allowed to use old Rs 500 notes for buying seeds

- Bank received Rs 5.12 lakh crore of deposits and exchanged Rs 33,006 crore, RBI said in a release
- Demonetisation effect: GDP to fall by up to 80 bps, said DBS Bank.
- **22 Nov:** 82,500 ATMs out of 2.2 lakh ATMs recalibrated to dispense new notes
- Some relief for cash-starved public, queues shortened as about 40 percent of total ATMs have started dispensing new Rs 500 and Rs 2,000 notes.
- RBI doubles Prepaid Payment Instruments limit to Rs 20,000.
- **23 Nov:** Goldman forecasts deceleration in GDP growth to 6.8 percent in FY17 Rs 1.20 lakh crore deposited in SBI.
- **24 Nov:** Government extends toll exemption on NHs till 2 Dec mid-night
- Notes ban to significantly disrupt economic activity, Moody's said in a release
- Government withdraws exchange facility of old currency notes and extends deadline for exemptions of using old Rs 500 notes up to 15 December midnight
- Queues get shorter at bank branches but continues at ATMs.
- **25 Nov:** RBI says the facility to exchange old Rs 500 and Rs 1,000 notes will continue to be available at its counters
- India growth to slow to 6.5 percent on notes ban, Deutsche Bank said
- Demonetisation to slow down personal computers, phone sales in Q4, according to research firm IDC
- Notes ban to have negative impact on growth in short run, Fitch says
- Queues at banks thin, but some branches still faces cash pain.
- **26 Nov:** Deposits in Jan Dhan accounts soars sharply by around Rs 27,200 crore to Rs 72,834.72 crore in just 14 days after the announcement of ban on old Rs 500 and Rs 1,000
- currency notes.
- **27 Nov:** Rs 32,631 cr deposited in post offices since demonetization
- **28 Nov:** Banks get about Rs 8.45 lakh crore worth of scrapped notes, RBI says
- After 3 weeks, queues at banks, ATMs shrinks but cash crunch remained.
- **29 Nov:** Queues outside ATMs eases, but customers throng banks
- RBI relaxes withdrawal norms, nudges retailers to deposit cash.
- **30 Nov:** RBI limits withdrawal from Jan Dhan accounts to Rs 10,000 a month
- Queues at ATMs, banks grow shorter but wait for cash continues.
- **1 Dec:** Government says that old Rs 500 notes are valid till 2 Dec for fuel, air ticket purchase instead of 15 December announced earlier.
- Demonetisation takes a toll on manufacturing sector growth in November, according to PMI survey.
- BofA cuts FY17 growth forecast to 6.9 percent amid demonetisation
- Pay day rush: Banks resort to rationing of cash in order to handle the huge pay day rush at branches
- 1.80 lakh ATMs re-calibrated to dispense Rs 500, 2,000 notes
Cash shortage may slow down GDP to 6.5 percent in Oct-Dec quarter, Nomura says.
- **2 Dec:** India Ratings lowers GDP forecast to 6.8 percent post demonetization.
- **3 Dec:** Queues for cash on, toll collection resumes.

- **6 Dec:** Tax dept seizes Rs 130 crore cash, jewellery and Rs 2,000 crore of undisclosed wealth has been admitted by taxpayers post demonetisation
- **7 Dec:** RBI defends note ban and plays down its impact on economy. Demonetisation was not done in haste, says RBI Governor during the monetary policy presser Note ban impact on GDP growth only 15 bps, says RBI Rs 11.55 lakh crore or 76 percent of junked notes have come back into the system, RBI said
- Only an authoritarian government can cause such misery to the people.(AmartyaSen)
- Telling the public suddenly,that the promissory note you have ,do not promise anything with certainty is a unfair means to the government.(AmartyaSen)
- People who avoid demonetisation are the seasoned dealers in black money.(AmartyaSen)
- Monumental mismanagement.(Manmohan Singh)
- National income would fall by 2 percent(Manmohan Singh)
- The scheme implemented would affect agriculture,small traders and informal sectors of the economy.(Manmohan Singh)
- People who convert cash of more than Rs 2,50,000 have to explain why they hold so much cash.(KaushikBasu)
- Large amounts of illicit cash were broken down into smaller blocks,and deposited by teams of illegal couriers.(KaushikBasu)
- Demonetisation will not be able to weed out black money,because the owners of black money have intelligently converted all the money into tangible and intangible assets.(KaushikBasu)
- There is no strike in black money,Those who hold black money or those who hold black assets were not converted into cash.(ArunShourie)
- Rich fellows would have an even larger proportionate of black money.Farmers were affected a lot.(ArunShourie)

7.Support of Demonetisation by Economists

- Money that operates in shadow economy will become a part of banking sector itself.(ArunJaitley)
- Banks will have lot of money to lend for agriculture,infrastructuresector,socialsector,trade and industry.(ArunJaitley)
- All Sectors of the economy is getting reduced.(Bibek Deb Roy)
- The loss of jobs are because of demonetisation alone and not because of other things.(Bibek Deb Roy)
- Several arguments have been raised by economists about the variations of sizes of different denomination notes.

Printing of Notes is getting delayed because of difference in sizes,and therefore taking longer time to circulate within the country.(Bibek Deb Roy)

- For them currency notes will be distinguished in terms of size.

Therefore currency notes have to be accepted in different sizes.(Bibek Deb Roy)

- Different sizes for visually disabled doesn't hold water.RBI have introduced two features in the notes,which will make easier for them to distinguish between denominations.(Bibek Deb Roy)
- RBI have introduced new notes which can be read in braille.(Bibek Deb Roy)

- Currency notes with braille like symbols will be printed by the government, to assist visually challenged people. (Bibek Deb Roy)
- Notes also will have angular bleed lines, which have elevated markings that appear on the upper right and upper left frame of the notes (Bibek Deb Roy).
- Different Sizes of denominations doesn't matter, as number of bleed lines are unique to each denomination and therefore it really doesn't matter. (Bibek Deb Roy)
- This is useful method of disposing off black money, which implies cash holding of two denominations with larger percentage. (Arvind Viramani)
- After demonetisation of larger amount of currency, the immediate effect will be collapse of retail trade in goods and services. (Arvind Viramani)
- Modi must be given a considerable amount of credit, for taking a bold step for the country genuinely in the name of nation. (Surjit Bhalla)
- This move is bigger than the GST. (Surjit Bhalla)
- Since the policy is very effective in its attack on past black money, it is silent on the creation of money. (Surjit Bhalla)
- If this move is successful, this will be the biggest reform in India, bigger than the GST and bigger than the industrial policy of 1991. (Surjit Bhalla)

8. Support of Demonetisation by Industrialists

- Positive step (Manoj Gaur, Executive chairman of jaypee group)
- Powerful measure to curb black money (Nirmal Jain, Chairman IIFL)
- Deflationary impact in general (Nirmal Jain, Chairman, IIFL)
- Modi has kept his promise of taking measures against black money. (Nirmal Jain, Chairman, IIFL)
- This move will rise all formal channels of payment (Chanda Kochhar, Managing Director, ICICI Bank)
- Help formal economy to grow (Chanda Kochhar, Managing Director, ICICI Bank)
- Innovative move (Gagan Banga, Managing Director, Indian Bull Housing Finance)
- Good for housing finance companies (Gagan Banga, Managing Director, Indian Bull Housing Finance)
- It will become a cashless economy (Gagan Banga, Managing Director, Indian Bull Housing Finance)
- Great move by Mr Modi to curb money laundering and counterfeiting (Saurabh Agarwal, Chief Executive Officer & Co-Founder, Zeb Pay)
- Beginning of digital currency era will be marked by this move. (Saurabh Agarwal, Chief Executive Officer & Co-Founder, Zeb Pay)
- Huge potential growth in bit coins (Saurabh Agarwal, Chief Executive Officer & Co-Founder, Zeb Pay)
- Brilliant move on to the threat of black money (Amitabh Kant, Chief Executive Officer, NITIAayog)
- Cashless and paperless economy beginning in India. (Amitabh Kant, Chief Executive Officer, NITIAayog)

9. Opposition of Demonetisation by Industrialists

- Prime minister idea is a very wrong idea (Rajiv Bajaj, Chief Executive officer of Bajaj Auto)

- Demand for scooters and motorbikes have gone down because of this idea(Rajiv Bajaj,Chief Executive officer of Bajaj Auto)
- Growth in two wheeler sales turned negative(Rajiv Bajaj,Chief Executive officer of Bajaj Auto)

10.Support of Demonetisation by Entrepreneurs

- Potentiality of online market size will be increased(DeveshRai,Chief Executive officer and founder , Wydr)
- Payments happening through cash on delivery mode will face challenges in the initial few days ,in the long run this move will bring about positive Changes(Manoj Gupta,Chief Executive Officer and Co Founder,Craftsvilla)
- Step towards strengthening of formal economy(AshwaniRathore,Chief Executive Officer &Co-Founder,Spider G)
- Boost innovation in the process of electronic payment (AshwaniRathore,Chief Executive Officer &Co-Founder,Spider G)
- Highly transparent and accountable(AdhilShetty,Co-Founder and Chief Executive Officer,Bank Bazaar.com)
- Makes life easy for the government and the common man.AdhilShetty,Co-Founder and Chief Executive Officer,Bank Bazaar.com)
- Positive move for banks(ShubhamPatil,Chief Executive Officer,Business windo.com)
- Bold move by the government to scrap the existing Rs 500 and Rs 1000 notes(ShubhamPatil,Chief Executive Officer,Business windo.com)
- Reduce the use of black money(ShubhamPatil,Chief Executive Officer,Business windo.com)
- Right time to go cashless(ShubhamPatil,Chief Executive Officer,Business windo.com)

11.Opposition of Demonetisation by Entrepreneurs

- Due to absence of cash,services were affected a lot.(Deepak Sahni,Chief Executive Officer &Founder ,Healthians.com)
- This impact would be higher for home health care service providers.(Deepak Sahni,Chief Executive Officer &Founder ,Healthians.com)

12.Impact of Demonetisation of Economy in a larger scale

Most of the transactions have been dealt with cash before demonetisation.Smalltraders,agriculturists were paid only in cash.Due to this sudden ban of denominations of Rs 500 and Rs1000,there was so much disturbances to production and consumption of commodity.Demonetisation is the very largest shock in the world history.Many ATM'S were out of cash those days.Longer time was taken to print newer denominations of Rs 500 and Rs 1000.Rich persons will use Debit Cards,CreditCards,InternetBanking,NEFT/RTGS to make use of their transactions.Poor persons lack the usage of electronic transactions.In rural areas people suffered a lot with their business and exchanging their Denominations.Cooperative banks was non functional that time.

• Benefits and Costs

Benefit will be in the form of losses which caused due to black money,while costs are imposed on legal economic and social activities.On hearing the news about demonetisation it was a sudden shock for ordinary people and it has been a heavy burden for them,to stand

at queue in the banks to exchange their currencies. While it was not a burden for people who have unaccounted wealth.

The impact of this move will be felt across sectors with differing intensities and across varied time zones

- **Effect on Parallel Economy**

Black Money must be removed as they won't be in a position to deposit these amounts in the banks.

- **Effect on GDP**

Decline in money supply and increase in bank deposits will impact consumption demand in the economy in the short term. Real estate sectors and Informal Sectors will lower GDP growth.

- **Lower Money Supply will have a Deflationary Growth**

As Denominations of Rs 500 and Rs1000 were demonetised, money supply is expected to be reduced in the short run till the circulation of new Denominations of Rs 500 and Rs1000. This reduction in money supply will result in deflation. Black money will not enter this system. If new notes get circulated, money supply will pick up speed.

- **Effect on Banks**

Due to this demonetisation large number of amounts will be deposited in both current and savings accounts. This will increase the liquidity position of banks which will be used for lending purposes at a later stage. When households have held these funds for emergency purposes, they are supposed to withdraw the funds at a later stage.

13. Disastrous Impact on Modi's Demonetisation

- **Jobs**

Due to banned notes of Rs500 and Rs1000 economic growth will be dropped down between 2 to 7 percent. 4 lakhs people have lost their jobs during the first three weeks of Demonetisation. Agriculture, micro and small manufacturing, Retail and Wholesale Trade and various sector units like shops, warehouses etc have resulted in stoppage of work from a larger scale.

- **Wage loss**

After Demonetisation, farmers, labours and even formal sector workers lost wages for two to three weeks. In some villages wages fell to Rs 50 per day. Regular earners have to waste their lot of man hours in their work and spend time to stand at the queue in the banks, to get their cash. As actual payment of daily wages for workers have decreased after demonetisation, they have to accept small items like a kilo of rice for a day's work after demonetisation.

- **Rabi Crop**

In Northern states, due to economic loss at a larger scale, there has been delay in rabi sowing especially of wheat. On November 11, wheat sowing went down by 41 percent. On December 16 normal level have been reached. After two weeks of Demonetisation, some concessions were given to farmers to withdraw cash after completion of sowing process. They face the problem of providing water, fertilisers and other inputs.

- **Nutrition**

Anganwadi workers suffered a lot in arranging foods for school children and Pregnant Ladies. Their funds were inaccessible to banks. Nutrition for children across the country

was very lower in November compared to October. Half of the pregnant ladies had lower amount of nutrition, and are anaemic.

One third of the infants were badly nourished. This lowering of nutrition will cause irreversible damage to them.

- **Other Suffering**

Normal activities like schools, colleges, marriages, other family occasions, trips were getting postponed. Treatments were getting postponed for sick patients. Nepalis were affected a lot since they cannot open accounts in India.

14. Impact of Demonetisation of Start up Community

- **E-Commerce Start ups**

After Demonetisation when customer purchase online, they prefer to pay only by Debit Cards, Credit Cards, Internet Banking, Mobile Wallets, SBI wallet, Airtel money, Paytym

-Customers are avoiding the option Cash on Delivery. This will affect the sales a lot.

- **Cab Start ups**

Cabs like ola, uber use wallet system. People in metropolitan cities (Chennai, Bangalore, Mumbai, Hyderabad) use only smartphones and they make payment to cabs by wallet system only. Demonetisation will not bring any change in it.

- **Food Delivery Start ups**

These start ups allow customers to make payment by Debit cards, Credit Cards, Internet Banking, PayTym, Mobile Wallet, Airtel Wallet, NEFT/RTGS. So there will be no problem in start ups of food delivery business.

- **Accounting and Financial Consultancy Start ups**

They like to accept money other than physical cash. So there won't be any problem in the start up of the business.

15. Conclusion

So Demonetisation is good in all the ways, it avoids corruption in India. It avoids smuggling business. It avoids gambling business. It increases the business of banking. Online payment transactions will be increased a lot. People will be able to buy more gold as the prices of gold would be decreased. People will be able to buy and sell securities in the open market, as prices of stocks and shares will be reduced. Tax rates will be decreased.

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Production and Marketing of Turmeric in Erode District, Tamil Nadu, India

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Abstract

Agriculture plays a very important role in the economic development of a country, like India. Agriculture is the largest and most important sector of the Indian economy. Turmeric is one of the important spices in India. Turmeric an important crop, widely grown throughout the tropical regions of the world. India is the largest producer and supplier of turmeric in the world. In India turmeric is grown in fourteen states, one among is Erode district in Tamil Nadu. The present paper mainly attempts to study the production and marketing of produced by Turmeric in Erode District. This study is based on primary data. The primary data were obtained from 120 turmeric growers and intermediaries of turmeric market through interview schedule. The convenient sampling technique were adopted for collecting data from respondents. Percentage analysis were used to complete the analysis of collected data. Hypothesis were framed and tested with statistical tool. The objectives of the paper are: 1) to know the production pattern of turmeric 2) to identify the factors affecting the turmeric produce 3) to evaluate the role of intermediaries in marketing of turmeric 4) to give suitable suggestions based on the outcome of the findings.

Keywords – Turmeric, Production Pattern, Marketing practice.

Introduction

According to Richards L.Kohals, “Agricultural marketing is the performance of all business activities involved in the flow of goods and services from the point of initial agricultural production until they are in the hands of ultimate consumers.”¹ The study of agricultural marketing includes the study of all agencies involved in the movement of agricultural produce from the producers to the final consumers.

Turmeric is one of the major commercial crop grown in India. Turmeric is one of the important spices in India. It is also an ancient one to have existed and used even during Vedic and Biblical times. Turmeric an important crop, widely grown throughout the tropical regions of the world. India is the largest producer and supplier of turmeric in the world.

“Turmeric plants fleshy roots are the sources of a substance called as turmeric, which is mainly used for dyeing. These roots are hard and tough. On the outside they are brownish or yellowish green. When they are broken, they show a resinous interior which varies from orange – brown to deep reddish brown. The roots are ready for the market after being cleaned, boiled for some hours and then dried in sunlight.”²

India is known as the home of spices. Out of spices listed in the international standards, almost all are grown in India. Among these, Turmeric are considered most important and are cultivated in India on a commercial scale, utilized for consumption as well as for export. Though spices do not have food value in the sense, they are not consumed as whole some food, they are important additives which increase the flavour and taste of the basic

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food material. Their medicinal and curative value also enhances its utility as an additive. Apart from its value as a consumption material its contribution to the economic well being of the grower is of considerable importance. Their potentiality to improve the income of the grower is significant. They are also important contributors to the improvement of the national economy by way of provision of employment, Foreign exchange earnings etc.

Though turmeric is grown in many states of India, the principal turmeric producing states are Andhra Pradesh, Tamil Nadu, Orissa, Maharashtra, and Bihar. Looking into the production position of individual states Andhra Pradesh has all along been the state with the largest area under turmeric cultivation which stands first place in turmeric cultivation. Tamil Nadu is the second state with the largest area under turmeric cultivation. Turmeric is cultivated chiefly in the Erode, Coimbatore and Salem to a little extent in Dharmapuri, Karur, Thanjavur, North and South Arcot districts. Erode district has been maintaining the first position with the largest area and production of turmeric in Tamil Nadu.

Review of Literature

The review of literature brings insight into the subject matter taken up for the research. The literature review related to production and marketing of turmeric is given below:

Thamaraikannan M., (2002) studied the problems and prospects of turmeric growers have identified unhealthy environment, a common market yard has to be established by the government, which would promote turmeric trade in the state. From the Government point of view, this provision would facilitate to mobilizing regular income in terms of service charges, rent for buildings and also make it easy to monitor the trading activities. In order to promote turmeric export, the spices board which has been located at Cochin, Kerala state should open an export promotion office in Erode market center. This arrangement would facilitate creating awareness among the traders regarding various export formalities and also make them gain the confidence to involve in export trade. The basic motive behind this arrangement is if the 3export of turmeric increases the demand in the local market would also increase correspondingly, which would offer better price for the turmeric. To conclude, in order to solve many marketing problems of the turmeric growers and also to protect them from the clutches of commission agents, the government based service organization viz., regulated markets and co-operative marketing societies should improve their present marketing services and infrastructure facilities to a greater extent.

Deepa .K.M (2010)her study explores Indian turmeric cultivation and production trend has increased gradually over the past decades and also area of cultivation shows an increasing trend. India accounts for about 80 per cent of world turmeric production with about 150,000 hectares under cultivation. Andhra Pradesh occupies almost 47 per cent of area coverage and 63 per cent share in production. Domestic consumption accounts for 93-94 per cent of the total production. The study finds that it is difficult to believe that in Erode, Tamil Nadu, a 100kg bag of turmeric now costs more than 8 gm of gold. Erode, the world's largest producer and the most important trading centre of turmeric in Asia, has seen its turmeric trading prices shoot up 30 per cent in value.

Rathur et.al., (2012)in their study entitled turmeric is the golden spice of life and explores turmeric has been used in traditional medicine as a household remedy for various diseases, including biliary disorders, anorexia, cough, diabetic wounds, hepatic disorders, rheumatism and sinusitis. In addition to its essential oils shows a wide spectrum of biological actions. These include its anti-inflammatory, antioxidant, anti-carcinogenic, anti-mutagenic, anti-diabetic, antibacterial, antifungal, antiprotozoal, antiviral, anti-fibrotic,

anti-venom, antiulcer, hypotensive and hypocholesteremic activities. Safety evaluation studies indicate that both turmeric and curcumin are well tolerated at a very high dose without any toxic effects. It concludes that turmeric and its constituents have the potential for the development of modern medicine for the treatment of various diseases.

Sadhasivam (2012) his study pointed out turmeric farming is one such trade that is vulnerable to many kinds of risks. His study focuses on the risk factors prevailing in the turmeric trade. The study was conducted in Erode district and all the farmers cultivating turmeric formed the population which was large and widely distributed. However, considering limitation of time and other resources, it was decided to select a sample of 240 farmers. Erode is the economic zone for turmeric and is taken up to study the farmers' response to the supply of Turmeric in Erode. Instability of turmeric prices has always been a major concern of the producers, processors, traders, as well as the consumers. Erode farmers' direct exposure to price fluctuations; for instance, makes it too risky for many farmers to invest in otherwise profitable activities. The study concludes that the price risk refers to the probability of adverse movements in prices of the turmeric produce.

Statement of the problem

Erode district being first in the production of turmeric in Tamil Nadu. The study mainly focuses on the marketing practices of turmeric. Marketing of turmeric is more complicated. The ultimate objective of agricultural production cannot be achieved unless goods produced by innumerable small farmers are sold efficiently to their advantage. Concentration process is more important and therefore the channel of distribution is longer and involves use of middlemen in selling the produce. The growers face many problems while selling their produce through the middlemen.

The Government intervenes in the marketing of turmeric by starting Co-operative Societies and Regulated market in order to help the growers to sell their produce in a better way. Price plays an major role. The production of turmeric varies according to the price fluctuations. So it was felt to make a study on marketing of turmeric in Erode district.

Objectives of the study

The objectives of the paper are:

- 1) to know the production pattern of turmeric
- 2) to identify the factors affecting the turmeric produce
- 3) to evaluate the role of intermediaries in marketing of turmeric
- 4) to give suitable suggestions based on the outcome of the findings.

Research Design

Descriptive research design has been used in the study. Descriptive analysis attempts to explain systematically a trend, and provides data concerning the production and marketing of turmeric in Erode district. Primary sources of data collected through interview schedule & secondary source from magazines, journals and website. The data has been collected from various turmeric growers, Commission agents, Co-operative societies and Regulated markets of the district. Under Non Random Method, the Convenience Sampling technique is used to collect the data.

Production Pattern of Turmeric

Production depends upon many factors like productivity of land, use of techniques of production, adopting recognised practices of cultivation etc. The farmers have to adopt a proper technique in the appropriate land with conducive climate conditions only they may

be able to reap a good harvest. The production pattern of turmeric involves many stages. The different stages in Production of turmeric are given below :

1. Preparing the Land

Ploughing is taken up immediately after the harvest of the previous crop. The land is manure before the final ploughing. Bulky organic manures are considered to be particularly suitable for turmeric cultivation.

2. Preparing seed material

The turmeric seed material consists of rhizomes obtained from the previous crop are used as seed. Healthy and properly developed rhizomes are selected and used as seed for getting good yield.

3. Sowing the seed

Sowing of turmeric seed is usually done in May-June in the district depending upon the receipt of water in the supply channels feeding the wet lands. The seed rhizomes are buried in the beds with proper spacing.

4. Irrigation

After sowing the seeds it requires periodical irrigation.

5. Application of Fertilizers to turmeric plant

Fertilizers are to be applied twice for the turmeric plants before harvesting. One immediately after germination and the other normally after six weeks of germination.

6. Finding the maturity of rhizomes

The useful and the saleable part of plant is the underground stem which is called rhizomes from which the roots develop. The maturity of the rhizomes in underground is indicated by the dry and withering of leaves. The leaves are cut off during the end of January or beginning of February and after some time normally two to three days the rhizomes are dug out. Immediately after this before curing is taken up the rhizomes are classified into two components, the "Mother -setts" which becomes Bulbs and the branches which develop from the mother setts called "Finger setts". The bulbs are bulky oval shaped and well grown as a result of which they consist of air sacs and hardened materials. The fingers are comparatively sleek and longer and are the commercially preferred part.

The harvested rhizomes are not immediately saleable. They will have to undergo certain process to obtain a longer life and utility, because these raw rhizomes cannot be stored for a longer time and also their utility in this form is very limited.

7. Curing process

The curing process is not very complicated one and only involves boiling and drying. Since the physical qualities of the turmeric like appearance, weight, colour etc depends on efficient curing, proper care is taken to see that the physical qualities are not lost. More over better physical qualities fetches a slightly higher price than otherwise. The curing process are given below:

i) Cleaning the rhizomes

The rhizomes dug out are cleaned of mud, rootsetc and the bulbs and fingers which are in cluster are separated by making use of labour.

ii) Boiling the rhizomes

The finger and bulb rhizomes are boiled separately in boiling pans. Specially prepared pans which have more depth are also used by the farmers. Each pan can hold 1000 to 1200 kg of raw material. Sodium bi carbonate or sodium carbonate, cow dung diluted in water are used in boiling. The entire pan is covered with gunny bags in order to prevent loss of heat

and is then set on a slow ,continuous and direct fire. The pan is heated in shift open furnaces usually dug out in the ground or pans propped up in some stones.

The whole mass is boiled till the rhizomes becomes soft and dried in the sun spreading them in the floor. Normally it takes 10-12 days for drying in the bright sun. The well dried turmeric gives a crisp feeling and is also brittle and the extent of drying will have to be checked because if they are not well dried it might reduce the longevity of the turmeric.

8. Polishing the turmeric

At this stage the outer surface of the turmeric will be rough with protrusions, left over roots etc. Hence they are polished to get a smooth surface and finish. The polishing is done by special machine designed for polishing the turmeric.

9. Packing of turmeric

After polishing is completed the turmeric are packed in gunny bags.

10. Marketing

The turmeric packed in the gunny bags are sent for marketing

Marketing practices of turmeric

Agriculture produce marketing includes all the business activities involved in moving the produce from widely scattered producers to the ultimate consumers. In the process the turmeric produce undergoes a change in time ,place, form and ownership, which adds to their value. The chain of intermediaries through which the turmeric produce pass between producers and consumers constituted their marketing channels. Three classes of intermediaries dominate the turmeric market in Erode district. They are as follows:

1. Commission Agents
2. Co-operative Marketing Society
3. Regulated Market

Table – 1: Turmeric growers preference towards intermediaries in marketing of turmeric

S.No	Intermediaries in Market	No.of Respondents	Percentage
1.	Commission Agents	53	44
2.	Regulated market	39	33
3.	Co-operative societies	28	23
	Total	120	100

Source : Primary Data

It is clear from the above table that 44 percent of respondents prefer commission agents for selling their turmeric produce,33percent of respondents prefer regulated market and 23 percent prefer cooperative societies. Most of the respondents market their turmeric produce through Commission agents.

1. Commission Agents

In order to assist the sellers, over a period of time a number of people have established themselves in the business who perform the functions for a commission. Moreover as these people do not purchase turmeric for sale at a later date, but only help the sellers and buyers for striking a deal, they are not doing trading business but act as agents. Hence they have come to be known as Commission agents. These commission agents help the sellers to sell their produce by charging a commission.

Table – 2: The reasons for preference of commission agents by respondents

S.No	Reasons	Rank
1.	Advance given by commission agents during cultivation	I
2.	Storage facilities available	II
3.	Credit facilities with interest during storage are available	III
4.	Supply of gunny bags	IV
5.	Getting good price for the turmeric	V

Source : Primary Data

The above table shows that the major reasons for preferring commission agents by the respondents is that advance were given to the farmers by the commission agents adequately at all needy times without any procedural formalities , Storage facilities were also provided to the farmers by commission agents at reasonable rate of rent for years together till they get good price, Credit facilities even during storage of turmeric has also attracted the farmers towards commission agents.

2. Co-operative Marketing Society

Co-operative marketing is co-operative association designed to perform one or more functions, relating to the turmeric produce of its members. It is a form of business organization. Its principle is Co-operation. It sells the turmeric produce of its members who are farmers. It gives to the producers the full share of money given by the consumers. Co-operative does the functions of buying and selling of turmeric produce. The selling function of these Co-operative marketing are marketing of produce, supply of agricultural inputs, providing storage facility, providing financial assistance, protect its members from malpractices, participate in interstate and export trade of the country which fetches better price for turmeric growers.

Table – 3: The respondents reasons for preference of Co-operative Societies

S.No	Reasons	Rank
1.	Fixed rate of commission	I
2.	Loan on security of produce	II
3.	Proper storage facility	III
4.	Providing price information	IV
5.	Immediate cash payment	V

Source : Primary Data

From the above table it is inferred that the major reasons for preference of Co-operative societies by the respondents are fixed rate of commission and loan on security of produce which meets the urgent need of cash for the farmers. It has to be noted that proper storage facility is being provided by the Co-operative societies to the farmers and also proper price information is being given by the co-operative societies to the farmer. Immediate cash payment after sale of produce is also one of the reason which attracts the farmers towards the co-operative societies.

3.Regulated Market

Regulated market is a whole sale market where dealing of buying and selling are regulated or controlled by the State Government through a Marketing Committee. This committee consists of representative of growers, traders, local bodies, marketing co-operative and the Government. The Agricultural produce Marketing Act governs the establishment and working of regulated markets in the prescribed area. The committee is responsible to ensure fair marketing practices.

Table -4: The respondents reasons for preference of Regulated Market

S.No	Reasons	Rank
1.	High net price	I
2.	Immediate cash disbursement	II
3.	Better weighing & other marketing practice	III
4.	Providing storage facilities	IV
5.	Arrange for direct dealing with buyers	V

Source : Primary Data

The above table shows clearly that the major two reasons which attracted the farmers are higher net price because no commission is charged here while comparing sale through other two intermediaries i.e, co-operative societies and commission agents. Immediate cash disbursement in regulated market was the other major factor which attracted the farmers towards this facilitated organisation. The third reason attracting towards regulated market was better weighing and other market practices, because of this farmers were able to get a higher net price. The fourth and fifth reason are providing storage facilities and arrange for direct dealing with buyers.

Factors affecting the turmeric produce

Table -5: The Factors affecting the turmeric produce in Erode district

S.No	Reasons	Rank
1.	No proper supply of water in supply channels from river Cauvery	I
2.	High cost of cultivation	II
3.	Fluctuations in turmeric price	III
4.	Labour shortage	IV
5.	Financial problem	V

Source : Primary Data

The main factor affecting the turmeric produce is no proper supply of water in supply channels of river Cauvery, High cost of cultivation due to raise in the wages of labourers and price raise in fertilizers and pesticides, Fluctuations in turmeric price , Agricultural labour shortage, Financial problem are the factors affecting the turmeric produce.

Hypothesis Testing

The data was further subjected to Analysis of Chi square test for validation of hypothesis. A Null hypothesis is framed and tested in the study.

H0 = There is no significant relationship between size of farming and period of turmeric cultivation.

Table – 6: Results of Chi Square Test

Test used	Degree of Freedom	Level of Significance	Calculated value	Table value	Result
Chi-Square	6	5 percent	0.896	12.6	Accepted

Above table reveals that calculated value is less than the tabulated value. Therefore we accept the null hypothesis. Hence it can be concluded that there is no significant relationship between size of farming and period of turmeric cultivation.

Summary of Results

It is obvious that most of the respondents market their turmeric produce through Commission agents.

It is clear that the major reasons for preferring commission agents by the respondents is that advance were given to the farmers by the commission agents adequately at all needy times without any procedural formalities ,

It is inferred that the major reasons for preference of Co-operative societies by the respondents are fixed rate of commission and loan on security of produce which meets the urgent need of cash for the farmers.

It is observed that the major two reasons which attracted the farmers are higher net price because no commission is charged here while comparing sale through other two intermediaries i.e, co-operative societies and commission agents. Immediate cash disbursement in regulated market was the other major factor which attracted the farmers towards this facilitated organisation.

It is obvious that the main factor affecting the turmeric produce is no proper supply of water in supply channels of river Cauvery, High cost of cultivation due to raise in the wages of labourers and price raise in fertilizers and pesticides, Fluctuations in turmeric price , Agricultural labour shortage, Financial problem are the factors affecting the turmeric produce.

It is found that there is no significant relationship between size of farming and period of turmeric cultivation.

Conclusion

Turmeric cultivation in Erode district contributes to the nations income by way of export. The turmeric producers still they experience problems in turmeric cultivation like no proper supply of water in supply channels of river Cauvery, High cost of cultivation due to raise in the wages of labourers because of these problems some of them have left cultivation of turmeric. Mechanization in turmeric production has to be implemented by the farmers to overcome the problem of labours. Turmeric producers are being exploited by the commission agents by charging high interest for loans given by them. The government has to take initiative to make the turmeric producers to sell their product through regulated markets and through cooperative societies which would bring them out from the clutches of commission agents. The government have to build warehouse for turmeric were the farmers can keep their turmeric produce for a long time till they get good price for it.

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Impact of Financial Inclusion through SHGs on Women Empowerment in Rural areas: Case Study of Barabanki District

Dr Veena Singh*

Abstract

It has been more than a decade now since financial inclusion came to be considered as a strong arm for achieving inclusive growth in India. Every year, however, new initiatives are being taken and both researchers and policy-makers continue to grapple with the issues related to inclusive growth per se as well as the initiatives and impact of financial inclusion in India. Some discussions have been region- specific, some on modes and mechanism involved such as the banks, microfinance institutions etc., and very few on mechanism and tools of evaluation.

It is essential for any economy to aim at inclusive growth involving each and every citizen in the economic development progression. In this context that financial inclusion should be aimed at inclusive growth in the Indian context. Financial inclusion involves increasing the number of (mostly poor) individuals that have access to formal financial services mainly through having formal bank accounts, which contributes to poverty reduction and economic growth. With greater financial inclusion, individuals who were previously financially excluded will be able to invest in education, save and launch businesses, and this contributes to poverty reduction and economic growth (Beck, Demirgüç-Kunt, and Levine, 2007; Bruhn and Love, 2014). The empowerment of women is vital for the development and growth of the country. Positively motivating women and bringing them into the mainstream of development is a major concern for the Government of India.

Keyword: *Microfinance, Self Help Group, Economic Empowerment, Social Empowerment, Economic Growth, Development*

Introduction

Financial inclusion has several benefits for poor households. It provides low-income individuals with the possibility to save for the future which fosters stability in personal finance, and a high level of use of bank deposits which contributes to securing a more stable deposit base for banks distressed times.

Financial inclusion projects can therefore help to achieve both gender equity objectives and poverty reduction objectives. As such, in order to promote poverty reduction and gender equity, there is a clear rationale for using development resources to enhance financial inclusion for women. This tool kit offers a practical guide to developing and monitoring financial services to enhance women's financial inclusion as one tool for the economic empowerment of women. A financial inclusion programme may not be targeted specifically at women. The concept of empowerment traces its history in the mid-17th century with the legalistic meaning; 'to invest with authority'. Thereafter it began to be used with an infinitive in a more general way meaning "to enable or permit." Its modern use originated in the civil rights movement, which sought political empowerment for its

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followers. This idea of empowerment is an offshoot of the discourse on human development and it came into prominence after 1980s. Its linkage with feminist discourse went a long way in shaping the idea of women's empowerment. However, these concepts are still not clearly defined and demarcated from closely related 27 concepts. Empowerment has been defined as to infuse people with power (Narayana, 2002, World Development Report, 2002/2000) i.e. access to resources, as expansion in individual's agency (Kishore, 2002), as power of decision making i.e. autonomy (Joeebboy, 1995). However the dictionary meaning of empowerment is that it "the empowerment of a person or group of people is the process of giving them power and status in a particular situation". It can be argued that finance promotes economic growth but the magnitude of impact may differ. Financial inclusion is intended to connect people to banks with consequential benefits..

Financial inclusion is one strategy to eliminate or reduce poverty, but it is not the only strategy. Other strategies to tackle poverty include direct government intervention through the provision of welfare benefits and unemployment benefits; or through direct or indirect intervention by foreign governments, generous aids by philanthropists and charity organization, among others. Poverty reduction via greater financial inclusion can be led by the public sector or the private sector or via joint coordination by the private and public sector.

Review Of Literature

(Saroj & Singh, November (2015) :The paper intends to study the role of micro-finance through Self Help Groups (SHGs) in the socioeconomic empowerment of women. The study has been carried out in Ajmer district of Rajasthan covering a sample containing 75 beneficiaries, 4 villages, 8 SHGs and 2 blocks. The study concludes that Socio-economic empowerment has been considered significant for overall development. Women's empowerment is evidently necessary for escalating socio-economic condition of the women in the society. The SHGs enabled women to aware about their rights, entitlements, taking part in various development programs and economic activities for their substantial development. Thus, SHGs made a noteworthy impact on women empowerment.

(Baghel & Shrivastava, November (2015):This study deals with the understanding of the impact of Self-Help Group (SHG) on the overall socioeconomic development of rural women of Durg district of Chhattisgarh. The study considered four independent variables Individual Social Indicators, Community Social Indicators, Individual Economic Indicators and Community Economic Indicators to analyze the socioeconomic development of rural women. The study indicates that economic and social indicators have significant positive impact on Socio-economic Development of rural women of Durg. The background of social respect and communication of Individual Social Indicators have a significant impact on Development of women of Durg district of Chhattisgarh.

(Shettar, (Apr. 2015)): This paper makes an attempt to analyze the position of Women Empowerment in India and highlights the Issues and Challenges of Women Empowerment. The study is based on purely from secondary sources. The study reveals that women of India are relatively disempowered and they enjoy a somewhat lower status than that of men in spite of many efforts undertaken by the Government. The study shows that acceptance of biased gender norms by women is still prevailing in the society. The study concludes with a remark that, access to Employment, Education, and Change in Social Structure are only the enabling factors to Women Empowerment.

A self-help group (SHGs) is a village-based financial intermediary usually composed of 10–20 local women. Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. In India, many SHGs are linked to banks for the delivery of microcredit.

An SHG as defined by NABARD (2005) has an average size of about 15 people from a Homogeneous community. They are encouraged to make voluntary contributions to a Common fund on a regular basis. They use the pooled resource to provide small interest Bearing loans their members (NABARD (2002). *Progress of SHG-Bank Linkage in India*, 2005-06.) Self-Help Group may be registered or unregistered. It typically comprises a group of micro entrepreneurs having homogeneous social and economic backgrounds; all voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help. They pool their resources to become financially stable, taking loans from the money collected by that group and by making everybody in that group self-employed. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral and is closely related to that of solidarity lending, widely used by micro finance institutions.

Financial Inclusion

Financial services actively contribute to the humane & economic development of the society. These lead to social, safety needs and protect the people from economic shocks. Hence, each and every individual should be provided with affordable institutional financial products/services popularly called “Financial Inclusion .GOI (2008) defines Financial inclusion as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. The meaning of financial inclusion is delivery of financial services to the low income groups especially the excluded sections of the population with the provision of equal opportunities. The main target is the access of financial services for better standard of living and income .According to Chakraborty (2011), Financial inclusion is the process of ensuring access to appropriate financial products and services needed by all sections of society including vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players. Another dimension in this regard is that the self-help group bank linkage program (SBLP) opened a new window for the SHG members and this program aims to deliver financial products and services to the section of Indian population that lacks access to formal banking. This segment, often from the lower income meets its financial needs through informal sources such as money lenders, traders, family and friends, etc. Financial inclusion through Self-Help Group (SHG) and Bank Linkage Program is a revolutionary step in rural banking is the introduction of SHG-Bank Linkage program (SBLP).The formal financial institutions like Commercial banks and Regional Rural Banks play significant role in financial inclusion.

Objectives

1. To assess the impact of the National Financial Inclusion Programme (NFIP) •
2. To review the genesis, formation and development of SHG's in India and particularly in U.P.

3. To suggest policy measures for socio-economic empowerment of rural women as well as effective and efficient functioning of SHG's

4. To analyze role of financial inclusion and financial literacy as a tool for women empowerment.

5. To study is to assess the relationship between roles of financial inclusion through self-help Group on women empowerment in rural areas.

Methodology

The financial inclusion definition emphasizes on vulnerable section as targeted focus and affordability of the services from the supply side institutions. We approached with focus vulnerable sections. However both the approaches couldn't be studied in isolation rather in relation to each other to have a holistic analysis of financial inclusion. To understand the extend of financial inclusion in India and among women data has been collected from both primary and secondary sources. Primary data for the study has been collected from 100 samples by using random sampling method. The study is purely based on sample surveys conducted among women in Barabanki locality. The sample survey was conducted by using a questionnaire. The secondary data has been collected from financial inclusion surveys and reviews collected from various articles published in several journals, E-journals and websites of CRISIL, RBI, Ministry of finance, EPW and various other references. For analyzing the data and arrive at the logical conclusions, mathematical tools like percentage, ratios etc. and statistical tools like mean, standard deviation etc. have been used.

Analysis And Findings

To justify the role of self-help groups on financial inclusion, first of all the respondents were asked to give their valuable consents in terms of rating on the various financial services that have been availed by them through the SHG, further on the basis of this responses, the detailed analysis have been made.

Major Problems Faced Are Listed Below:

Recognition of women as an important and potential member in financially supporting her family during crisis situations reflects empowerment at family level.

Gender bias was widely prevalent in the village. A girl child was usually not preferred and looked as a burden and they were married immediately after they attain puberty.

Ignorance of Members/Participants: Even though the authorities take measures for creating awareness among the group members about the varied schemes valuable to them, still the majority of the groups are unaware of the schemes of assistance accessible to them. Several are Ignorant about the scheme.

Inadequate Training Facilities: The training services given to the SHGs members in the specific areas of product selection, quality of products, managerial ability, production techniques, and packing, other technical knowledge are not adequate to compete with that of strong units.

Problems Related to Finance: Women have little financial independence at home. Therefore, women SHGs often fail to augment their collateral corpus adequately. This makes banks reluctant to finance project lead by such SHGs.

Problems of Marketing: Marketing is an important area of functioning of the SHGs. However, they face numerous problems in the marketing of items produced by them. Following are the major problems relating to marketing.

Conclusion

The participation of women in SHGs has enriched their income, savings, and empowerment. The involvement of the women in the group considerably contributes to improvement AND perfection in the quality of life, social status and confidence of the members, the SHG in the study area are taking the lead and playing an important role in social transformation, infrastructure building, and welfare activities. Self Help Group scheme is one of the significant schemes through which empowerment of women, in terms of better leadership, decision making, utility, and skill up gradation. Considering the huge number of poor discriminated and deprived women there is need to encourage the women to become entrepreneurs on their own. The agenda of women SHG should be to work towards the empowerment of the members and also other underprivileged poor women in the society. One such institution is EDUCATION which will not only help in breaking the mold of ignorance of rural women but is the right path to women social development and empowerment.

From the study it has observed that there is a huge impact of SHGs on financial inclusions and empowerment of rural women. The study found that approx. 22% of the respondent women did not have saving account in any bank but after joining SHG, women's have their own account in bunkered a little. accounts, taking sufficient amount of loans for buying Sal leaf sewing machine and puffing machine, using ATM, etc. on the other hand spending sufficient amount in the family

affaires. Finally we can say that they are now financially included and socially empowered.

Recommendations

To protect and to promote the interest of the women or to empower the women through SHGs and financial inclusion in the developing country like India the appropriate authority should follow:

1. Educate and aware the women to form more and more SHGs especially for rural areas.
2. To popularize SHG-Bank Linkage program, more awareness should be created for cooperative formation.
3. More information regarding banking services and their benefits should be publicized.
4. Women entrepreneurship programs should be arranged.

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An Evaluation of Work Life Balance of Women Personnel in Kerala- With Special Reference to Women Bank Personnel in Central Kerala

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Abstract

In the past, the Indian women, who were created a boundary for the socially acceptable jobs like teaching, nursing, banking etc. Work family conflict occurs when there are incompatible demands between the work and family roles of an individual that makes participation in both roles more difficult. The crucial responsibility of women to manage their family is a hurdle when they are doing with their professional jobs. Quote the words of Clark (2010) "work- life balance is the satisfaction and good functioning of an employee at work and at home with minimum of role conflict." Conflict between work and family is important for organizations and individuals because it is linked to negative consequences. In India the concern over Work family conflict is gradually becoming a common talk especially for women personnel. Each role having different set of demands and when such role demands overlap, multiple problems are faced. In reality life and work over-lap and interact. In designing the work life policies, employer should think that the commitment of personnel can make the difference between those companies which compete at the marketplace and those which cannot. A balanced life for women is one where they spread their energy and effort between key areas of importance. Considering this premise, the study aims to understand the variables contributing to balancing work life and personal life of women personnel.

Keywords: work family conflict, work life balance, satisfaction, involvement

Introduction

Work family conflict occurs when an unhealthy balance exists which forces a person to place work demands and needs of family, or alternatively place family demands above those of works. Work family conflict is the major problem in the life of working women. Although women have achieved great success in their careers, but still their responsibility towards their family has not been reduced. With increased employment opportunities more and more women are entering the work force, families have to adjust to the fact that they no longer have a female care giver at home to take care of the house hold and care giving responsibilities. When women are not able to manage the demands of their work and family life then they experience work family conflict. This study investigates the factors responsible for work family conflict among women personnel working in banking sector.

Work life balance is gaining ever-changing world. Proper work life balance accelerate the working staff to create better terms with the officials, relieving the stress in the work place, increasing morale and better team work. The personnel face greater strain to balancing

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between the two spheres of life. It does not mean an equal balance. In the light of past studies, workers do not have time for the private life feel disappointed and divert attention while they are on the job. So, the work life balance means that the amount of time consumed for job compared with the amount of time expend for the personal life.

Literature Review

S. Padma and M. Sudhir Reddy (2013), “ Role of Family Support in Balancing Personnel and Work Life of Women Employees” .The study conducted in Andhra Pradesh for identifying the work life balance of women police constables and head constables. They found that, the support from family members will help the employees for balancing their official life and family life.

S. Subha and K. Devika Rani Dhivya (2014), “Work Life Balance among Women Police in Coimbatore District – An Empirical Study.” The study undertake at Coimbatore district. They examined that the women police were dissatisfied with the quality of work life and they go through the problems of their family and also their own problems which means problems.

Sakthivel Rani Selvarani and Kamlabhan (2011), “Work Life Balance Reflections on Employee Satisfaction” .This study analyzed the relationship between job satisfaction and work life balance of IT professionals in Tamilnadu, India. The research found that high correlation exists between job satisfaction and work life balance.

J. S. Dhanya and D. Kinslin (2016) presented “A Study on Work Life Balance of Teachers in Engineering Colleges in Kerala”. The study carried out in the place of Trivandrum, Cochin and Calicut in Kerala. They explained that for improving more knowledge and ability in their profession they need to spend more hours every day. Work family spill over, work family conflict and work family facilitation are the way to identify work life balance. Work life balance can be improved by reducing the work family conflict. Work family spill over and work family conflict are positively correlated.

K. Santhana Lakshmi and S. Sujatha Gopinath (2013) prepared a study on “Work Life Balance of Women Employees”- with reference to Teaching Faculties”. The study conducted in Tamilnadu. They conclude that the teaching staffs suffer from work life balance issues.

K. Thriveni Kumari and V. Rama Devi (2015), “A Study on Work Life Balance of women Employees in Selected Service Sectors”. The study carried in Bangalore city. The service sectors including in the study are Banking, Insurance, IT, BPO, Healthcare sectors. The study explored that the levels of work life balance of women staff in service sectors of the study are different.

Rashmi Bharti and Uma Warriier (2015), “Impact of Emotional Intelligence on Work Life Balance in Indian IT Sector”. The study found that emotional intelligence has a significant relationship with work life balance. Social needs and team work has impact on Emotional Intelligence. Personal needs and time management has also significant relationship with emotional intelligence. Compensation and benefits and also type of work having relationship with emotional intelligence which means that work life balance having significant relationship with emotional intelligence.

Debjani Guha and S Srividhya (2018), Illustrates “A Study on Work Life Balance of Advocates in Pune”. Through this study they explained that both men and women are equally balancing their personal life and professional life.

It is the result of secondary research. The study attempts to identify the contributing factors of work life balance. The tool adopted for the study;

1, Clark (2000)

2, Greenhaus, Collins and Shaw (2003)

3, Udai Pareek and Surabhi Purohit (2010)

Clark (2000), "Work Life Balance is the extent to which individuals are equally engaged in and equally satisfied with work and family roles." As per his suggestion five factors to measure work life balance. They are;

A, Role conflict

B, Work satisfaction

C, Home satisfaction

D, Family functioning and

E, Employee citizenship

Role conflict: - Work family conflict and family work conflict are included in role conflict. Both determines how work interferes or conflicts with family and vice versa. It reflects the degree to which the responsibilities from the family and work are inconsistent.

Work satisfaction: - If an employee having a positive attitude towards their job, there will be a high work satisfaction. Where as an employee having a negative attitude towards their job, there will be dissatisfaction from their work.

Home satisfaction: - For improving the satisfaction among the family members, utilize maximum possible time with their family. Celebrate happy moments with the family, to give proper care and support to family members, satisfy the needs and wants of the family.

Family functioning: - Functioning of family in the right track success will automatically come. Family members are the pillars of each and every family. A mutual and trusted faith and relationship between the members will promote smooth functioning of the family.

Employee citizenship: - Employees are the citizens of the country. Consider they are as a citizen and thereby providing freedom and benefits as they reside. The management gives privileges to them and treats them to satisfy their needs.

Greenhaus, Collins and Shaw (2003), "Work life balance as the extent to which individuals are equally self engaged in and equally satisfied his or her work role and family role. They identified three components to measure work life balance. Viz;

(A) Time

(B) Involvement

(C) Satisfaction

(A) Time: - It relates the amount of time spent at work with the amount of time spent on home and family activities. Without the proper parity between time consumed for work and family life will leads to family problems, official problems.

(B) Involvement: - This evaluates the involvement in work compared to involvement in family. Involvement in both spheres is important. Absence of one creates mismatch in other side.

(C) Satisfaction: - It measures the satisfaction from work and satisfaction with family. A satisfied person is beneficial to the family, friends, colleagues and society as a whole.

Balance can be explained as;

Time balance: - In this, an equal amount of time are devoted to work and family. Time is gone everything is gone. So, right balance can be maintained in the way we use the time.

Involvement balance: - Whereby an equal level of psychological involvement in work and family roles exists. Everything is done without the application of mind is worthless.

Satisfaction balance: - It depicts an equal level of satisfaction is derived from work and family roles. Happy mind is a base for doing all the work neatly. If an employee is satisfied he can do all the works thoroughly whether it is in their family or in the office.

Udai Pareek and Surabhi Purohit (2010) developed a work life balance model. It contains 36 items with 6 dimensions and each dimension includes 6 questions. Out of 6 questions 3 questions were reverse scoring.

The six components are;

- ✓ Social needs
- ✓ Personal needs
- ✓ Time management
- ✓ Team work
- ✓ Compensation and benefits
- ✓ Work

Social needs: - It implies the needs related to cater to the social requirements which include religious functions, family ceremonies etc. If anyone cannot fulfill these needs she is isolated from the society and creates distress among the individual.

Personal needs :- It refers to taking care of daily family routines, giving concern and support to family members, keeping track of financial needs, going for family trip, maintaining health by doing meditation, morning/ evening walk and exercises. Absence of these needs create disappointment and dissatisfaction headed for work life imbalance.

Time management: - It means that we know time affects human life in any situation whatever it may be. So, how the personnel utilizes their time is important. How they divide the time for their profession and for their personal life. When they cannot prioritize and proper use they fall in work life imbalance.

Team work: - It stands that working culture and working environment will decide the working style of the personnel. Union is strength. Good team unity will increase job satisfaction and it has a spillover effect on family life.

Compensation and benefits: - It consists of financial part of work. Cash contributing from the work is an inevitable factor for improving work life balance. It also includes benefits and privileges provided by the organization. Reimbursement and compensation for extra will lead to raise work if balance. Absence of monetary satisfaction will reduce the productivity of the personnel and also create frustration in the mind of the personnel.

Work: - Last but not least is 'work' itself. The types of work also contribute work life balance. The nature of job performed affects the work schedule of the personnel. This in turn leads to work life balance. The pride an employee takes from her job creates happiness and satisfaction. Poor performance in job impacts the peace situation in their family.

Objectives of the Study

- To identify various family and work related problems of Women Bank Personnel in Central Kerala.
- To know the factors contributing to work family conflict of Women Bank Personnel in Central Kerala
- To understand the level of work family conflict experienced by Women Bank Personnel in Central Kerala

Hypotheses

- There is no association between the number of members in the family and the level of work family conflict experienced by Women Bank Personnel in Central Kerala
- There is no association between the level of work family conflict and job satisfaction experienced by Women Bank Personnel in Central Kerala

Methodology of the Study

The population of the study constitutes Women Bank Personnel of public and private sector banks in Vaikom taluk in Kottayam district of Kerala State, India. The sample size is fixed as 80, out of which 40 personnel are selected from public sector (Andhra Bank, Union Bank of India) banks and 40 from private sector banks (Federal Bank Ltd., South Indian Bank Ltd.). Judgment sampling method was used for selecting women bank personnel. Selected Women personnel were Managers, Assistant Managers, or Officers. Both primary and secondary data are used for the study. The primary data are collected from bank personnel in Vaikom taluk and secondary data are collected from books, journals and internet. Questionnaire method is used for collecting primary data. The tools used for analysis include Percentage, Mean scores, etc. chi square test was used for testing hypotheses.

Analysis of Data

Table 1: Family related problems of Women Bank Personnel

Problems	Public sector(40)	Private sector(40)
Dependent care	25	26
Family duties and responsibilities	26	30
Lack of support from family members	4	6
Issues in family life	7	7
Financial problems	12	9

(Source: Compiled from Field Survey)

Family duties and responsibilities is one of the serious problem faced by women bank personnel. The second problem faced by them is dependent care. Thus, family duties and responsibilities and dependent care are the major issues faced by women bank personnel in their family.

Table – 2: Work related problems of Women Bank Personnel

Problems	Public sector (40)	Private sector(40)
Heavy work load	21	19
Poor working condition	3	1
Inadequate salary& other benefits	9	0
Work life imbalance	23	22
Occupational stress	22	25
Lack of training& development opportunities	0	0
Non co operation from customers	8	0
Conflict with higher officers	3	7
Lack of support from co-workers	0	0
Frequent transfer	9	3
Job rotation	3	7
Trade union problems	1	5
Over time work	22	21

(Source: Compiled from Field Survey)

Work life imbalance is one of the major issues faced by women bank personnel (23 from public sector and 22 from private sector). Occupational stress is another major problem faced by personnel (22 from private sector and 25 from public sector). Over time work is the next marked problem for women bank personnel. The next marked problem is, Heavy work load (21 from public sector and 19 from private sector)

Table – 3: Factors leading to Work Family Conflict

Factors	Public sector (mean score)	Private sector (mean score)
Excess work load	5.9	5.4
Frequent transfer	3.92	2.97
Job related stress	6.07	5.47
Work place issues	5.17	4.15
Family issues	4.32	4.42
Lack of support from family members	2.85	3.65
Dependent care	4.12	5.37
Excessive house hold work	3.5	5.17

(Source: Compiled from Field Survey)

Eight different factors that will lead to work family conflict are given to the respondents. Job related stress is the major factor that leads to Work Family Conflict [WFC], (Public sector-6.07, private sector-5.47). Excess work load is the second important factor considered by the respondents that lead to work family conflict with mean score 5.9 in public sector and 5.4 in private sector. Thus, the important factors leading to WFC are job related stress, excess work load, dependent care and work place issues.

Table – 4: Level of Work Family Conflict Experienced by Women Bank Personnel

<i>Level of WFC</i>	<i>Public sector</i>		<i>Private sector</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
High	4	10	3	7.5
Medium	24	60	22	55
Low	12	30	15	37.5
Total	40	100	40	100

(Source: Compiled from Field Survey)

Most of the personnel of both the sectors are experiencing a medium level of work family conflict (60% in public and 55% in private sector). Only 10% of respondents from public and 7.5% of respondents from private are experiencing high level of WFC. 30% of respondents from public sector and 37.5% of respondents from private sector are experiencing a low level of WFC.

Table – 5: Results of Hypotheses Testing

<i>Hypotheses</i>	<i>Calculated value</i>	<i>Table value</i>	<i>Inference</i>
There is no association between the number of members in the family and the level of work family conflict experienced by women bank personnel.	7.5857	12.592	Accept
There is no association between the level of work family conflict and job satisfaction experienced by women bank personnel.	22.9	15.507	Reject

Conclusion

World over a dual-career women faces the obvious dilemma of work-family conflict. As a mother-wife she must conform to the traditional ideal of hard working women ready to subjugate her own interest to family's happiness and in her occupational role she must be result-oriented, persistent and innovative. This paper shows that increasing conflict in the professional life of bankers is due to their family responsibilities and increasing conflict in family life is due to their occupational demands of banks. It is proved that there is a relationship exists between job satisfaction and work family conflict among women bank personnel.

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A Study Of Values Across Cultures With Reference To Geert HOFSTEDE'S Model

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Abstract

Values are enormously important to business organizations, which impacts its long-term survival. Culture refers to the core beliefs shared by the members of the organization. The advent of globalization is shrinking the world into a small place. Business organizations are expanding globally to reach customers beyond national geographies. Organizations, therefore, need to be well equipped with the understanding of the cultural differences and their implications on the organization and its functioning in the current scenario. Countries and their cultural differences can be evaluated utilizing Geert Hofstede's model of cultural dimensions.

There are unique cross-cultural competencies and transnational skills needed to deal with people from different cultures, languages and other diversity factors.

Keywords: Values, Culture, Cross-culture, Geert Hofstede

Introduction

Globalization and technological advancement have made it easier and economical for businesses to expand globally and reach out to customers beyond national barriers. One of the challenges faced by such organizations is managing the working styles of employees across geographies. This in turn is necessitating the need for recognizing and understanding the cultural implications in the corporate scenario. Values are of enormous value to enterprise --- provided that they are known and adhered to. In fact, they can make the difference between long-term survival of the business and failure.

In order to survive in the 21st century, companies will have to develop new way to operate a new culture. The author argues that the values of the employees need to be aligned with the vision and the mission of the company. With more and more companies going global and opening up their shops in distant countries, the need for understanding the ethnic values of the host countries is gaining importance more than ever before.

Many times, varying culture can be an area of conflict and cultural differences become potential obstacles and annoyances. Cultural differences are evident in today's world while global diversity is increasing. Cultural awareness and an attitude of respectfulness during cross-cultural communication is vital when collaborating with groups from other countries.

Organizations, therefore, need to be well equipped with the understanding of the cultural differences and their implications on the organization and its functioning in the current scenario.

Review of Literature

Some of the literature reviewed by the author is stated as under:

Dolan Simon explained the concept of Management by Values (MBV) should become the principal driver for re-engineering a sustainable and competitive culture. Moreover, the

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latter should be aligned with the vision and mission of the firm. The world is seeing a marked shift in management focus. Managers are being called on to exhibit higher standards of performance as a result of society's increased demands for professional responsibility, quality and customer service. Leaders and managers have to develop the ability to manage complexity that also includes managing core values, both at the organizational and individual levels.

Murray Bob in his article stated that Pfeffer suggests three ways that businesses can ensure that their values are maintained and taken seriously. These are: (i) Make them part of every employee's KPIs (which you can only do if you have reached an agreement as to what behaviors are required to demonstrate the values), (ii) Keep a measurement of the adherence to the values firm-wide (even in a global business), and (iii) Publicly share results.

Nair Megha et al in their research paper had set out objectives as to understand the different work cultures around the world, and to identify the differences between different countries with respect to India. They stated that USA has a disciplined work culture. Netherlands resist autocratic leadership styles and hence include employees' opinion when taking decisions relating to work. Respect towards any work one does is also of utmost importance in China. Team work is highly stressed in Japanese organizations. They suggested that corporate can include the best bits and pieces of work culture from multiple countries, so that it may be possible to create a work harmony which is truly global in its outlook and approach.

Rowley Chris et al mentioned that for some researchers, Cross-Cultural Management Training (CCMT) should include intercultural communication competency so that people can become more competent when dealing with the complexities of a new and different environment. Furthermore, CCMT enables the individual to anticipate necessary emotional adjustments and increase Cultural Intelligence (CQ). Such CQ includes three key aspects: (i) There is the ability to understand and make sense of cultural cues, as well as to develop new cultural cognitive schemas (cognitive component), (ii) There is the drive and the motivational force to adapt to the new cultural environment (motivational component), and (iii) There is the ability to enact culturally appropriate behaviors (behavioral component).

Saha Arpita in her research article has stated that cross-cultural leadership can broadly be defined as the inter-relationship between the managers and the team members coming from different descents. The fundamental difference between traditional leadership and the cross-cultural leadership is the presence of cultural diversities. Thus, the expectations around manager-associate relationships change from country to country. In the same way, the leadership styles are also different. People tend to face problems understanding people from unrelated cultures because of the lack of understanding about cultural differences. People tend to believe that the other culture is similar to their own. In order to avoid such problems, managers should try learn to understand cultural implications.

Srinivasan Ashwin et al have explained that quality should be made the core value. A peer-driven approach needs to be developed for the culture of quality. Executive participation has been the most important factor driving cultural change. A culture of quality requires employees to apply skills and make decisions in highly ambiguous but critical areas while leading them towards deeper reflection about the risks and payoffs of their actions. The specific actions needed to help an organization shift from a rules-based quality environment to a true culture of quality will differ from company to company.

Objectives

The objectives of this research paper are:

- To explain Geert Hofstede's cultural dimensions
- To understand the implications of cross-cultural issues on global organizations

Significance

Cultural norms play a large part in interpersonal relationships at work. Owing the dawn of globalization, multinational organizations experience cultural diversification among their working staff. Hence, R&D in the field of cross-cultural leadership and management is essential to take care of any issues related to the effects of cultural diversities.

According to Pfeffer, "Building values-based, ethically behaving company requires taking a longer-term view of the business and focusing on business processes, not just financial end results." Studies and professional consulting experience show that many Anglo-Saxon managers have great difficulty to 'de-learn' and 're-learn' the required competencies associated with new or different values. The challenge for management is to recruit, develop and retain people that can work in cross-cultural environments and assist in adapting to changing business, political, economic and social conditions. Hence, the author makes an attempt to explain the inter-play of cultural dimensions through the Hofstede's model.

Research Methodology

The author has undertaken descriptive research study and has used secondary sources of data collection. Secondary sources of data collection include literature from reference books, journals, and relevant websites. The researcher was involved in extensive literature survey relating to values and cultures, cross-cultural values and employee behaviour, and Geert Hofstede's Model.

Concepts of Values and Cultures in the Context

Values are evaluative standards that help us define what is right or wrong, or good or bad in the world. Values don't just represent what we want; they state what we ought to do. They guide us to socially desirable ways to achieve our needs. Some people value practicality, whereas others value aesthetics. Some people value frugality; other value generosity. Values dictate our priorities, our preferences, and our actions.

Culture has different connotations in different contexts. At times it refers to a positive reception of excellent forms of art, music and cuisines. Biologists may refer to it as colony of microbes or other germs developing in a nutritive medium. On the other hand, for behavioural scientists and anthropologists, culture is an array of conditioned individual conduct.

Culture refers to the core beliefs shared by members of an organization. These beliefs provide answers to questions about the main goals of the business and the proper means for achieving those goals. In a very important way, culture provides implicit guidelines for ethical decision making. As firms grow, these guidelines are made more explicit in a code of ethics or a statement of values.

Work culture is deeply influenced by the culture of the country in which you are working because every country has its own set of beliefs, values and principles, based on which the work culture gets defined in an organization. Every country has a distinct work culture. In a foreign culture, one tends to feel disoriented and that may lead to psychological discomfort and also to depression at times. Several individuals face distinct experiences in terms of cross-cultural adjustments. They all react differently to such experiences.

It is important to acquire cultural awareness of the multiple ways in which cultures differ (language, religion, food, personal space, and social behavior). For example, some cultures can be classified as high context, meaning that people from those countries use situational cues to develop a complete portrait of a visitor. **High-context cultures**, such as China, Korea, and Japan tend to emphasize personal relations, place high value on trust, focus on non-verbal cues, and accent the need to attend to social needs before business matters. Other cultures are classified as low-context, meaning that people from those countries tend to interpret cues more literally. **Low-context cultures**, such as Germany, the United States, and Scandinavian countries, tend to rely on written rules and legal documents, conduct business first, and value expertise and performance.

Hence, cultural familiarization is important, which comprises of brief introductions about rituals, dressings, mannerisms and food habits of different people.

Geert Hofstede's Model

Geert Hofstede, a Dutch social psychologist, conducted a worldwide survey of employee values by IBM between 1967 and 1973. The original theory proposed four dimensions of cultural values. These four dimensions are: individualism vs. collectivism, power distance, uncertainty avoidance, and masculinity vs. femininity. Later, he added the fifth dimension i.e. long-term vs. short-term orientation. In 2010, he further, added the sixth dimension, which is indulgence vs. self-reliant.

The dimensions of cross-cultural values help in explaining and predicting behavior of employees from different countries.

- 1. Individualism vs. Collectivism:** It refers to the degree to which people value individual goals vs. personal goals.
 - **Individualism:** It is a degree to which people in a country prefer to act as individuals rather than as members of groups. It lays emphasis on personal achievements, and experience more socially disengaged emotions like pride and anger. The USA was rated high on individualism as per the survey.
 - **Collectivism:** It refers to a tight social framework in which people expect others in groups of which they are a part to look after them and protect them. It lays emphasis on harmonious relationships, and experience more socially engaged emotions like indebtedness and friendliness. Ecuador was rated high in collectivism.
- 2. Power Distance:** It is the degree to which people in a country accept that power in institutions and organizations is distributed unequally.
 - **High Power Distance:** The organizations that accept and value unequal power believe in high power distance culture. The employees in such organizational culture are comfortable in receiving commands from their superiors, and conflicts are resolved through formal rules and authority. Malaysia was on the top of high power distance culture.
 - **Low Power Distance:** The organizations that believe in relatively equal power sharing belong to low power distance culture. They prefer participative management, and conflicts are resolved through personal networks and coalitions. Austria stood at low power distance culture.
- 3. Uncertainty Avoidance:** It is the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid them.
 - **High Uncertainty Avoidance:** The countries that score high on uncertainty avoidance feel threatened by ambiguity and uncertainty. The people of that country have an

increased level of anxiety, that results in greater nervousness, stress and aggressiveness. Japan was rated high on uncertainty avoidance.

- **Low Uncertainty Avoidance:** The countries that score low on uncertainty avoidance tolerate ambiguity and uncertainty. The people of that country value structured situations where rules of conduct and decision making is clearly documented. Singapore was rated low on uncertainty avoidance.
4. **Masculinity vs. Femininity:** It refers to the degree to which countries value achievement (masculine) orientation vs. nurturing (feminine) orientation.
- **Masculinity:** It is defined as a preference in society for achievement, heroism, assertiveness and material rewards for success. In masculine societies, there is a wide gap between women and men, where women are not treated as equals. Hungary was rated high on masculinity culture.
 - **Femininity:** It represents a preference for cooperation, modesty, caring for the weak and quality of life. In feminine societies, women share modest and caring views equally with men. Sweden was rated high on femininity culture.
5. **Long-term vs. Short-term orientation:** Employees in different countries differ in their long-term and short-term orientation.
- **Long-term Orientation:** People in cultures with long-term orientation looks to the future, and value thrift and persistence. China was on the top for having the culture of long-term orientation.
 - **Short-term Orientation:** People in cultures with short-term orientation emphasizes on the past and present, value traditions and respects fulfilling social obligations. Nigeria was rated high for having the culture of short-term orientation.
6. **Indulgence vs. Restraint:** It refers to the degree of freedom that societal norms give to citizens in fulfilling their human desires.
- **Indulgence:** It refers to a society that allows relatively free gratification of basic and natural human desires related to enjoying life and having fun. America and Australia believed in high indulgence culture.
 - **Restraint:** It refers to a society that controls gratification of needs and regulates it by means of strict social norms. Countries in Europe and Asia believed in high restraint culture.

Organizational Behaviour Across Cultures

There are unique cross-cultural competencies and transnational skills needed to deal with people from different cultures, languages and other diversity factors.

- Managers and other employees who come to the host country in order to get a new operation established naturally tend to exhibit a variety of behaviours that are often true to citizens of their homeland. For example, many people are predisposed to **parochialism**, meaning that they see the situation around them from their own perspective. They may fail to recognize key differences between their own and others' cultures. Even if they do, they tend to conclude that the impact of those differences is insignificant. In effect, they are assuming that the two cultures are more similar than they actually are.
- Another potential barrier to easy cultural adaptation occurs when people are predisposed to believe that their homeland conditions are the best. This predisposition is known as the self-reference criterion, or **ethnocentrism**. Though this way of perceiving conditions is very natural, it interferes with understanding human behaviour

in other cultures and obtaining productivity from local employees. In order to integrate the imported and local social systems, expatriate employees minimally need to develop cultural empathy. This is the awareness of differences across cultures, an understanding of the ways in which those differences can affect business relationships, and an appreciation of the contributions each culture makes to overall success.

Geocentric organizations seek to integrate the interests of the various cultures involved. The attempt to build a sense of community is consistent with a supportive approach to human behavior in its productive use of all employees.

- Predicting the amount of adaptation that may be required when an expatriate manager moves to another country requires an understanding of the **cultural distance** between the two countries. Cultural distance is the amount of difference between any two set of social systems and may range from minimal to substantial. Whatever to the amount of cultural distance, it does affect the responses of all people to business related issues. Expatriate managers naturally tend to be somewhat ethnocentric and to judge conditions in a new country according to the standards of their homeland. These problems will be magnified if the cultural distance is great. Nevertheless, expatriates must be adaptable enough to integrate the interests of the two or more cultures involved.
- Companies often assign employees to new job assignments in different areas to provide them with invaluable breadth of experience. The employees who move to new job locations often experience various degrees of **cultural shock**, which is a feeling of confusion, insecurity, and anxiety caused by a strange new environment. They are rightfully concerned about not knowing how to act and about losing their self-confidence when the wrong responses are made.

Cultural shock is even greater when an employees moves from one nation to another. Increasingly, employees in multinational companies receive job assignments in new countries, or atleast need to collaborate with people from different national backgrounds. This exposure to a new culture may result in initial shock.

It occurs in response to dramatic differences in languages, forms of courtesy, customs, housing conditions, and cultural orientations in the use of space (relative emphasis on privacy), time (focus on the past, present or future), and activity (accent of life achievements vs life experiences).

- In the US, people tend to greet each other with a simple handshake; in other cultures, greetings may occur through a warm embrace, a bow, or an exchange of kisses.
- In the US, people tend to demand responses, fill voids of silence with conversation, and use direct eye contact; in other countries, people may show respect through averting eye contact, and they appreciate silence as a time to think and evaluate a topic.
- In the US, Americans are often driven by time, deadlines, promptness, and schedules; people in other cultures often arrive late for appointments and devote hours to developing social rapport before turning to business issues.
- Even when nations want to reduce waste of their resources and have more goods and services for their citizens, results are not obtained easily. Since each nation is different, effective business practices from one country cannot to transferred directly to another country. The idea of **cultural contingency** means that the most productive practices for a particular nation will depend heavily on its culture. The ideas that work in one nation's culture must be blended with the social system, level of economic

development, and employees' values in the host country. The difficult lesson for both expatriate and local managers to accept that neither the home nation's productivity approaches nor the host nation's traditional practices are used exclusively. Instead a third set of practices must be developed that integrates the most workable ideas from both the nations. In this way both the new firm and the host nation gain benefits from the company's operations.

- There are different applications for **Cross-Cultural Management Training (CCMT)**. Some organizations have formal training programs aiming at the delivery of skills to enable managers to quickly become professionally productive and interpersonally effective when working on assignment abroad, or when working anywhere with others from an unfamiliar culture. Examples here include: global management training, virtual team facilitation, international mergers and acquisition integration, cross-cultural project management training, executive coaching and so on. Other organizations may use international assignments for training purposes. These assignments include relocation assistance, tax planning, language training, family adaptation and so on.
- **Cross-cultural communication** requires being aware of cultural differences because what may be considered perfectly acceptable and natural in one country, can be confusing or even offensive in another. All the levels in communication are affected by cultural dimensions: verbals (words and language itself), non verbals (body language, gestures) and etiquette do's and don'ts (clothing, gift-giving, dining, customs and protocol).
- In **international negotiations**, communication style, expectation, issue ranking and goals will change according to the negotiators' countries of origin. If applied properly, an understanding of cultural dimensions should increase success in negotiations and reduce frustration and conflicts. For example, in a negotiation between Chinese and Canadians, the Canadian negotiators may want to reach an agreement and sign a contract, whereas the Chinese negotiators may want to spend more time for non-business activities, small-talk and hospitality with preferences for protocol and form in order to first establish the relationship.

"When negotiating in Western countries, the objective is to work toward a target of mutual understanding and agreement and 'shake-hands' when that agreement is reached – a cultural signal of the end of negotiations and the start of 'working together'. In Middle Eastern countries much negotiation takes place leading into the 'agreement', signified by shaking hands. However, the deal is not complete in the Middle Eastern culture. In fact, it is a cultural sign that 'serious' negotiations are just beginning."

Conclusion

The people of the world are organized into communities and nations, each in its own way, according to its resources and cultural heritage. There are similarities among nations, but there are also significant differences. Some nations are economically developed, others are just now developing their natural and human resources. Some are educationally and socially advanced; others have minimal literacy and social development. In each case, the conditions of work are different because of different attitudes, values, and expectations from participants. Understanding these differences and how they influence international OB is very well understood by Geert Hofstede's model. With a clearer understanding of these cultural differences, we can get a general overview and what we can possibly expect from the people of other countries and cultures.

It is evident that careful attention should be given to cultural preparation of expatriate employees. Eventually a cadre of employees with cross-cultural adaptability can be developed in organizations with large international operations. These employees are transcultural employees because they operate effectively in several cultures. They are low on ethnocentrism and adapt readily to different cultures without major cultural shock. They usually can communicate fluently in more than one language.

Cultural differences do impact businesses occurring in cross-cultural contexts. A lot of problems arise in matters of participation, communication and other relational areas. However, if business leaders or even the staff understands issues with respect to Hofstede's six cultural dimensions, these problems can be analyzed through a different perspective, and necessary steps to address these problems can be taken.

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Impact of Entrepreneur's demographic variables on the performance of Enterprises: A case of Handicraft Industry in Manipur

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Abstract

Handicraft industry is very significant because it provide employment and source of income to more than three lacks people in Manipur. The study focus on the performance of the handicraft firm(bamboo and Kouna crafts) base on the employee demographic variables like Gender, Education, Location, Technical and management skills, and clustered and non-cluster firm. The variables, like Sex, Cluster and Location are significant, i.e. these variables are negatively or positively influencing the profit of the firms. And the variables, like education, TCS and Age are insignificant. The location and cluster are significant in term of profit i.e. these variables have negatively or positively impacted on the sales internationally. The variables, like Sex, Age, Edu and TCS, etc. are not significant. Whereas, the Variables like, sex and cluster are significant but AGE, EDU, and TCS are not significant in terms of impact on the sale nationally.

Key words: Logistic regression, Handicraft, Demographic variables, Manipur

1. Introduction

The creative genesis and artistic in their outlook of the people are well reflected in the handicraft of Manipur. Whom so ever, had a glimpse of handicraft product of Manipur are mesmerized by its beauty and artistic values. Handicrafts of Manipur are quite known and they got better place outside the local market and even in the international market (ABPLive, 2018; Business Standard, 2015). Demand for Manipur handicraft item is very high but it cannot meet the demand from outside the state. Most of the handicraft items of Manipur go hand in hand with the way of life and culture of the people of the land. Handicraft can be define as "Handicraft are defined mostly as items made by hands, often with the use of simple tools and are general artistic and traditional in nature." (Singh, Singh, & Singh, 2010). Some of the major issues of the handicraft industry in Manipur are unable to meet the demand for customers, lack of marketing skills, lack of acquiring new technology, lack of finance, high cost of transportation, Bandh and Blockage etc. (Singh, Singh, & Singh, 2010).

The recent study show that micro and small firm's owners profile play a very important role in tackling firms problems for better performance (Halim, Muda, & Amin, June, 2011; Merlo & Auh, 25 March 2009; Sajilan, Hadi, & Tehseen, 2015).

The present study is focus on the impact of entrepreneur's demographic variables on the performance of Handicrafts firms in Manipur. The objective of the study are:

1. The impact of owner's profile or entrepreneur's demographic variables on performance of firms in terms of profit.

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2. The impact of owner's profile or entrepreneur's demographic variables on performance of firms in terms of growth in sale in international market.
3. The impact of owner's profile or entrepreneur's demographic variables on performance of firms in terms of growth in sale in national market.

2. Literature Review

The search for the literature in focus on three main theme namely Handicraft Industry, entrepreneur's demographic variables, and firm performance. Handicraft product are made by artisan with minimal mechanise tool using local raw material for local consumption or for fulfilment of cultural and traditional obligation. One of the main characteristic of Handicraft is its uniqueness or the craft are specific to particular geographical area(Camelcraft, 2012; Pandya & Thoudam, 2010; Singh, Singh, & Singh, 2010). Handicraft industry is an important industry in Manipur as it is a source of livelihood for more than 3 lalks people(NEDFI, 2013). Not only source of likelihood but also a cultural tact involve with the handicraft products(Singh, Singh, & Singh, 2010; Richard, 2010).The Handicraft industry in Manipur are mostly micro and small firms which are mostly proprietary and involve less than 10 employees with a capital of less than one million rupees(NEDFI, 2013).Recently studies on entrepreneurship has revel that gender, education level, location of the firm, managerial skill, technical skills, parents occupation plays an important role in firms success(Halim, Muda, & Amin, June, 2011; Merlo & Auh, 25 March 2009; Sajilan, Hadi, & Tehseen, 2015; Stuart & Abetti, May 1990).Entrepreneurial competency which also refer as 'ability to perform job properly for better performance'is also related to education of the entrepreneur(Ventureprise; Aapola, 2002; Pandya & Thoudam, 2010). Location of the firm is one of the main determining factor for firm performance. Hite (1997) called the disadvantage face by firms in rural area as 'Rural Penalty'. In reality the firm in rural area are facing disadvantages due to the lack of infrastructure like transportation, electricity, supporting institutions like banks, consultant for marketing, design, and product development etc(Richard, 2010; Nielsen & Freire-Gibb, 2010). Firms situated in group or cluster are performing better than that are isolated has also been established(UNIDO, 2010). The advantage of firm in the cluster are availability of raw material bank, financial facility like bank can be located at the cluster, marketing consultant, product development consultant, legal and financial consultant etc. could be provided by the government. Not only from the firm side but also the government find convenient to provide common support facility for the industry(Singh, Singh, & Singh, 2010; Business Standard, 2015; Sangai Express, 2016; UNIDO, 2010). Performance measurement is one of the fundamental parameters for the handicraft firms' benchmarking and business excellence. Its importance has increased with the consciousness that to be sustainable in the long-term requires meeting all stakeholders' needs including customers, consumers, buyers, wholesalers, suppliers, local community stakeholders, and shareholders. There is no definite yardstick to quantify performance of a firm.The performance of the firm is measured on the basis of sales growth and increase in profitability over a three -year period (Donckels and Lambrecht, 1995; Hansen, 1995; Ostgaard and Birley, 1996)

3. Methodology

This study is based on the quantitative and descriptive approaches which try to find the impact of owner's demographic profile on performance of Handicraft industry in Manipur. Data are collected from sample of 200 micro and small enterprises which are dealing in

handicraft products in Manipur. A structured questionnaire which consists of demographic variables add growth of the firm is used as a instrument for collecting the data.

The collected data has been analyzed using descriptive statistic by mode or percentage. Finally, we have drawn inference using Binary logistic regression taking 'Growth' as dependent variable and six other independent variables mentioned above.

The Module used for findings are:

1. Binary logistical regression module

$$\ln\left(\frac{P}{1-P}\right) = \beta + \beta_1X_1 + \beta_2X_2 + \beta_3X_{13} + \beta_4X_4 + \beta_5X_5 + \beta_6X_6$$

Where; P= growth

1-P =No growth

Dependent Variable

Growth of Profit :- Yes/No or 1/0

Growth of Local(Market) :- Yes/ No or 1/0

Growth of Domestic(Market) :- Yes/ No or 1/0

Growth of International (Market) :- Yes/ No or 1/0

Independent variable:

X₁=Age:- 1=Young(< 30 years), 2=middle(30-45 years) and 3=Old(> 45)

X₂=Sex :- 0= female,1=male

X₃=Edu :- 1=yes 0=no

X₄=TCS :- 1=yes 0=no

X₅=Location :- 1=yes 0=no

X₆=Cluster :- 1=yes 0=no

4. Analysis and finding

The entrepreneurial profile of handicraft industry in Manipur for the present study is given below. We collect information about sex, age, educational level, technical, crafts, and management skills, father's occupation, and mother's occupations, etc. through a questioner (see part A of the questioner) and tries to bring a significance of these variables on the performance of the firms. The findings are.

Table No.1 Demographic profile

Variables		Percentage
Gender	Male	51.5
	Female	48.5
Age	Young(>30)	6
	Middle(30-45)	75.5
	Old(<45)	18.5
Location	Urban	43.5
	Rural	56.5
Education	Yes	74.5
	No	25.5
Educational level	Class 10 passed	56.5
	Under graduate	35.5

	Master	8
TCS*/ Management skill	Yes (%)	97.5
	No (%)	2.5
Source of getting TCS*/ Management skill	Formal training institute (%)	20
	On the job (%)	31
	Relatives (%)	25.5
	Friends (%)	23.5
Firm location in cluster	Yes	65.5
	No	34.5
Father's Occupation	Paid workers	35.5
	Having own business	39.5
	Farmer	25
Mother occupation	Paid workers	23.5
	Having own business	20
	Farmer	56.5
Experience	>30 years	.5
	>20 years	17
	>10 years	67
	< 10 years	15.5
First income earning activity	Yes	70.5
	No	29.5

(Source: Survey)

Table No.2 Demographic profile Cont.

Variable	Percentage	
Prior occupation	Owner of another job	29.5
	Worker in a small firm	48.5
	Worker in a large firm	3.5
	others	18.5
Reasons for choosing the job	Unable to find job	59
	Interest and background knowledge	4
	advice from bankers	5
	family tradition/ tradition	4
	good business partner	9
Nature of the firm	attracted by government incentives	8
	Proprietary	83
	Partner	6.5
	Others	10

(Source: Survey)

The Gender profiles of the collected sample (200) are 48.5 percent women and 51.5 percent men. We make three categories for collecting the age profile of the entrepreneurs of Manipur, they are identified as, 1. Young (less than 30 years of age); 2. Middle age (between 30 to 45); and, 3. Old (45 and above). From the survey, it is found that 6%,

75.5% and 18.5 % of the entrepreneur are in the category of 1, 2, and 3 respectively. A total of 56.5% and 43.5% of the entrepreneurs belonged to Rural and Urban areas respectively.

The educational profile of the entrepreneurs concerned are ; 25.5% of them did not go to school and 74.5% of them are educated.56.5% of them were class ten passed,35.5% were under graduates and 8% had masters degree.When the Technical Crafts Skill (TCS) and Management and Administrative Skills (MAS) of the entrepreneurs for running a business are concerned; a total of 2% of the entrepreneurs got the skills from technical colleges, 31% of them got knowledge of craftsmanship from the former jobs, 25.5% got from their family, 25.5% from their relatives,23.5% from friends, 5% got through self study, and 6.5% got the idea of craftsmanship from others.

Regarding the firm location in cluster,65.5% said yes,while 34.5% said no. Coming to the occupation of the father of the entrepreneurs; 35.5 % of them are paid workers, 39.% are having own business, and 25% of them are farmers and do not have jobs. As of the occupation of the mother of the entrepreneurs, 23.5 % of them are paid workers, 20% are having own business, and 56.5% of them do not have job as they are farmers. As far as the survivability of the firm is concerned; small number of the firms say, 0.5% of the firm were started between 1960-70, and the majority of the firms' say, 67% of the firm were started between 2000-2005. Out of the total 200 respondents of handicraft, 70.5% of the craftsmen had turned handicrafts to be their first income earning profession. Whereas, for 29.5% of them, the handicraft industry is their 2nd profession, they have shifted from other profession. 59% of the respondents set up their present business due to failure to find another Job, 4% respondents set up business out of their interest and background knowledge, 4% respondents took advice from relatives / friends / others to set up their business,5% advice from bankers, 9% Respondents had good business partners for setting up present business and 8% of the Respondents were attracted by government incentives for setting up their business . 67% of the respondents had more than 10 years of business experience in the field, 15.5% of the respondents had less than 10 years of business experience in the field.83% of respondents started the business alone, 6.5% started the business with as part of the Partners and 10% started the business along with other kind of business. 34.5 percent of the responded were from non-localizedcentre or non-cluster, and 65.5 % were from localized area or cluster.

Enterprise performance

Table No. 3:Performance of the firm handicraft firm

Category of the Firms	Growth in terms of Profit (%)	Growth in terms of Sales (%)	Growth in terms of international market (%)	Growth in terms of National market (%)	Growth in terms of Local market (%)
Not Having growth	42	42.5	65	58	26
Having growth	58	57.5	35	42	74
Total	100	100	100	100	100

(Source: survey)

We try to find out the relation between the performance of the firms (profit and sales) and the variable like age, sex, education, TCS, location, and Cluster. We formulate two propositions

1. *There is a significant relationship between the growth of firm in terms of profit and the entrepreneurial profile*

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	165.506	.413	.556

The model is moderately significant with Cox & Snell R square .413 and Nagelkerke R Square .556.

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 SEX	1.304	.430	9.187	1	.002	3.682
AGE	1.425	.870	2.682	1	.101	4.156
EDU	.140	.515	.074	1	.786	1.150
TCS	.293	.801	.134	1	.714	1.341
LOCATION	-.789	.417	3.576	1	.059	.454
CLUSTER	-3.377	.519	42.287	1	.000	.034
Constant	-.109	1.254	.008	1	.931	.897

a. Variable(s) entered on step 1: SEX, AGE, EDU, TCS, LOCATION, CLUSTER.

In the estimation, the variable, *Sex* is shown as significant at .002. That is, Male is likely to get 3.682 times profit (dependent variable) as compared to female. The variable, *Age* has less significant at .101, i.e. old person is likely to get 4.156 times profit than young entrepreneurs. The variable education is not related with the profit of the firm as the significant level is at .786. Similarly, the TCS is also not related with the profit of the firm as the significant level is .714. Whereas, the location has less significant with .059 levels and a firm who is having profit is likely to be situated in the town .454 times. The variable, cluster is highly significant at .000 levels, and the firms having profit is likely to be situated in cluster at .034 times.

2. *There is a significant relationship between the growth of sales in term of international, national, and local market and the entrepreneurial profile.*

International

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	185.982	.362	.484

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step1(a)	SEX	.033	.373	.008	1	.930	1.033
	AGE	-.699	.954	.537	1	.464	.497
	EDU	.054	.464	.014	1	.907	1.056
	TCS	.094	.594	.025	1	.875	1.098
	LOCATIO N	1.176	.403	8.499	1	.004	3.241
	CLUSTER	3.203	.596	28.842	1	.000	24.602
	Constant	-2.772	1.272	4.748	1	.029	.063

a. Variable(s) entered on step 1: SEX, AGE, EDU, TCS, LOCATION, and CLUSTER. The model is quite satisfactory with Cox & Snell R Square value of .362 and Nagelkerke R Square value of .484. Regarding the significant of these variables on the growth of sales in terms of international, the Sex, Age, Education, and TCS are not significant and the variables, like Location and Cluster are significant at .004 levels and .000 levels respectively. The firm in Urban area are likely to have growth in term of sales internationally by 3.241 times and the firm in Cluster are likely to have growth in terms of sales internationally by 24.602 times.

National

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	213.496	.254	.342

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1(a)	SEX	.829	.352	5.550	1	.018	2.290
	AGE	-.096	.789	.015	1	.903	.908
	EDU	.025	.416	.004	1	.951	1.026
	TCS	.573	.334	2.933	1	.087	1.773
	LOCATI ON	.657	.390	2.835	1	.092	1.928
	CLUSTE R	2.487	.502	24.541	1	.000	12.023
	Constant	-3.465	1.035	11.197	1	.001	.031

a. Variable(s) entered on step 1: SEX, AGE, EDU, TCS, LOCATION, and CLUSTER. The model is moderately fitted with Cox & Snell R Square value of .254 and Nagelkerke R Square value of .342. The variables, Age and Education are not significant with the growth of the sales nationally. The variables, like Sex and Cluster are significant at .018 levels and .000 levels respectively. The firms run by Male and the firms in clusters are likely to have 2.29 times and 12.023 times growth nationally in sales respectively. The variables, TCS and Location are slightly significant at .087 and .092 respectively.

Local

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	142.136	.353	.518

Variables in the Equation

Step		B	S.E.	Wald	df	Sig.	Exp(B)
1(a)	SEX	3.123	.568	30.255	1	.000	22.717
	AGE	-.966	1.006	.923	1	.337	.380
	EDU	-.772	.512	2.276	1	.131	.462
	TCS	-	9583.5				
		17.95	41	.000	1	.999	.000
		3					
	LOCATION	.963	.502	3.685	1	.055	2.620
	CLUSTER	2.482	.538	21.261	1	.000	11.960
Constant	17.43	9583.5	.000	1	.999	3718796	
		1	41				5.653

a. Variable(s) entered on step 1: SEX, AGE, EDU, TCS, LOCATION, and CLUSTER.

The model is moderately fitted with Cox & Snell R Square value of .353 and Nagelkerke R Square .518. The variables Sex, Location, and Cluster are highly significant at .000, .055 and .000 levels respectively. The firms run by males are likely to have 22.717 times growth in term of sales locally. Whereas, the firms in urban areas, it is likely to have 2.620 times growth in terms of sales locally. The firms in cluster area are likely to have 11.960 times growth in terms of sales locally.

Conclusion

The “Cane and bamboo” and “Kouna Craft” are the main types of Handicraft industries in Manipur. The contribution by this sector in terms of employment generation is significant and is one of the main sources of livelihood for more than 3 lacs craftsmen in the State. The abundant source of raw materials like bamboo, cane and Kouna makes this crafts as one of the most lucrative and highly potential for the future growth. The recent increase in price of these raw materials due to various reasons is one of the main concerns for this crafts. The entrepreneurial profiles of the firm, is one important indicator to study the firm. We consider sex, Age, Edu, TCS, Location, and Cluster as the important variables for studying the impact on entrepreneurial profiles on the firms’ profit and sales. The variables, like Sex, Cluster and Location are significant, i.e. these variables are negatively or positively influencing the profit of the firms. And the variables, like education, TCS and Age are insignificant. The location and cluster are significant in term of profit i.e. these variables have negatively or positively impacted on the sales internationally. The variables, like Sex, Age, Edu and TCS, etc. are not significant. Whereas, the Variables like, sex and cluster are significant but AGE, EDU, and TCS are not significant in terms of impact on the sale nationally. The variable SEX, Cluster and location are significant whereas AGE, EDU TCS are not significant on the impact of sales locally.

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Foreign Direct Investment in India after 1991: The Economic Growth

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Abstract

Foreign Direct Investment (FDI) plays a very important role in the development of a Nation. Since the 1990s, the process of open economy has started in India with the introduction of the New Economic Policy. Since then, FDI has grown significantly in a developing country like India. Many developing countries have made policies aimed at reducing FDI barriers. The New Economic Policy has removed many biases against exports initiating reforms in the area of international trade, investment, financial sector, industrial and public sector. The role of FDI has change significantly after Liberalization. Earlier, the inflow of FDI was significantly low in some selected sectors but as of today, this has changed drastically with the enormous inflow of FDI in almost all the sectors of the economy. It has been estimated that since 1991 the FDI inflows in India have increased approximately by more than 165 times. This indicates that Liberalization has a positive impact on FDI in India. Thus, this paper attempts to examine and analyze the Economy of India after 1991 and highlight the performance of FDI in some of the States in India.

Keywords: FDI, New Economic Policy, Liberalization, Inflows.

Introduction

Before the colonization, the development indicators in Indian subcontinent were better than many European countries.‡ India had thriving indigenous industry and agriculture and favorable trade with different countries. These advantages disappeared once India was colonized. British colonial rule destroyed small scale industries and industrial relations, converted Indian market into a dumping ground for cheap industrial goods and made India an exporter of raw materials. British showed no interest in development of industries in India and created hurdles to upcoming Indian entrepreneurs. British colonial rule left India poor and underdeveloped. Indian nationalist leaders fought against the British colonial rule to end colonial exploitation and put India on the path of self-reliance and balanced development. In pursuit of these goals, after independence India government enacted appropriate industrial and economic policies.

The Industrial Policy Resolutions of 1948 and 1956, in tune with the Nehruvian idea of socialistic pattern of society, emphasized on self-reliance, public sector, import substitution and control of foreign investment. After the death of Nehru, some changes were made in the Industrial Policy in 1977 and 1980. But the core objectives of the policy remained more or less the same. However, the basic focus of the Industrial Policy changed after 1985 and

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more conclusively in 1991. The then Prime Minister Rajiv Gandhi through the 1985 industrial policy reduced the control over industries, especially in large industries. The policy focused on increasing productivity, reducing cost and improving quality and emphasized on opening of the domestic market increasing competition and preparing the Indian industry to stand international competition. The technology and managerial modernization of industry was stressed as the key instrument for increasing productivity and improving India's competitiveness in the world.[§]

In July 1991, India government under the premiership of P.V. Narasimha Rao launched major economic reform program. The government committed itself to promoting a competitive economy that opened up to trade and foreign investment. Measures were introduced to reduce the government's influence in corporate investment decisions. Much of the industrial-licensing system was dismantled, and areas once closed to the private sector were opened. These included electricity generation, areas of the oil industry, heavy industry, air transport, roads and some telecommunications. Foreign investment was openly welcomed. During the first three decades of independence, foreign investment in economy was rigidly controlled in line with the then established development thinking. Investment was mostly restricted to industries where it was felt that the acquisition of foreign technology was important, or where the promise of exports was convincing. The Foreign Exchange Regulation Act was enacted to regulate foreign investment. In most industries, foreign share holdings to 40 percent of the total capital.

After liberalization, FDI is being projected as panacea for non-debt creating foreign capital resources, technology up gradation, skill enhancement, creating employment etc. ** After accepting and implementation of economic reforms, the Government has made it easier for Multi-National corporations (MNCs) and foreign investors to invest in India. The NDA government lead by Narendra Modi has been actively liberalizing foreign direct investment routes, with the intention of further easing the FDI regime in India in order to improve the ease of doing business in India. The Indian government's favorable policy regime and business environment have ensured that foreign capital keeps flowing into the country. The government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defense, PSU oil refineries, telecom, power exchanges, and stock exchanges, among others. According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments in India during April-December 2017 stood at US\$ 35.94 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.^{††}

Objective

The Objective are as follows:

1. To evaluate the government's policy and on the inflow of FDI.
2. To analyze the problems relating to FDI.

Government Initiatives

[§]M.M.Sury, *Twenty Five Years of Economic Reforms in India 1999-2016, A Comprehensive Account and Assessment of Economic Reforms Introduced in Various Sectors of the Indian Economy Since 1991*, New Delhi, New Century Publication, 2016.

** Gulshar Akthar, "Inflows of FDI in India: Pre and Post Reform Period" *International Journal of Humanities and Social Sciences Intervention*, Volume2, Issue 2, February, 2013, pp.01-11.

†† Report of the Steering Group on Foreign Direct Investment, Planning Commission, Government of India. Shipra Publications, Delhi, August 2002. Available at: http://planningcommission.nic.in/aboutus/committee/strgrp/stgrp_fdi.pdf

As of February 2019, the Government of India is working on a road map to achieve its goal of US\$ 100 billion worth of FDI inflows. In February 2019, the Government of India released the Draft National e-Commerce Policy which encourages FDI in the marketplace model of e-commerce. Further, it states that the FDI policy for e-commerce sector has been developed to ensure a level playing field for all participants. Government of India is planning to consider 100 per cent FDI in Insurance intermediaries in India to give a boost to the sector and attracting more funds. In December 2018, the Government of India revised FDI rules related to e-commerce. As per the rules 100 per cent FDI is allowed in the marketplace based model of e-commerce. Also, sales of any vendor through an e-commerce marketplace entity or its group companies have been limited to 25 per cent of the total sales of such vendor. In September 2018, the Government of India released the National Digital Communications Policy, 2018 which envisages increasing FDI inflows in the telecommunications sector to US\$ 100 billion by 2022.

In January 2018, Government of India allowed foreign airlines to invest in Air India up to 49 per cent with government approval. The investment cannot exceed 49 per cent directly or indirectly.

No government approval will be required for FDI up to an extent of 100 per cent in Real Estate Broking Services.^{††}

In September 2017, the Government of India asked the states to focus on strengthening single window clearance system for fast-tracking approval processes, in order to increase Japanese investments in India. The Ministry of Commerce and Industry, Government of India has eased the approval mechanism for foreign direct investment (FDI) proposals by doing away with the approval of Department of Revenue and mandating clearance of all proposals requiring approval within 10 weeks after the receipt of application. The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defense under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment. And in January 2018, Government of India allowed 100 per cent FDI in single brand retail through automatic route.^{§§}

Problems of FDI in India

Ease of doing business in India. This is probably one of the biggest stumbling blocks India faces in attracting FDI. The bureaucracy, corruption, labor and land acquisition laws are complicated and slow down the entire process of setting up a business. A country which is anxious to attract business should look to see how other countries are managing these issues and what steps they have taken to make it attractive for the foreign companies to set up their Business. The challenges facing larger FDI in India are in spite of the fact that more than 100 of Fortune 500 companies are already investing in India. These FDIs are already generating employment opportunities, income, technology transfer and economic stability. India is focusing on maximizing political and social stability along with a regulatory environment. In spite of the obvious advantages of FDIs, there are quite a few challenges facing larger FDIs in India, such as:

- 1. Resource challenge:** India is known to have huge amounts of resources. There is manpower and significant availability of fixed and working capital. At the same time,

^{††} About FDI in India, India Brand Equity Foundation, <https://www.ibef.org/economy/foreign-direct-investment.aspx>, (Accessed on 21 April 2019).

^{§§} Ibid.

there are some underexploited or unexploited resources. The resources are well available in the rural as well as the urban areas. The focus is to increase infrastructure 10 years down the line, for which the requirement will be an amount of about US\$ 150 billion. This is the first step to overcome challenges facing larger FDI.^{***}

2. **Equity challenge:** India is definitely developing in a much faster pace now than before but in spite of that it can be identified that developments have taken place unevenly. This means that while the more urban areas have been tapped, the poorer sections are inadequately exploited. To get the complete picture of growth, it is essential to make sure that the rural section has more or less the same amount of development as the urbanized ones. Thus, fostering social equality and at the same time, a balanced economic growth.^{†††}
3. **Political Challenge:** The support of the political structure has to be there towards the investing countries abroad. This can be worked out when foreign investors put forward their persuasion for increasing FDI capital in various sectors like banking, and insurance. So, there has to be a common ground between the Parliament and the foreign countries investing in India. This would increase the reforms in the FDI area of the country.
4. **Federal Challenge:** Very important among the major challenges facing larger FDI, is the need to speed up the implementation of policies, rules, and regulations. The vital part is to keep the implementation of policies in all the states of India at par. Thus, asking for equal speed in policy implementation among the states in India is important.^{‡‡‡}
5. India must also focus on areas of poverty reduction, trade liberalization, and banking and insurance liberalization. Challenges facing larger FDI are not just restricted to the ones mentioned above, because trade relations with foreign investors will always bring in new challenges in investments.

India remains a preferred destination for Foreign Direct Investment as Domestic consumption remains strong, according to the RBI report. India received \$37.3 billion capital inflow in 2017-2018, as compared with \$36.3 billion in the previous fiscal. During the 2015-2016, the country received \$36.06 billion.^{§§§}

Sectors which attracts more FDI in India.

Despite the government's efforts to increase investments in the manufacturing sector to boost its growth, services sector still continues to attract most foreign direct investment (FDI). Out of the total FDI inflows of \$31 billion received during April-March 2014-15, the services sector accounted for almost 17 per cent of the cumulative inflows. During April-March 2014-2015, the services sector received foreign capital to the tune \$3.25 billion compared to \$2.22 billion in the corresponding period of 2013-2014, according to data by the Department of Industrial Policy and Promotion (DIPP) under ministry of commerce and industry. The services sector consists of financial, banking, insurance, non-financial/business, outsourcing, R&D, courier, technology testing and analysis. The

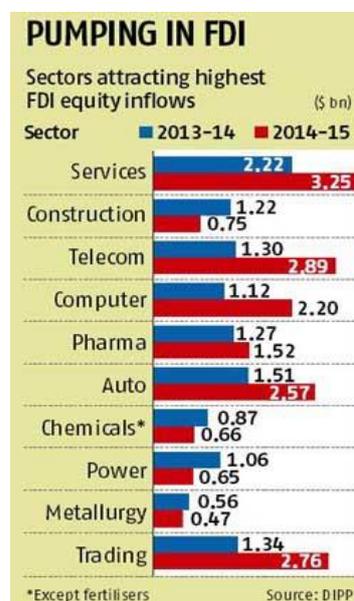
^{***} Report of the Steering Group on Foreign Direct Investment, Planning Commission, Government of India. Shipra Publications, Delhi, August 2002. Available at: http://planningcommission.nic.in/aboutus/committee/strgrp/stgp_fdi.pdf

^{†††} Ibid,

^{‡‡‡} Challenges Facing Larger FDI, <https://business.mapsofindia.com/india-retail-industry/fdi/challenges-facing-larger.html>, (Accessed on 21 April 2019).

^{§§§} FDI: India Remains Top Destination, <https://www.thehindu.com/business/Economy/fdi-india-remains-top-destination/article24813050.ece>, (Accessed on 21 April 2019).

services sector was followed by construction development, telecommunications, computer software and hardware and drugs and pharmaceuticals. The ranking is done in terms of the share of these sectors in the country's total FDI. Sectors such as telecommunications, automobile industry and computer software and hardware received FDI worth of \$2.89 billion, \$2.57 billion and \$2.20 billion respectively.**** "The Make in India programme brought out a positive change in the sentiment that India is open for business, but not in terms of change in numbers. Some key reforms are needed to go through for the manufacturing sector to be the topmost in terms of the land bill getting passed and the coming of goods and services tax (GST). The Make in India was launched in September last year. Since then the government has taken a number of measures to increase FDI inflows in the manufacturing sector. The permissible FDI limit in the defiance sector was increased to 49 per cent, FDI up to 100 per cent was permitted in rail infrastructure, norms pertaining to FDI in construction development were liberalized and FDI in medical devices were exempt from sectoral restrictions of pharmaceuticals. According to the DIPP, considering that Make in India was launched towards the end of the fiscal, the total FDI equity inflows received in the manufacturing sector during October 2014 till February 2015 was showed an increase of 44.98 per cent compared to corresponding period of previous financial year. Economists also believe that for the manufacturing sector to exceed services, several big-ticket reforms need to go through. "Make in India impact will be seen only by the fourth quarter of this fiscal. Any investment decision in to the manufacturing sector to fructify takes around 12-16 months. Investors are keen and exploring various sectors and we will see the money coming in from international investors only by the year-end or the beginning of next fiscal.



FDI Policy: Sectors where Government Approval is required (as on 08.07.2016)

**** Services Attract Highest Foreign Direct Investment, Despite Make India in Push, https://www.business-standard.com/article/economy-policy/services-attract-highest-foreign-direct-investment-despite-make-in-india-push-115070900019_1.html, (Accessed on 22 April 2019).

S. No	Sector/Activity	Relevant Para of Consolidated FDI Policy, June 2016	Cap	Govt. Approval
1.	Mining and mineral separation of titanium bearing minerals and ores	5.2.3.3	100%	Upto 100%
2.	Food Product Retail Trading	5.2.5	100%	Upto 100%
3.	Defence	5.2.6	100%	Beyond 49%
4.	Publishing/printing of scientific and technical magazines/specialty journals/ periodicals	5.2.8.3	100%	Upto 100%
5.	Publication of facsimile edition of foreign newspapers	5.2.8.4	100%	Upto 100%
6.	Print Media - Publishing of newspaper and periodicals dealing with news and current affairs	5.2.8.1	26%	Upto 26%
7.	Print Media - Publication of Indian editions of foreign magazines dealing with news and current affairs	5.2.8.2	26%	Upto 26%
8.	Air Transport Service – Scheduled, and Regional Air Transport Service,	5.2.9.2(1)	100%	Beyond 49%
9.	Investment by Foreign Airlines	5.2.9.2	49%	Upto 49%
10.	Satellites- establishment and operation	5.2.12	100%	Upto 100%
11.	Telecom Services	5.2.14	100%	Beyond 49%
12.	Trading - SBRT	5.2.15.3	100%	Beyond 49%
13.	Pharma – Brownfield	5.2.27.2	100%	Beyond 74%
14.	Banking- Private Sector	5.2.18	74%	
15.	Banking- Public Sector	5.2.19	20%	Upto 20%
16.	Private Security Agencies	5.2.13	74%	Beyond 49%
17.	Broadcasting Content Service a) FM Radio b) Uplinking of 'News & Current Affairs' TV Channels	5.2.7.2.1 5.2.7.2.2	49%	Upto 49%
18.	Trading – MBRT	5.2.15.4	51%	Upto 51%

Source: DIPP, Government of India.

Who can invest in India?

A non-resident entity can invest in India, subject to the FDI Policy except in those sectors/activities which are prohibited.^{†††} However, a citizen of Bangladesh or an entity incorporated in Bangladesh can invest only under the Government route. Further, a citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the Government route, in sectors/activities other than defense, space and atomic energy and sectors/activities prohibited for foreign investment. NRIs resident in Nepal and Bhutan as well as citizens of Nepal and Bhutan are permitted to invest in the capital of Indian companies on repatriation basis, subject to the condition that the amount of consideration for such investment shall be paid only by way of inward remittance in free foreign exchange through normal banking channels. OCBs have been derecognized as a class of investors in India with effect from September 16, 2003. Erstwhile OCBs which are incorporated outside India and are not under the adverse notice of RBI can make fresh investments under FDI Policy as incorporated non-resident entities, with the prior approval of Government of India if the investment is through Government route; and with the prior approval of RBI if the investment is through Automatic route.^{‡‡‡}

An FII/FPI may invest in the capital of an Indian company under the Portfolio Investment Scheme which limits the individual holding of an FII/FPI below 10% of the capital of the company and the aggregate limit for FII/FPI/QFI investment to 24% of the capital of the company. This aggregate limit of 24% can be increased to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned through a resolution by its Board of Directors followed by a special resolution to that effect by its General Body and subject to prior intimation to RBI.^{§§§} The aggregate FII/FPI/QFI investment, in the FDI and Portfolio Investment Scheme, should be within the above caps. An Indian company which has issued shares to FIIs/FPIs under the FDI Policy for which the payment has been received directly into company's 10 account should report these figures separately under item no. 5 of Form FCGPR. A daily statement in respect of all transactions (except derivative trade) has to be submitted by the custodian bank in floppy/soft copy in the prescribed format directly to RBI and also uploaded directly on the OFRS web site.^{*****}

Only registered FIIs/FPIs and NRIs as per Schedules 2, 2A and 3 respectively of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, can invest/trade through a registered broker in the capital of Indian Companies on recognized Indian Stock Exchanges.

A SEBI registered Foreign Venture Capital Investor (FVCI) may contribute up to 100% of the capital of an Indian Venture Capital Undertaking (IVCU) and may also set up a domestic asset management company to manage the fund. All such investments can be made under the automatic route in terms of Schedule 6 to Notification No. FEMA 20. A SEBI registered FVCI can invest in a domestic venture capital fund registered under the SEBI (Venture Capital Fund) Regulations, 1996. Such investments would also be subject to the extant FEMA regulations and extant FDI policy including sectoral caps, etc. SEBI

^{†††} Investment climate in India has improved considerably since the opening up of the economy in 1991. Available at : <https://www.investindia.gov.in/foreign-direct-investment>

^{‡‡‡} OpCit

^{§§§} Nagi, Taruna, Foreign investment: Compliance under RBI/FEMA. Available at: economictimes.indiatimes.com/articleshow/59488429.cms?from=mdr&utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

^{*****} Available here: <https://secweb.rbi.org.in/ORFSMainWeb/Login.jsp>.

registered FVCIs are also allowed to invest under the FDI Scheme, as non-resident entities, in other companies, subject to FDI Policy and FEMA regulations. Further, FVCIs are allowed to invest in the eligible securities (equity, equity linked instruments, debt, debt instruments, debentures of an IVCU or VCF, units of schemes/funds set up by a VCF) by way of private arrangement/purchase from a third party also, subject to terms and conditions as stipulated in Schedule 6 of Notification No. FEMA 20 / 2000 - RB dated May 3, 2000 as amended from time to time. It is also being clarified that SEBI registered FVCIs would also be allowed to invest in securities on a recognized stock exchange subject to the provisions of the SEBI (FVCI) Regulations, 2000, as amended from time to time, as well as the terms and conditions stipulated therein.^{†††††}

Rising Trend of FDI in India

India is a developing nation, trying to make its way up the ladder in the world economy. To achieve its goal, it requires influx of investment, both national and international. Foreign nations often keep an eye on fast-growing economies and are keen to invest in markets where they expect great interests in the future. India allows FDI through two routes- Automatic and Government. Where in automatic route, no prior approval is required, the government route cannot be accessed without approval from Government of India. The Government of India amended FDI policy in 2014 to increase the inflow of FDI. FDI in 25 sectors was increased to up to 100% along with up to 49% in insurance sector. Following this, India became the top destination for FDI overtaking China and USA. The sectors that cannot avail FDI include lottery business, chit funds, casinos, Nidhi companies, real estate, railways and a few others. According to 2018 data, the main investor in India is Singapore, comprising 38.3% of the total FDI followed by Mauritius at 18.2%, Netherlands at 8.8% and USA at 7.1%. Other investors include Japan, UK, Germany, France, UAE and Cyprus. The main sectors availing these investments are chemical sector, accounting for 23.5% of the FDI, followed by services sector at 22.7% and computer software and hardware at 18.6%.^{†††††}

FDI helping to Boost Economy

1. Revenue Generation

Sometimes, when a giant venture is to be started, capital is hard to come by. At such times, FDI comes in handy as a savior and provides with necessary revenue to meet the initial infrastructural demands required for a project. For example, in May 2018, Walmart acquired a 77 per cent stake in Flipkart for a consideration of USD 16 billion while in February 2018, Ikea announced its plans to invest up to Rs. 4,000 crore (USD 612 million) in the state of Maharashtra to set up multi-format stores and experience centers.^{§§§§§}

2. Employment Generation

India is teeming with a wide work force but not enough jobs. When multinational businesses are established, it leads to job creation which the indigenous industries are not able to provide on such a wide scale. According to a report in the Business Today magazine, between 2000 and 2016, British FDI created 371,000 jobs. 10 per cent of all jobs created by FDI. The total number of people employed by British companies in India

^{†††††} Department of Industrial Policy and Promotion Ministry of Commerce and Industry Government of India, Consolidated FDI Policy (Effective from May 12, 2015), https://dipp.gov.in/sites/default/files/FDI_Circular_2015.pdf, (Accessed on 22 April 2019).

^{†††††} Is FDI Good for Indian Economy, <https://www.mbauniverse.com/group-discussion/topic/business-economy/fdi-in-india>, (Accessed on 22 April).

^{§§§§§} Ibid

currently stands at 788,000-representing 5.3 per cent, or one in twenty, of private sector jobs.*****

3. Getting Latest Technology

Though India is developing, it still does not have access to cutting edge technology which comes in handy when working in collaboration with foreign businesses as they tend to bring in latest technology to maintain the quality of the products and services provided by them. It helps to get the products with latest technology. Moreover, it also opens up doorways to research opportunities in the concerned field on the domestic front. FDI in manufacturing sector often helps with the setup as well as better quality of product manufactured.†††††

4. Cultural Exchange

Working shoulder-to-shoulder with people from different cultural backgrounds helps everyone evolve and develop a sense of comfort in any atmosphere if they have to live in it. Multinational businesses offer an opportunity of a multilevel cultural exchange which cannot be seen otherwise. It leads to a certain level of acceptability for the different cultures all over the world.†††††

5. Infrastructure Development

With International brands pouring in to the domestic country, there is scope for better infrastructure, be it in the field of education, health care, information technology, constitutional bodies, construction of rail, road, vehicles among others. FDI also helps to make the Indian infrastructure at par with the facilities available in foreign countries. In June 2018, Idea's appeal for 100 per cent FDI was approved by Department of Telecommunication (DoT) followed by its Indian merger with Vodafone. This merger made Vodafone Idea the largest telecom operator in India resulting in better overall reach of the company.§§§§§

6. Price Reduction

Better technology may further lead to a reduction in prices of the produced goods which in turn benefits the consumers. Moreover, when a new product is brought into the market, new research and development in the field will definitely lead to better price ranges for consumers in the future. Thus, FDI benefits consumers by reducing prices of goods and services in the long run.

7. Healthy Competition

With addition of a foreign player in the market, each company strives to do its best, thus increasing the healthy competition in market and in turn benefitting the customer. This benefit may come in form of a variety of products, reduced prices or introduction of a product that was not available in the domestic market before.

Harmful Impact of FDI

FDI Hinders Economic Growth so we should not over rely on FDI. Here are some of the logical arguments:

1. Foreign Investors are Volatile

Investors run after profit. If they see a better opportunity elsewhere, they may shift their interests as well as their investment to the better prospect in a heartbeat without any lieu of

***** Ibid

††††† Op.Cit

††††† Op.Cit

§§§§§ Is FDI Good for Indian Economy, <https://www.mbauniverse.com/group-discussion/topic/business-economy/fdi-in-india>, Accessed on 30 May 2019.

the consequences on the economy of the host country unless prior contracts have already been signed. This brings in the uncertainty factor when looking for FDI. This cancellation of contracts may in turn lead to devaluation of Rupee and a financial crisis at hand.*****

2. FDI Creates Imbalance

FDI is often concentrated either in the richer states of India or in the high skill sectors. This imbalance leads to a probable increase in the economic gap between the rich and the poor. FDI projects are often concentrated to already well-developed states like Delhi, Gujarat, Maharashtra while less developed states like Bihar and Jharkhand are left behind once again thus, increasing the regional economic gap further. Apart from this, in the current scenario, FDI focuses on service sector where skilled labor is required, but the brunt of our problems lie in the majority of unskilled and semi-skilled labor. FDI in sectors like construction, manufacturing and textiles should be further encouraged in order to create more jobs for them††††††.

3. Tax Evasion

Profit-shifting behavior among MNCs is induced by the huge tax arbitrage between jurisdictions. While the average effective corporate tax rate in China, Brazil and India ranges from around 17% to 32%, it is much lower in the tax havens of the world like Bermuda, Luxembourg and Netherlands. Corporate tax evasion is an issue that is even faced by the developed nations like US and UK and is thus something that India should take into consideration. India has committed to the implementation of the Base Erosion and Profit Shifting (BEPS), according to a recent update by Ernst and Young. India has adopted the "country-by-country" reporting norms, which means that large MNCs will be mandated to disclose information about the entire group's operations across the world to check if the company is shifting its profits to a low-tax jurisdiction to evade taxes

4. FDI Causes Money Laundering

Sometimes, proceeds of criminal activities may be used in FDI as a front to cover it up and set up legitimate businesses. The recent case of Air Asia is indicative of how lobbying can be a major factor that can hinder a business in the long run.

5. FDI harms Domestic Companies

When foreign companies open their businesses in the domestic market, they often have lower prices for products than the indigenous product prices which harms the local businesses to a certain extent. Sometimes, it may even make it hard to survive for the local businesses among the bounty of cheap products due to well-established infrastructures. FDI in retail also harms the local merchants.

6. Possibility of Inflation

There is also a possibility of inflation with prolonged increase in FDI which in turn causes better incomes, more expenditure by consumers. If this expenditure is balanced in form of an increased supply of goods required according to the demand, the inflation caused will be indicative of a progressing economy where as if the incomes increase without any change in availability of products for consumers, the inflation will be detrimental to the

***** What are the main disadvantages of FDI in local developing economies?, https://www.researchgate.net/post/What_are_the_main_disadvantages_of_FDI_in_local_developing_economies, Accessed on 30 May 2019.

†††††† Foreign Direct Investment, <https://www.investopedia.com/terms/f/fdi.asp>, Accessed on 30 May 2019.

economy. For example, if the foreign borrowings were in the form of armaments, which are of no use to the common man, the economy may suffer. ¶¶¶¶¶¶

7. Increase in Dependency

When FDI is availed, the host country often works on the foreign timeline and is dependent on the investing country for almost all of its operations from initial capital to laying of infrastructure to the way the business is to be carried forward. This increases dependency on foreign players and is often detrimental to the host country's economy. For example, looking at the Mumbai-Ahmedabad Bullet Train Project, major funding is to be provided by Japan International Cooperation Agency (JICA). JICA till now had released only Rs. 125 crore for the project out of the Rs. 80,000 crore to be provided by JICA for the project. The project would cost roughly 1 lakh crore. This delay in funding is one of the causes for the delay of the project.

8. Political Involvement

Political parties often try to direct the inflow of FDI for personal benefits which leads to obstacles in the nation's development and create controversies that if not resolved hamper the rate of economic progression. The most recent case of such a controversy is the Rafale Deal with France's Dassault Aviations. The opposing party claimed that the ruling party (NDA) has made the deal at triple the price. Although the Supreme Court gave a ruling in favor of NDA, the deal is still a matter of immense controversy.

A Cautious Move Needed

Though FDI is a very good option to move forward but it has its demerits and these should be taken into consideration when designing policies for FDI. Over dependence on foreign investments should not be encouraged. Other alternatives like FII, venture capitalist and Indian innovation must also be promoted to improve the foundations of the domestic economy. Care should be taken to utilize the increase in foreign money inflow. FDI would lead to a more comprehensive integration of India into the worldwide market where India can also make a strong position in global market by exporting their quality products and services. §§§§§§§§

Developing countries like India need substantial foreign inflows to achieve the required investment to accelerate economic growth and development. It can act as a catalyst for domestic industrial development. Further, it helps in speeding up economic activity and brings with it other scarce productive factors such as technical knowhow and managerial experience, which are equally essential or economic development.

Conclusion

Foreign Direct Investment is a subject of tropical interest. Countries of the world, particularly developing economies, are vying with each other to attract foreign capital to boost their domestic rates of investment and also to acquire new technology and managerial skills. Intense competition is taking place among the less developed countries to attract foreign investors by offering repatriation facilities, tax concessions and other incentives. However, Government in developing countries has to be very careful while deciding the magnitude, pattern and conditions of private foreign investment. Foreign Direct Investment plays an important role in the long-term economic development of a

¶¶¶¶¶¶ Press Information Bureau Government of India, Economic Survey 2017-2018, https://timesofindia.indiatimes.com/realtime/Economic_Survey_2017_18.pdf, Accessed on 30 May 2019.

§§§§§§§§ Is FDI Good for Indian Economy, <https://www.mbauniverse.com/group-discussion/topic/business-economy/fdi-in-india>, (Accessed on 21 April 2019).

country by increasing availability of capital, enhancing competitiveness of the domestic economy through transfer of technology, strengthening infrastructure, raising productivity and generating new employment opportunities.

Cross Border Connectivity: Current Status and Key Challenges for Inclusive Growth of SAARC Nations with Special Reference to Bhutan

Dr. Purna Prasad Sharma*

Abstract

Firm cross border connectivity plays a pivotal role for the growth and smooth expansion of economies. The higher degree of Inclusive Growth (IG) can be achieved when rising regional and intraregional trades are backed by infrastructure, strong network connectivity and effective trade measures. However, such is not the phenomena with several economies of South Asian Association of Regional Cooperation (SAARC). Although the nations of SAARC have strong trade links with neighboring regions, they lack effective intra- and inter-regional connectivity. The quality of infrastructure and connectivity varies widely among these nations when compared to India and Bhutan. The cross-border connectivity becomes more vital for bringing IG in particular and development of the nation in general, especially in the case of land locked economy as Bhutan. The tangible IG cannot be expected without positive growth across all the sectors of an economy including poverty alleviation. On the flip side, the effective cross border connectivity is always expected to boost broad-based growth across all the sectors of the nation. However, there involve key challenges that hinders installing sound cross-border connectivity which in turn pose cascading effect on inclusive growth of a nation. The present study, therefore, is an exploratory by nature, where an attempt has been made to study the present scenario of cross-border connectivity among SAARC nations in general and Bhutan in particular. Further, the research highlights the key challenges of cross border connectivity for bringing IG among SAARC nations with special reference to Bhutan. Secondary data from various sources such as The 'Ministry of Information and Communications of Bhutan, World Development Indicator (WDI), CIA Fact Yearbook, ESCAP, Ministry of power, Government of India, World Bank, ASEAN Secretariat and Times of India' have been used and conclusive inferences have been drawn using percentages, mean, standard deviation, and Coefficient of variation.

Key words - Cross Border Connectivity, Inclusive growth, SAARC, Bhutan.

Introduction

Connectivity in its simple term delineates the degree of connectedness of regional and cross-borders with various modes of transport. It is a measure of accessibility regardless of distance. The regional connectivity helps strengthening intra-regional networks whereas, the Cross-Border Connectivity (CBC) helps bringing countries together to facilitate smooth flow of intra-regional trade and services. CBC involves developing of effective network that connect one economy with the other. On the other hand, it can be understood as "*the level of effectiveness of cross-border networks to facilitate flows of goods, services, people, and knowledge*" that should incorporate both physical as well as non-physical parameters

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to offer the time and cost effective multimodal systems. High connectivity delineates high accessibility and high probability of Inclusive Growth (IG) whereas low connectivity results low accessibility and low probability of IG. CBC becomes highly significant for landlocked countries as Bhutan where it helps intra-regional trade and provides an opportunity to eventually become *'land linked'*.

Besides being connecting countries' borders, the CBC assumes its significant role for IG for all those economies who share their borders with each other. This becomes more significant when connected economies differ in terms of their population, structure of the economies, countries own policies for IG, unemployment and poverty rate and above all the bilateral relation of the nations. Besides CBC, regional connectivity plays pivotal role for facilitating intra-regional inclusive growth which at the end open avenues to establish sound CBC and IG. Therefore, Regional Connectivity (RG) involves developing effective networks that connect urban and industrial centers and also the coastal and hinterland regions with various means of cross-border routes (<http://www.unescap.org>).

The diversity of SAARC brings huge opportunities for overall economic growth. The decadal growth in different sectors of the respective economies demonstrates this fact. Geographically, the nations in SAARC are very wide and heterogeneous. On the contrary, the region in South Asia geographically links Central and West Asia with Southeast and East Asia. Some of the South Asian countries are also members of many forward-looking initiatives such as ECO, BIMSTEC, SAARC and EAS. As the economies in the region are diverse and heterogeneous by nature, there are multiple challenges involved that hinders both intra as well as inter-regional connectivity. The challenges vary widely in these economies and so as the regional and cross-border connectivity. Besides, the challenges for smooth connectivity networks of cross-borders are complex for the island and landlocked countries such as Maldives and Bhutan. All these complex challenges demand strengthening of wholesome cross border connectivity which would bring inclusive growth in general. As it has already been mentioned, the region has recorded remarkable growth in trade; challenges too have become more complex depending upon the structure of the economies. For example, the countries in South Asia have, so far achieved only 43 percent of their trade potential, whereas the realization rate of trade potential varies across countries with the highest of 83 percent (Maldives) and the lowest of 42 percent (Pakistan). Hence, a stronger connectivity not only is expected to strengthen the intra- and inter-regional trade but also brings higher income and prosperity (ESCAP, 2012). Apart from high potential in trade, the present scenario of regional and cross-border integration of SAARC nations found low when compared to other developed regions. Among many, lack of regional and cross-border connectivity undoubtedly has been critical for such low performance. Because of lack of proper connectivity, the intra and inter IG also varies widely among these nations. The IG of the individual nation widely varies among island and landlocked countries. Hence, better infrastructure with that of effective trade and connectivity are the actual drivers of IG.

Economic growth primarily depends on the quality and regional cross-border connectivity. IG growth as has already been stated, depend heavily on the effective regional and cross-border connectivity. IG provides a platform to the citizens and also reaps benefit from countries' growth. On the other hand, there is a strong and positive correlation between IG and sustained poverty reduction. This meaning of IG implies a direct link between the macro and micro determinants of growth. The IG, besides being related with poverty

reduction, refers both to the degree and pattern of economic growth, and required to be addressed together. (Commission on Growth and Development, 2008).

Countries' policies for IG are significant drivers for sustainable growth. The policies become more crucial when landlocked countries such as Bhutan comes into picture. Due to its difficult terrain in many parts, the density of population is highly scattered. Many of the interior villages are yet to connect with sound transportation system. There is no rail transport in the country and at the same time the government has been facing numerous challenges to connect remote areas with good road-transport network. Hence policies for IG plays key role in Bhutanese economy. It is evident that the country has been successful in reducing its poverty rate over the recent years; concerns are still raised for effective IG. One of the press releases from the Asian Development Bank (ADB) says that poverty rate in Bhutan has decreased from 23.2 percent in the year 2007 to 12.0 percent in 2012. However, the inequality still remains high. The incremental growth over all the sectors of the economy provides good opportunity for IG but the growth in Bhutanese economy has been contributed largely by the *hydropower sector*. Under such circumstances, there is an urgency to focus on IG by considering other important sectors of the economy such as agriculture, small industries, tourism etc. Considering all the above factors, the country however, gives prime importance to Gross-National Happiness (GNH) and considers it as a significant indicator to measure the holistic development of the nation. Besides Gross Domestic Product (GDP), GNH emphasis has been on determining the well-being of the nation. The GNH concept of holistic development has been given prime importance by the government's 5-year planning to achieve impressive progress in its socio-economic aspects. (GOB, Planning Commission, 1999).

Literature Review

Among different modes of connectivity, the importance of land transport is significant especially for the landlocked countries. It adds further value when there is insufficient air connectivity and above all there is no rail transport as in the case of Bhutan. The land connectivity become significant when all rail and road links are extended to the nearest ports. Besides road transport, Inland waterways become pivotal for achieving multi-modal connectivity. In this context, it important to develop ports and link them by roads or railways. The countries who are bestows with maritime transport opportunities can well improve such modes for the trade as it is not only beneficial for cost reduction but also reduces trade pressure from rail and road transportation. (Basu et al., 2015). Connectivity, in its broader perspective, focuses on all the modes of transportation links that facilitates free flow of trade among borderly connected economies. The report on India-Bangladesh Cross-border Connectivity, released on June, 2015 in Kolkata explores on the connectivity between India and Bangladesh focusing on four aspects that is rail and road, waterways, energy and border management. Further, it found that Chittagong, Kolkata, Haldia and Kulpi ports for enabling the exchange of both trade and passenger movement.

The strong connectivity sounds good but at the same time it poses many problems and issues especially while establishing quality CBC. Among many, the transaction cost is one of the major issues. The higher transaction costs generally discourage various trade partners. It may be mainly because of either poor connectivity or absence of specific modes of transport such as railways in Bhutan, Afghanistan and Sri-Lanka (ibid). Hence

road transport is crucial for such countries to strengthen connectivity and bring ease in transaction costs. Besides transaction costs, inconsistency and possible conflicts between trade agreements among countries is one of the hindrances of smooth facilitation of international road transport. The ESCAP Ministerial Conference on Transport held at Bangkok in March 2012 adopted the Regional Strategic Framework on Facilitation of International Road Transport. It consists of fundamental elements of international road transport that are beneficial for both the trade partners.

The lack of uniformity in agreement to speed-up the intra-regional connectivity is yet another plausible reason for wide variation in connectivity among countries. This has been observed during the 16th SAARC Summit at Thimpu (Bhutan). Pakistan fail to endorse Motor Vehicles Agreement which is to provide connectivity between Kabul and Dhaka (IPCS, 2010). On the other hand, India and Pakistan signed the South Asian Free Trade Agreement (SAFTA) in 2004 with the understanding that they would offer MFN treatment to each other but Pakistan did not follow the same and continued to trade only on 137 items from India via road, thereby making the route more restrictive. Thus, SAFTA has failed at helping smooth trade relations between Pakistan and India (Taneja et al., 2013). Based on such impermanent trade relations with Pakistan, a trade connectivity agreement has been signed among Bangladesh, Bhutan, India and Nepal (BBIN) with an aim to enhance regional cooperation in terms of vehicular traffic-passenger, personnel and cargo. (Mukherjee, 2015). The agreement is also expected to increase exports and imports among the signatories' nations.

The real infrastructure in terms of good roads that links main cities of the nations also plays indispensable role for better connectivity. SAARC in this context shows wide variation across the nations. Lack of direct land routes between Pakistan and India and also between Sri Lanka and India can suffice this. On the other hand, Single transit routes connect Benapole (Bangladesh) to Petrapole (India) whereas; Bangladesh and Bhutan are connected via India through Phuentsholing (Bhutan)-Jaigaon (India)-Changrabandha (India)-Burimari (Bangladesh). Similarly, Nepal and India are linked by border towns of Birgunj, Raxaul, and Siliguri. On western front, the Kabul-Pakistan highway connects Pakistan and Kabul (ibid)

IG which is pivotal for poverty reduction is positively related with CBC. IG provides a platform for the majority of the labor force to contribute to and benefit from economic growth. In short it focuses on providing equality of opportunity in terms of: "access to markets" "resources" and "unbiased regulatory environment" for individuals and businesses to grow. In this regard, effective cross-border connectivity is significant for IG. In one of the press releases of Pacific Economic Cooperation Council (2013), it has been emphasized that Connectivity is the key to IG and Economies in South Asia must focus on the quality of growth and not just GDP figures. In this context, the small nation Bhutan has designed new approach of Gross national Happiness (GNH) where it deliberately used this index to measure the well-being of Bhutanese nationals. Along with the GDP, country has been using GNH to measure the holistic development of the nation in terms of its four pillars. The four pillars of GNH are: "Promotion of sustainable development" "The preservation and promotion of cultural values" "The conservation of the natural environment", and "Establishment of good governance".

Objectives and Research Methodology

1. To study the present scenario of cross border connectivity of SAARC nations with special reference to Bhutan.
2. To find out the challenges of cross border connectivity for Inclusive Growth of SAARC nations.

The study is descriptive and exploratory by nature and primarily depends on secondary data collected from Government official websites, reports, Journals and Newspapers. The important sources are: The Ministry of Information and Communications, Bhutan, World Development Indicators, Times of India, CIA Fact Yearbook, ESCAP, Ministry of Power, GoI, World Bank and ASEAN Secretariat. Mean, Standard deviation (SD), Coefficient of variation (CV) and percentages have been calculated to draw the conclusive results out of the study.

Analyses and major Results

This part of the study consists two sections. The first section highlights the scenario of road, railway and aviation performance of SAARC region with special reference to Bhutan. The second section deals with the key challenges of cross-border connectivity for inclusive growth especially those of landlocked economies including Bhutan.

SECTION – I (CONNECTIVITY SCENARIO)

Table 1: Status of road and rail transport networks in SAARC

Description/ Country	Afgn.	Bngdsh.	Bhtn.	Ind.	Maldvs.	Nep.	Pak.	SL.	CV* (%)
Road networks (KM, '000)	42.2 (2006)	21.46 (2012)	10 (2012)	4685.8 (2012)	0.1 (2005)	25.3 (2012)	261.5 (2012)	12.3 (2012)	225.88
Number of vehicles ('000)	780.4 (2008)	387.4 (2008)	67 (2012)	141866 (2012)	56 (2012)	1557.5 (2013)	11435 (2012)	4877 (2012)	195.14
Rail networks (KM)	NA	2870 (2012)	NA	64600 (2012)	NA	59 (2009)	7791 (2012)	1459 (2013)	136.75

Source: SAARC in Figures, 2014

Note: (i) NA = Not Available (ii) * calculated only for FY 2012 (iii) Afgn. = Afghanistan (iv) Bngdsh. = Bangladesh (v) Bhtn. = Bhutan (vi) Ind. = India (vii) Maldvs = Maldives (viii) Nep = Nepal (ix) Pak. = Pakistan, SL. = Sri-lanka and (x) CV = Coefficient of variation.

Both road and rail network shows wide variation in the SAARC region. Albeit the above table (Table 1) shows the range of data for a few countries, a wide variation is still recorded in road and rail networks (226 percent & 137 percent respectively). India is on the driver seat with a total road network of about 4686 thousand kilometers followed by Pakistan (262 thousand kilometers) and Afghanistan (42 thousand kilometers). Bhutan being landlocked and surrounded by mountain terrain has only 10 thousand kilometers road networks. The actual terrain of the respective countries cannot be compared to each other because of their characteristics of being landlocked and island, the Indian scenario, however, looks quite stronger in terms of road network development. As there is large road network in India, the number of vehicles is also the highest in the country. India registered almost 0.14 million cars followed by 0.01 million in Pakistan whereas Bhutan has

registered only 67 thousand vehicles. Similarly, India carries a large rail network with almost 65 thousand kilometers. The network carried almost eight billion passengers registering highest in the world in 2013. In the same year, it carried 1.01 million tons of freight recording thereby fourth highest in the world. (<http://www.railway-technology.com/features/featurethe-worlds-longest-railway-networks-4180878/>).

A well connectivity of borders through different modes helps augment IG through different indicators. Also, a good and strong connectivity shows respective country's external relation with each other. This adds further value and become more significant when countries are neighbors to each other. Besides land transport network, the aviation sector plays significant role for the IG of both inter as well as intra regions of the countries. Despite the economic downturn and political disturbances in few of the SAARC nations, an upward trend has been observed in the Air freight numbers, air passengers, and carrier departures in South Asia. (Table 2). Between 2010 and 2015, international passenger traffic in South Asian countries has been increased by 9.88 percent per annum to 118 million. However, this increase is almost half (18.24%) compared to the period between 2000-2010 (DePrabir, 2013). The air freight reached to 2619.2million ton km in 2015, increased by about less than half percentage (0.28) per annum since 2010. On the other hand, Aircraft departures in South Asia were increased by about 4.26 percent p.a. over the period of 5 years. The total growth of aviation performance of SAARC nations has been found positive; however, this growth performance has been uneven across the entire region. For example, in absolute term, Afghanistan, Nepal and Pakistan were net losers in air freight during 2010 and 2015 whereas rest of the countries excluding Maldives (data not available) was net gainers. Similarly, Afghanistan, Bhutan and Nepal were net losers in air passengers in the same period. Many airlines closed their operations in Pakistan, Nepal and Maldives, whereas rise in aircraft departure has been significant in India. In general, India has been driving the growth in air transportation sector among these nations. India shares more than 60 percent of the South Asian Countries in Air freight, more than 80 percent in Air passenger carried and more than 75 percent in Air registered carrier departures worldwide. Bhutan's share on the same is negligible and demand lot to improve aviation performance of the nation.

Table 2: Aviation performance of SAARC countries

countries	Population (in '000)	Air freight (million ton - km)*****		Air passengers carried (million)††††††††		Air registered carrier departures worldwide (‘000)‡‡‡‡‡‡‡‡	
		2015	2010	2015	2010	2015	2010
Afghanistan	32,526.56	108.0 (4.18)	33.1 (1.26)	1.99 (2.52)	1.93 (1.64)	21.67 (2.71)	23.53 (2.43)
Bangladesh	160,995.64	164.4 (6.37)	182.7 (6.98)	1.82 (2.31)	2.91 (2.47)	19.30 (2.42)	37.22 (3.84)
Bhutan	774.83	0.4 (0.02)	0.5 (0.02)	0.18 (0.23)	0.16 (0.14)	3.05 (0.38)	4.60 (0.47)
India	1,311,050.53	1,631.0 (63.16)	1,833.8 (70.01)	64.37 (81.63)	98.93 (83.97)	623.20 (77.99)	788.00 (81.29)
Maldives	409.16	**	**	**	**	**	**
Nepal	28,513.70	6.5 (0.25)	4.5 (0.17)	0.92 (1.17)	0.51 (0.43)	45.99 (5.76)	19.39 (2.00)
Pakistan	188,924.87	333.0 (12.90)	183.2 (6.99)	6.58 (8.34)	8.47 (7.19)	64.93 (8.13)	65.75 (6.78)
Sri Lanka	20,966.00	339.0 (13.12)	381.4 (14.57)	3.00 (3.80)	4.91 (4.16)	20.92 (2.61)	30.93 (3.19)
South Asia (Total)	1744161.29	2582.3 (100)	2619.2 (100)	78.86 (100)	117.82 (100)	799.06 (100)	969.42 (100)

Notes: ** Data not available

Source: WDI online Database

Despite the uneven growth, the air transport connectivity in the region has been improving. This is mainly because of the introduction of more low-cost carriers, increase in flight frequencies and investment in new airports. Most countries in South Asia are now linked directly or by hubs. They have been taking progressive steps towards developing air service agreements and liberalizing their air transport industry. However, the region is still having partial liberalization of air passengers and air freight. For example, many of the capital cities in SAARC nations are yet to connect by direct airlines. The bigger economies have direct air links for passenger and freight in South Asia. The smaller nations, more

***** Air freight is the volume of express, freight and diplomatic bags carried on each flight stage (operation of an aircraft from takeoff to its next landing), measured in metric tons times kilometers travelled.

†††††††† Air passengers carried include both domestic as well as international aircraft passengers of air carriers registered within the country.

‡‡‡‡‡‡‡‡ Registered carrier departures worldwide are domestic takeoffs and takeoffs abroad of air carriers registered within the country.

importantly, landlocked and island countries such as Nepal, Bhutan and Maldives are heavily depending on neighboring countries for air transportation. Besides, these landlocked and island countries tremendously suffer from aviation infrastructure. Hence, there is a huge demand and urgency of quality aviation infrastructure in these nations.

Efficient connectivity contributes traffic boosting. One of the research findings vindicates that there was 22 percent increase in global traffic^{§§§§§§§§} because of the improvements in air connectivity. Air traffic in South Asia has been continuously growing. For the period 2010-2020, it is estimated that there will be an increase of about 5 percent in the passenger aircraft movement. As many countries in the region have low per capita air travel (WDI, 2015), any improvement in air networks which reduces the time and cost for air travel could enhance air passenger traffic among the landlocked and island countries such as India and Bhutan. Engaging private sector in developing and running airports and airlines would be one of the substantial solutions to improve aviation sectors.

The present level of connectivity reflects stringent aviation policies leading limited number of economically viable routes in SAARC. On the other hand, wide variation in rail connection has been the major phenomena in establishing physical connectivity of the region. Besides, poor condition of infrastructure, congestion, high cost and more time required at border-crossing pose significant barriers to trade and IG. The rent seeking informal economy makes trade transactions expensive at the border. Removing such inefficiencies in trade transactions would increase welfare in the region (Sharma, 2007).

SECTION – II (CHALLENGES)

CBC as already found is indispensable for the IG of nations be it intra or inter-regional. However, for the heterogeneous region like SAARC, there exist numerous problems that might play negative role for the IG. The strong connectivity of transport along with an efficient mechanism of regional transit for cross-border movement of goods and services is crucial in connecting a region and would substantially improve the region's trade and its related activities. Besides, the flexible cross border connectivity policy of the integrated countries adds to their inclusive growth. One of the phenomena that add to the problems of connectivity in South Asia is the higher non-tariff trade costs. Besides, the region suffers from lack of unified cross-border transportation network and regional transit system.

The countries in the South Asia have higher incidence of indirect cost of trade procedures, currency fluctuation and business (regulatory) environment, compared to tariff. The variation in ad-valorem policy-related non-tariff trade costs across countries and commodities poses obstacles in trade policies and procedures (ESCAP, 2012). While countries have able to reduce documents that are required to export and import, they still lack in reducing time for export and import, more particularly landlocked countries such as Afghanistan (Tables 3(a) and 3(b)). Afghanistan takes 86 days to export whereas Sri Lanka and India take only 16 days and 17 days respectively. Bhutan being rigid in export and import policies takes 38 days to export. Hence these countries vary highly in export time as has been reflected with high CV of 69 percent.

§§§§§§§§ Cited in ESCAP (2012)

Table 3(a): Documents, cost and time required to export in SAARC countries

countries	Documents required to export (number)	Time required to export (days)	Cost required to export (US\$ per container)
	2014	2014	2014
Afghanistan	10	86.0	5045.0
Bangladesh	5	28.3	1281.0
Bhutan	9	38.0	2230.0
India	3	17.1	1332.0
Maldives	7	21.0	1625.0
Nepal	11	40.0	2545.0
Pakistan	5	20.7	765.0
Sri Lanka	7	16.0	560.0
STDEV	2.75	23.12	1428.14
MEAN	7.13	33.39	1922.88
CV (%)	38.57	69.24	74.27

Source: WDI online Database, 2014

Table 3(b): Documents cost and time required to import in SAARC countries

countries	Documents required to import (number)	Time required to import (days)	Cost required to import (US\$ per container)
	2014	2014	2014
Afghanistan	10	91.0	5680.0
Bangladesh	7	33.6	1515.0
Bhutan	11	37.0	2330.0
India	5	21.1	1462.0
Maldives	9	22.0	1610.0
Nepal	11	39.0	2650.0
Pakistan	5	18.4	1005.0
Sri Lanka	7	13.0	690.0
STDEV	2.50	24.72	1574.16
MEAN	8.11	34.39	2117.75
CV (%)	30.77	71.88	74.33

Source: WDI online Database, 2014

The volumes of documents that are required to produce at the time of export also determine about the export policy vis-a vis the CBC of the concerned countries. Nepal (11 documents) and Afghanistan (10 documents) are the highest in this case while India (3 documents) is the lowest. Bhutan is almost near to Nepal and Afghanistan (9 documents). The CV of 38 percent needs to be brought down to lessen the variation of connectivity and growth among these nations. Preparation of more number of documents and consuming more number of days to export have direct proportionate relation with cost that incur to export. Afghanistan being the highest in preparation of documents and total time taken for export incurred the highest export cost of US\$ 5045 per container. The CV of 74 percent suffices the fact that cost per container varies significantly among SAARC nations.

Time taken to import is generally higher than that of export in South Asian region. Some of the South Asian countries such as India in export documents (3 documents) or Sri Lanka in export time (16 days) do better than China, but the SAARC nations cannot compete with China in export or import cost (WDI, 2015). Therefore, reduction in the policy-related non-tariff trade cost may be one of the plausible solutions for substantial productivity gains and cost reductions. The import cost per container is the highest in Afghanistan (US\$ 5680 per container) with a high CV of 74 percent, showing high degree of variation among SAARC nations in the same phenomena.

The involvement of cost to meet the export and import for border as well as documentary compliance is yet another crucial indicator that contributes on CBC and IG. Table 4(a) and 4(b) highlights on the same phenomena. Maldives being the island country, incurred the highest cost of US\$596 to meet the export cost for border compliance. Bhutan records the least cost (US\$59) to meet the export cost for border compliance. On the other hand, the highest and the lowest cost to meet the documentary compliance have again been recorded by Afghanistan and Bhutan respectively.

Table 4(a): Documentary and border compliance to export in SAARC countries

countries	Border compliance(cost in US\$)	Documentary compliance(cost in US\$)
	2015	2015
Afghanistan	511.0	344.0
Bangladesh	408.0	225.0
Bhutan	59.0	50.0
India	413.0	102.0
Maldives	596.0	300.0
Nepal	288.0	85.0
Pakistan	426.0	307.0
Sri Lanka	366.0	58.0
STDEV	160.10	123.19
MEAN	383.38	183.88
CV (%)	41.76	66.99

Source: WDI online Database, 2014-15

Table 4(b): Documentary and border compliance to import in SAARC countries

countries	Border compliance(cost in US\$)	Documentary compliance(cost in US\$)
	2015	2015
Afghanistan	850.0	900.0
Bangladesh	1294.0	370.0
Bhutan	110.0	50.0
India	574.0	145.0
Maldives	981.0	180.0
Nepal	156.0	80.0
Pakistan	957.0	786.0
Sri Lanka	300.0	283.0
STDEV	434.64	323.22
MEAN	652.75	349.25
CV (%)	66.59	92.55

Source: WDI online Database, 2014-15

The CV is high in both the indicators (42 percent and 67 percent) indicating high degree of variation among SAARC countries in meeting cost for border and documentary compliance. Contrary to export cost, the very high CV of 67 percent and 93 percent in terms of meeting cost to import border and documentary compliance signifies clearly that these nations differ widely in meeting export and import cost for border and documentary compliance. All these phenomena on the other hand delineate different problems that are associated with the respective countries' policies for export and import. Hence it demands designing of flexible import-export policies which ultimately would facilitate higher IG in the region.

Challenges

(i) Cross-border and transit transport condition

Due to decadal growth of intra-regional trade in SAARC region, many countries eg., India and Pakistan have opened domestic and cross-border routes especially for the landlocked countries of Bhutan, Nepal and Afghanistan to facilitate smooth and quick flow of goods and services. These routes have been opened through several agreements on transport condition. However, due to fast growing international trade at borders, timely revision of these agreements is needed. Non-happening of frequent revisions in these agreements has been one of the major challenges in the SAARC. The landlocked countries such as Bhutan which depend on intercountry land transport for many of its external trade could benefit the most from timely revision of bilateral or multilateral transport facilitation agreements.

(ii) Multiple handling, procedural complexity and inefficient border corridors:

A wide variation has been observed in container handling yard and cargo clearance system across borders in SAARC which are an essential part of all Land Customs Stations (LCSs). For example, none of major LCSs in the region has single container-handling yard at the border except for Birganj in Nepal. Similarly, none of the country has effectively adopted the fast track cargo clearance system except for Petrapole in India. The customs offices in many of the SAARC countries still demand number of documentation in hard copies, especially for imports. Besides, in many LCSs, customs formalities are still handled manually though ICEGATE and ASYCUDA were found using by few LCSs. Limited capacities of the warehouses and lack of instant banking and foreign exchange facilities are other challenges of effective cross border and IG of the entire region.

Conclusion

The SAARC region which is heterogeneous in character reflects wide variation in the scenario of both CBC and IG. India is in the driver seat in all the development sectors such as transportation network, connectivity and intra-inclusive growth. However, there is a high demand of better CBC among SAARC region which is expected to facilitate both high quality cross-border connectivity and inclusive growth. An uninterrupted connectivity on the other hand would, therefore, facilitate better integration of the region in terms of trade and other facilities. The effective connectivity is also expected to bring better inclusive growth in the region.

Research implications

Conclusive inferences of this study are expected to guide and benefit various stakeholders of the society. The inferences of the study may be useful for government of the SAARC region, policy makers, and Inclusive Growth implementing agencies. Besides, the future

researchers may take this study as their supportive evidence to carry out their research on the similar subject.

Limitations and scope for future research

This study is based on secondary data obtained from various sources. No primary data have been collected. Hence the incorporation of the primary data for the study would have provided significant support for the actual inferences especially about the very recent cross-border scenario of SAARC region in general and challenges of inclusive growth in particular. Only a few phenomena such as time and cost involved in export and import, documentary compliance etc. have been incorporated to determine the challenges faced by SAARC for its inclusive growth. The inclusive of other related variables would have helped drawing more authentic inferences of the study. Further, a few secondary sources related to CBC and IG have not been referred in this study. The future scope therefore, is widely open to incorporate all these attributes to draw more accurate and authentic conclusions about the researched topic.

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Financial Inclusion, Financial Literacy and Consumer Protection

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Introduction

Financial Inclusion, Financial literacy and Consumer Protection are very critical issues of Consumer Empowerment and this triad has been considered throughout the world as an inextricably intertwined thread in pursuit of financial stability. Financial consumers with financial literacy are those individuals who are equipped to assess risks and make informed decisions about the stability of financial products to their situation. While empowering consumers to exercise their legal rights and fulfill their legal obligations, a well-functioning consumer protection regime provides effective safeguards for retail financial services consumers. Consumer empowerment is a central goal of our financial and banking system. Rapid increase in the use of financial services bring into sharp salience the need for strengthening financial regulation and consumer education to protect and empower consumers. Education of consumer through information disclosure or through consumer literacy is utilized as a mean to even out asymmetries of bargaining power between consumers and financial services providers. Customer protection is very important both for all those of us who are literate and enlightened customers in this category and even more for those who are not in this category- the poor, the uneducated and the illiterate customers. With the increasing complexity of Banking and the growing chasm of the dangerous digital, this acquires even greater salience.

New Paradigm of Consumer Empowerment

The “post global financial crisis” world is governed by a new paradigm of consumer empowerment. The experience from the global financial crisis is that self-regulation, often, does not work. Dr. Joseph Stieglitz says “It is clear that our regulatory structure failed. Evidently, there was market failure, but there was also government failure. The primary reason for the government failure was the belief that markets do not fail, that unfettered markets would lead to efficient outcomes, and that government intervention would simply gum up the works. Regulators who did not believe in regulation were appointed, with the inevitable outcome that they did not do a very good job of regulating”. The presence of a strong, intrusive and hands-on regulator / supervisor gives the confidence that markets will operate as per sound principles and would be free from unfair and unethical practices. This trust forms the basis of functioning of the entire financial system and any dent in this trust can have a significant destabilizing influence. The financial crisis highlighted the importance of financial consumer protection for the long term stability, as all financial products contain risks and also offer rewards. In the area of consumer credit and financial literacy investment empowerment relies on the consumers’ ability to understand complex financial products and their knowledge and experience of using such products and services. They should be able to understand complex financial products and should be equipped with the knowledge and skills to assess the risks and accordingly take informed decisions.

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There are differences between individual consumers. The granularity arises due to different level of consumers' income. The lingering issue to be tackled is an asymmetry of bargaining power between the financial service providers and the consumer of services. A consumer being a weaker, but an important party, needs to be enabled to navigate the financial markets to make choices beneficial to their needs. Mahatma Gandhi aptly enunciated that "A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us the opportunity to do so."

IGE on Consumer Protection

In the recently concluded third Intergovernmental Group of Experts (IGE) on Consumer Protection, Law and Policy(a standing body established under the United Nations Guidelines for Consumer Protection (UNGCP), issues on Consumer protection in financial services were discussed at large such as: how financial inclusion through financial education can be ensured? What initiatives can foster consumer protection in financial services? And how member States, businesses and consumer groups can work together in the field? It was recalled that financial services are among the new sections that were added to the new UN Guidelines on Consumer Protection, building on best practices and aimed at assisting countries to achieve adequate consumer protection in this area while contributing to the Sustainable Development Goals. Contributing statements from the floor, countries including Argentina, India, Netherlands, Brazil, USA and Turkey emphasized the importance of the UNGCP as a framework for promoting consumer protection. . In particular, Indian Minister for Consumer Affairs, Food and Public SDistribution, mentioned e-commerce and diversity among his priorities. The OECD, International Chamber of Commerce (ICC), and International Consumer Protection and Enforcement Network (ICEPEAN) are among such organizations, which have issued specific guidelines to protect consumer rights in e-commerce. Moreover, OECD has given some guidelines to protect consumers in online marketplace. Some of the guidelines are as follows:-

- Equal consumer protection when buying online or offline
- Disclosure of complete information to the consumers, which also includes the information about the transactions
- The payment system must be secure and reliable
- Alternate dispute resolution in the case of international trade.

The International Chamber of Commerce (ICC) released "Guidelines on advertising and marketing on the Internet" in 1996. The guidelines issued by the ICC were meant to set standards of ethical conduct to all promotional activities like marketing and advertising on the internet with respect to consumer protection, such as meeting consumer privacy expectations, to improve public confidence in advertising, minimize the need of governmental legislation etc.

UNCTAD's Approach to Consumer Protection

We should take into account the rapid transformation of consumer protection in today's fast pace society. UNCTAD is working to support countries in their effort to ensure consumer protection, towards fulfilling the United Nations Sustainable Development Goals and ensuring no consumer is left behind. Consumers International (CI), a world federation of consumer groups recently conducted a global survey of 80 member jurisdictions to

assess the state of consumer protection across the world. Key findings of this global survey include: Since 2012, Members felt the top three advances they had witnessed in consumer protection were new legislation, consumer representation and regulation and enforcement. Increasing consumers' awareness of their rights was also an important factor. Members also felt that the three main factors that contribute to consumer detriment are: economic and development challenges, lack of regulation and enforcement; and poor quality products and services. All the same there are another three key highlighted areas which warrant discussion, namely consumer protection in financial services, dispute resolution and redress, and consumer product safety. It may be recalled that the United Nations Guidelines on Consumer Protection (UNGCP) adopted in 2015 included a section on financial services, setting the stage for enhanced consumer protection while ensuring financial inclusion. Besides working with regional organizations on the issue, UNCTAD is also engaged at the national level, particularly since voluntary peer reviews on consumer protection and policy have been instituted. Morocco was the first country to undertake such a peer review.

Consumer protection – What does it imply and how will it help?

Addressing customer needs with a focus on deepening our understanding of client needs and translating that knowledge into practice while expanding the range of financial services available to unserved markets is the prime objective of consumer protection. Client protection, inclusive of steps to deepen the implementation of client protection measures for the benefits consumers and stability of markets is also required on equal footings. Financial consumer protection sets clear rules of conduct for financial firms regarding their retail customers. It aims to ensure that consumers:

1. Receive information to allow them to make informed decisions;
2. They are not subject to unfair or deceptive practices; and
3. They have access to recourse mechanisms to resolve disputes.

Complementary financial literacy initiatives are aimed at giving consumers the knowledge and skills to understand the risks and rewards of using financial products and services—and their legal rights and obligations in using them. Clear rules of conduct for financial institutions, combined with programs of financial education for consumers, will increase consumer trust in financial markets and will support the development of these markets. Customers should be able to understand not only simple financial products but also complex financial products. They should be equipped with the knowledge and skills to assess risks and make informed decisions about the suitability of financial products to their own individual situations. Once the rights are enshrined in the Charter of Customer Rights, it will be mandatory for all banks to adhere to them. The framework governing customer protection should consist of fairness, transparency of rules and conditions, suitability of products that matches customer needs, ability to repay, existence of a grievance redress process, clear specifications of liability if things go wrong, simplicity of the product and duty to inform about changes in the product. Dr.Raghuram G Rajan, former Governor of RBI stated “Consumer Protection is important. Not every household is fully cognizant of the transact they enter into. While the line between excessive paternalism and appropriate individual responsibility is always hard to draw in a developing country like ours, it may well veer to a little more paternalism in interactions between financial firms and less sophisticated households. It is important to improve Consumer literacy, the transparency of products that are sold and in certain cases limit sales of certain products in certain

jurisdictions especially if these have prudential consequences.” Dr. K C Chakrabarty, Former Deputy Governor of RBI goes a step ahead and put it, “let me raise a fundamental issue here. The financial services sector is essentially driven by commercial intent and the actions of service providers and the issue of consumer protection should be taken care of by competitive market forces. Why are we then discussing the issue of financial consumer protection? It is because the barriers to entry for the service providers in the financial sector, especially banking, are quite stiff. In view of regulatory restrictions on number of market players, consumers are forced to receive services from a limited set of service providers. Furthermore, in view of rampant information, illiteracy, the self-regulating market behavior does not work especially for the poor and vulnerable and hence, ensuring consumer protection becomes a regulatory obligation.” Further, World Bank – IMF team in its report on the Financial Sector Assessment for India (2012) wrote about consumer protection in India: “India has comprehensive policies and compliance mechanisms for the protection of banking consumers, and is ahead of most countries in this area. Going forward, including non-banking financial companies (NBFCs) in the mandates of the Banking Codes and Standards Body of India and of the Banking Ombudsman System (BOS), ensuring consumer protection of the entire financial system, and devising a strategic consumer awareness program, will further strengthen the system”.

Financial Inclusion, Financial Literacy and Consumer Protection

Awareness of the products available within a country is an important pre-requisite for financial inclusion. Financial inclusion is a buzzword today, not just in India, but globally as well, though it is absolutely not a new dispensation in India. Since independence expanding the reach of the financial services to the poor has been at the center of the poverty alleviation policy in India. Later on Bank Nationalization in 1969 and in 1980 and the tremendous push for branch building which followed in its wake were attempted at including the excluded. Financial Inclusion has been a focus of attention in recent times. However, the facts reveal somewhat uncomfortable picture. The increase in the number of branches has not answered the needs of the farmers and reaching the unbanked population to enable inclusive growth is a serious problem today. Branchless banking could be the big step towards providing easy financial access to the poor people and achieving financial inclusion. The objective of setting up of Payments Banks is to further financial inclusion; the strategies are by providing small savings accounts and payments/remittance services to migrant labour workforce, low income households, small businesses, other unorganized sector entities and other users. Similarly the objective of setting up of small finance banks, like the payments banks, is also to give a big push to financial inclusion; however, it is sought to be achieved through a different set of strategies viz., provision of savings vehicles primarily to unserved and underserved sections of the population, and supply of credit to small business units; small and marginal farmers; micro and small industries; and other unorganized sector entities, through high technology-low cost operations.

The small finance banks, in furtherance of the objectives for which it will be set up, primarily undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganized sector entities. Dr Raghuram G. Rajan, former Governor of RBI excellently exhorted “we have to reach everyone, however remote or small, with financial services. **It means financial literacy and consumer protection.** We should emphasize the need for banks like the ones represented in this room

to move beyond simply opening bank accounts to ensuring that poor customers are confident and comfortable enough to use them." We are sanguinely hopeful that banks as usual would do well to heed this sage counsel. Former Governor of RBI Dr. Y V Reddy expressed somewhat similar views, "Banking is a trust-based relationship and the banking license from the regulator provides an assurance of trust to the public at large. To the banks, the banking license provides the privilege of accepting uncollateralized deposits from the public. However, the acts of stealth banking, negative option marketing, misleading advertisements, and information gathering from customers for cross selling of products and services, and tie-up arrangements are inconsistent with the concept of a trust based relationship. The lack of transparency, coupled with the difficulty of consumers in identifying key information from the large volume of material and communication in fine print, leads to an information asymmetry, which renders the banker-customer relationship one of unequals."

Collaboration, Commitment, Credible action and Concrete Deliverables for Holy Trinity

What we need are collaboration, commitment, credible action and concrete deliverables. The goal of financial inclusion is mainly to bring the unserved and the underserved to mainstream of banking and create opportunities, supportive structure and enabling environment for distributive and inclusive growth. The banking landscape is going to be totally different once the financial inclusion goals are reached as it enhances the earning capacity and opportunities in the rural area, effectively reducing the divide between the urban and rural areas. A reverse migration is in the anvil with lot of micro and small enterprises coming up in the rural areas coupled with various other economic and developmental activities. Banks who make their own mark with low cost technology, differentiated products and services, develop connect with the masses, understanding their needs and create the markets for themselves, locals are the gainers for the long run. Such a lofty and mammoth task at hand can only be achieved by an earnest technology incursion which again can be achieved through branchless banking. Achieving total financial inclusion is a concern of most countries, yet it is very geographical in nature, as it largely depends upon country's financial policy and its financial industry regulations. The financial world has witnessed several branchless banking pilot projects, trying to examine the various business models that could be used to ensure most proper implementation and sustenance of branchless banking systems. The most widely used models have been the business correspondent based model and non-business correspondent based model. As a pre-requisite to the implementation of the Direct Benefit Transfer (DBT), every eligible individual should have an account and to make disbursements at the doorstep through ICT based BC Model, banking outlets either through brick and mortar branches or the branchless mode are required in all villages across the country. For this to succeed, it is important that quality services are provided through the new ICT based BC outlets. Therefore, an intermediary low cost brick and mortar structure is required between the base branch and BC locations. This will provide timely support to BC outlets ensure close supervision of BC operations and give them credibility and increase people's confidence in BC services. Hence, Bank have been advised to plan for increase in the proportion of branches that cover unbanked areas. Banks have also been advised to consider setting up financial inclusion centers which would act as centers exclusively focusing on customer services through BCs. Banks have also encouraged people to adopt other branchless modes

such as BC outlets, other mode such as KIOSKS, off-site rural ATMs, mobile vans etc. so as to provide the last mile connectivity. RBI has enlarged the universe of BCs with allowing entering of For Profit Companies to leverage their well established distribution networks especially in the rural heart land for the extension of financial Inclusion to reach the unreached. The country has come a long way in the process of financial inclusion, but still has a way to go. We are steadily moving from mandates, subsidies, and reliance on the public sector banks for inclusion to creating enabling frameworks that make it attractive for all financial institutions to target the excluded, even while the interests of the excluded are protected through education, competition and regulation. More than hopeful we are confident that in the foreseeable future, RBI, Government and Banks will bring formal financial services to every Indian who wants them. Financial inclusion will be an important element in ensuring access and equity, necessary building blocks for the sustainable growth of our country.

Financial Literacy

Financial literacy is an important adjunct for promoting financial inclusion. We have adopted an integrated approach in India, wherein our efforts towards financial inclusion and financial literacy go hand in hand. Through financial literacy and education, we disseminate information on the general banking concepts to diverse target groups, including school and college students, women, rural and urban poor, pensioners and senior citizens to enable them to make informed financial decisions. To support this 1384 (as on 31.03.2016) Financial Literacy Centers (FLCs) have been set up by banks. We have also designed a mass scale financial literacy Programmes with an objective to integrate the financially excluded population with low level of income and low literacy level with the formal financial system. Financial Literacy Centers organize Outdoor Literacy camps which are spread over a period of three months and delivered in three phases wherein along with creating awareness, accounts are also opened in the Literacy Camps. For all users of financial services, an important component of financial literacy is the provision of a grievance redressal mechanism, which they can access in case of complaints and frauds by/against financial service providers. The availability of an effective grievance redressal mechanism is essential as its absence could lead to loss of confidence in the financial system, prompting people to move away from it. This could be a serious setback to the financial inclusion initiatives. For cost effective, quick grievance redressal related to banking sector, the Reserve Bank has instituted Banking Ombudsmen in each of its Regional Offices. Other regulators have also set up ombudsman in their respective areas. However, banks/financial institutions should realize that improved customer awareness/service and effective grievance redressal mechanisms at the institution level can substantially reduce the number of complaints flowing to Ombudsmen. In addition to the obvious benefits of financial literacy at the individual level, it has major macro-economic benefits as well. If we can bring the excluded population into the purview of banking services, we could raise household and overall domestic savings further, and can, thus, fulfill one of the necessary conditions for achieving double-digit growth.

Financial Literacy and Consumer Protection

Through financial education, we try to provide individuals with the knowledge and skills they need to make better choices about finances. Through consumer protection, we can safeguard individuals against harmful practices and bad information that lead to poor financial choices. Accomplishing these two goals, we believe will result in economic

empowerment for all concerned. Apart from the Government and the regulatory bodies, there is a need for involving the civil society and all other stakeholders in spreading financial literacy. The widespread existence of financial illiteracy indicates that we need to do a lot more. There is a lot of skepticism on whether financial literacy actually leads to changes in behaviour and some recent writings which suggest that this does not and it is the classic conundrum of being able to take the horse to the water but not being able to make him drink! World Bank researchers discussed this thoroughly and concluded that the trick vests in the right delivery model, so targeted interventions do work. Let us share the perspective on the necessity for promoting financial literacy as a policy tool, its centrality to ensuring inclusive growth and the initiatives we have taken in India for promoting financial literacy. But before we venture any further, let us quickly state what is meant by 'Financial Literacy'. We quite appreciate the definition given by the INFE researchers, Atkinson and Messy, who describe it as "a combination of financial awareness, knowledge, skills, attitude and behaviors necessary to make sound financial decisions and ultimately achieve individual financial wellbeing." Thus, an absence of financial literacy can lead individuals to make poor financial decisions that can have adverse effects on their financial well-being. While a number of measures have and are being taken for spreading financial education and promoting financial literacy, given the enormity of the task at hand, we still have a lot of ground to cover. Here, we would like to emphasize the need for a collaborative partnership involving all stakeholders. However, like the proverbial 'horse and carriage', efforts to improve financial capability and to promote financial literacy best go together; it makes for an easier and more successful journey. As the excluded are drawn into formal financial services, they will encounter aggressive selling and in some cases, outright mis-selling. The Reserve Bank of India, is conscious of the need to expand financial literacy so that the consumer is more aware. RBI has launched a nationwide campaign trying to impart some basic messages on sound financial practice. RBI is also trying to have financial education included in the school curriculum across the country. Several combined financial education and inclusion programmes have indicated that there may be some benefit from educating the whole family, rather than focusing on individuals. However, other programmes also identify the benefit of empowering individuals (and women in particular) reinforcing the importance of having a detailed understanding of the target group. Though the necessary institutional arrangement for establishing standards and codes for banking services and grievance redress are in place, these rules need objective, timely and fair implementation. The Suitability Clause, if implemented in letter and spirit by Banks, will enable them to understand the specific expectations of diverse customer groups and to devise products, pricing and delivery strategies that are in alignment with these. We need to make a special effort in rural areas. The RBI, in June 2012, advised banks to set up Financial Literacy centers (FLC) in all the districts of the country. Banks have been further advised to scale up financial literacy efforts through conduct of outdoor Financial Literacy Camps, at least once a month, both by the FLCs and also by all the rural branches.

Synergy between Financial Inclusion, Financial Literacy and Customer Protection

There has to be a synergy between financial inclusion, financial literacy and customer protection for sustainable financial stability. A prime motivation of all financial regulation is to protect consumers. Financial Consumer Protection as a framework is important to foster a more balanced relationship and to reduce information asymmetry between

financial service providers and consumers. This balance is created by providing information to consumers and conducting checks on credit institutions, in terms of technical competence, loyalty, discretion and legal and regulatory framework. **There is a sheer need for a comprehensive approach in consumer protection in areas such as sales incentives, product oversight and governance, disclosure of information and responsible lending as also financial consumer protection challenges in the digital era. The OECD is working on how to enhance financial consumer protection,** which includes determining what is required to help consumers gain the confidence, knowledge, information, security and choices they need to enable them to fully participate in financial markets. In 2011, the Financial Stability Board published its report on Consumer Finance Protection with particular focus on credit. The macro economic framework and financial sector development necessitate financial deepening and a robust framework of Customer Protection for stability. We are at an inflection point. We have gone some way, yet much needs to be done in this area. The crusader's work in the area of Customer Protection is never done, the bar of necessity must be raised higher. Former Governor Raghuram Rajan's Five Pillar financial sector blueprint will chart the direction of development of our financial system in years to come. Pillar Four places a high priority on the Consumer Protection agenda. Among the areas of policy focus are the development of cost efficient delivery channels as Payment Banks and Small Banks that will enhance the outreach of financial services, expand the range of products and services to meet the distinct financial needs of the underserved and strengthen the institutional arrangements to enhance the capacity of providers of such financial services. Equally important will be the attention accorded to financial consumer education and protection in which the standards of consumer care are high and consumers have choices and are confident about making their financial decisions. **The customer Charter of rights will go a long way in enhancing financial literacy and financial capability of consumers to make well informed and responsible financial decisions and thus participate meaningfully and effectively in the financial system.** Some notable recent initiatives by the Reserve Bank includes that the Small Finance Banks should have high powered Customer Grievances Cell to handle customer complaints and the small finance banks will come under the purview of the RBI's Banking Ombudsman Scheme, 2006. The consumer protection aspects of the Payments Banks design provides that the public deposits in the Payments Banks will be covered by the deposit insurance of the DICGC. As the deposit ceiling is 1 lakh and the deposit insurance ceiling is also 1 lakh, it means that the depositors of the Payments Banks will be fully insured. Still, it was concluded that such an assurance as deposit insurance is needed for the depositors of payments banks, as the concept is new and depositors will need additional confidence. As the payments bank may operate in remote areas mostly through BCs, ATMs and other networks, the payments bank will be required to have at least 25 per cent of physical access points including BCs in rural centers. Further, it is required that a controlling office for a cluster of access points should also be established for control over various outlets and customer grievance redressal. RBI insisted that the bank should have a high powered Customer Grievances Cell to handle customer complaints. The payments banks will also come under the purview of the RBI's Banking Ombudsman Scheme, 2006.

Issues of consumer relations and protection

Banks around the world have incorporated issues of consumer relations and protection. These included legislations aimed at consumer protection, as well as dialogue between

banks, consumer protection groups and state regulatory authorities, respective governments and regulatory authorities in ensuring consumer protection while promoting financial inclusion. The relationship between financial firms and their customers is one where, many times, the outcomes may harm customers. These problems are not sporadic or accidental; but are often rooted in basic problems of information and incentives and will not be alleviated through financial literacy campaigns. The core premises of financial regulation is to intervene in the relationship between financial firms and their customers, and address market failures. This requires a comprehensive consumer protection framework that covers both the prevention of problem (interventions that induce financial firms towards fair play) and cure (addressing consumer grievances)'. Financial consumer protection should be reinforced and integrated with other financial inclusion and financial education policies. If such protection is absent, the benefits of economic growth to expanded financial inclusion may be severely undermined. Financial consumer protection also contributes to strengthen financial stability. Taking these factors into account, the Reserve Bank articulated its Core Purpose, Values and Vision as its commitment to the Nation to include regulating markets and institutions under its ambit to ensure financial system stability and consumer protection.

Financial Sector Legislative Reforms Commission (FSLRC) and Consumer Protection

The Government of India has also been concerned with financial consumer protection. The Financial Sector Legislative Reforms Commission (FSLRC), was constituted by the Ministry of Finance in March 2011, and was asked to comprehensively review and redraw the legislations governing India's financial system. **In its report submitted to the Ministry of Finance in March 2013, consumer protection was also highlighted.** The work of the Financial Sector Legislative Reforms Commission (FSLRC) in the field of consumer protection in India marks a watershed compared with traditional approaches in Indian financial law. It marks a break with the tradition of caveat emptor, the 'buyers beware' concept, and moves towards a position where a significant burden of consumer protection is placed upon financial firms. The draft Code first establishes certain basic rights for all financial consumers. In addition, the Code defines what an unsophisticated consumer is, and an additional set of protections are defined for these consumers. The proposed basic protections are:

- a. Financial service providers must act with professional diligence;
- b. Protection against unfair contract terms;
- c. Protection against unfair conduct;
- d. Protection of personal information;
- e. Requirement of fair disclosure;
- f. Redress of complaints by financial service providers.

In addition, unsophisticated consumers will have three additional protections:

- a. The right to receive suitable advice;
- b. Protection from conflicts of interest of advisors;
- c. Access to the redressal agency for redressal of grievances.

Consumer Protection – Role of the Reserve Bank of India

Protection of the interests of the Consumer of Financial services has been a major mandate of the Reserve Bank. The mandate clearly places the protection of customers' best interests at the core of the Central Bank's function. The Banking Regulations Act 1949 is flooded

with the adages like 'in the interests of depositors' and Section 35A explicates power of RBI to give directions where the Reserve Bank is satisfied that—

- a) in the public interest; or
 - (a1) in the interest of banking policy; or
 - b) to prevent the affairs of any banking company being conducted in a manner detrimental to the interests of the depositors or in a manner prejudicial to the interests of the banking company; or
 - c) to secure the proper management of any banking company generally, it is necessary to issue directions to banking companies generally or to any banking company in particular, it may, from time to time, issue such directions as it deems fit, and the banking companies or the banking company, as the case may be, shall be bound to comply with such directions.
- ❖ The above mandate markedly and in a candid way places protection of customers' interests at the heart of RBI's work. This mandate also empowers RBI, wherever it entrusts powers to the Reserve Bank, including granting of a banking license or cancellation thereof, giving directions on any banking matter. Reserve Bank of India proactively enhance and expand the reach of the Banking system. First, by building a strong banking system which enables access to financial services for all. Second, to enhance and expand the reach of the Banking system both in quantitative and qualitative terms. RBI customer service initiatives include the setting up of the Banking Ombudsman, recognizing the need for an Ombudsman in larger public interest as a public good. In 2015, the RBI came out with 5 principles that banks had to follow in dealing with customers. RBI advised banks to implement this Charter of Consumer Rights, and asked them to appoint an internal ombudsman to monitor the grievance redressal process. However RBI has to examine how banks are faring, and whether further regulations are needed to strengthen consumer protection, especially focusing on mis-selling of third party products such as insurance, as well as the extension of adequate grievance redressal.

➤ **The Banking Ombudsman scheme (BOS)**

The Banking Ombudsman Scheme was introduced in the year 1995 by the RBI for expeditious and inexpensive redress of customers' grievances against deficiencies in banking services. Due to increasing levels of awareness and expectations of the customers of banks Gunnar Myrdal in Asian Drama terms "the revolution of rising expectations" and the range of new products offered by these banks. The BOS has undergone extensive changes. The administration of the Scheme vests with RBI since 2006. In May 2007, The Banking Ombudsman scheme (BOS) 2006 was amended to enable appeal against Award, to the Appellate Authority, the Deputy Governor in charge of the department. The BOS 2006 was amended with a view to extending its ambit to deficiencies in internet banking and non-adherence to the Banking Codes and Standards Board of India (BCSBI)' Codes & the Code of Bank's commitment to Customers. The Banking Ombudsman scheme at large provides clear consumer protection rules with regards to banking products and services. The necessary institutional arrangements for grievance redressal is in place to rural areas, including through the RBI's ombudsman scheme. All these three aspects are important. BCSBI has also developed Codes of Conducts and these codes are widely published and expected to be adhered to. Dispute resolution mechanism to be effectively utilized, require financial literacy of consumers and this is the process of consumer empowerment which

alone can ensure financial inclusion. Now the question to which we are confronted with is what measures and mechanism is needed to protect both the providers and receivers of rural finance from uses and abuses of such services? Whether enough risk mitigants are there for borrowers given the higher vulnerability in this sector? Are lender protected against ebbs and flow of uncertainty in credit culture? Many of these are age old questions which unfortunately still remain pertinent and pose a significant challenge to policy makers and regulators. Consolidation of all RBI instructions on Customer Service, amendment of the Banking Ombudsman Scheme in the year 2006 to make the alternate redress mechanism more efficient and easily accessible would contain a monitoring and oversight mechanism for ensuring adherence.

➤ **The customer Charter of rights**

RBI also advised the Indian Banks' Association (IBA) and the Banking Codes and Standards Board of India (BCSBI) to formulate a 'Model Customer Rights Policy' encapsulating the principals enshrined in the Charter. Some remarkable recent initiatives by the Reserve Bank regarding consumer protection are:

- i) Right to Fair Treatment;
- (ii) Right to Transparency: Fair and Honest Dealing;
- (iii) Right to Suitability;
- (iv) Right to Privacy; and
- (v) Right to Grievance Redress and Compensation.

The customer Charter of rights will go some way in enhancing financial literacy and financial capability of consumers to make well informed and responsible financial decisions and thus participate meaningfully and effectively in the financial system. 5C's Framework to support our mission to safeguard stability and protect consumers:

- Customer – is at the heart of the Central Bank's focus and must be the core of the Bank's focus too;
- Confidence – working to help consumers have confidence in financial services, products and regulation;
- Compliance – monitoring and enforcing compliance with consumer protection rules;
- Challenge – being prepared to challenge firms and ourselves to get a better outcome for customers; in case of doubt, the customer is always right; and,
- Culture – promoting a consumer-focused approach to the provision of financial services.

➤ The objective of **several measures undertaken by the Reserve Bank of India on KYC** is to bring awareness among the general public about the KYC simplification and to helping the common man in opening bank accounts. These measures include prescribing a single document for proof of identity and proof of address, removing the requirement for separate proof of address for current address, making KYC a bank process rather than a branch process, relaxing the Officially Valid Documents (OVDs) for low risk customers. Further, Business Correspondents and Business Facilitators were allowed to act as Customer Service Point (CSP) for e-KYC purpose. Banks need not seek fresh proofs of identity and address at the time of periodic updation, from those customers who are categorized as 'low risk', in case of no change in status with respect to their identities and addresses. A self-certification by the customer to that effect should suffice in such cases. Banks may not insist on physical presence of such low risk customer at the time of periodic updation. If an existing KYC compliant customer of a

bank desires to open another account in the same bank, there should not be asked for submission of fresh proof of identity and/or proof of address for the purpose To mitigate the difficulties faced by transgender persons in opening accounts, banks were directed to include 'third gender' in all forms/ applications, etc. as a valid classification. Initiatives were taken to further enhance transparency in pricing of credit, and display on their website inter alia, the interest rate range of contracted loans for the past quarter. While undertaking insurance distribution business, banks were directed to put in place a system of assessment of the suitability of products. Banks should treat their customers fairly, honestly and transparently, with regard to suitability and appropriateness of the insurance product sold.

- Guidelines for the purpose of opening/operating bank accounts of Persons with Autism, Cerebral Palsy, Mental Retardation, Mental Illness and Mental Disabilities were issued by RBI. Further exhorted the bank not follow any restrictive practices of forcing a customer to either opt for products of a specific insurance company or link sale of such products to any banking product .A robust internal grievance redressal mechanism should be put in place along with a Board approved customer compensation policy for resolving issues related to services offered. It must also ensure that the insurance companies whose products are being sold have robust customer grievance redressal arrangements in place. Further, the bank must facilitate the redressal of grievances of the customer.
- Timely issuance of TDS Certificate to Customers has been asked for.
- Need for Bank Branches/ATMs to be made accessible to Persons with Disabilities has been clearly spelt out. To avoid inconvenience, the requirement of Additional Factor of Authentication for small value card ,banks were also advised in the interest of customer awareness and protection to clearly explain to customers about the technology, its use, and risks while issuing such contact less cards; indicate the maximum liability devolving on the customer, if any, at the time of issuance of such cards along with the responsibility of the customer to report the loss of such cards to the bank; and to put in place robust mechanism for seamless reporting of lost/stolen cards, which can be accessed through multiple channels.
- Banks have been advised to arrange talking ATMs with Braille keypads to facilitate use by persons with visual impairment .To put in place risk mitigation measures for customers using various types of cards, banks are advised that with effect from February 1, 2016 all new cards issued – debit and credit, domestic and international – by banks shall be EMV chip and pin based cards.
- To alleviate the hardships faced by pensioners who are deprived of regular pension payments in case of misplacement of life certificates, all agency banks handling government pension payments were advised to issue a duly signed acknowledgement to pensioners on receipt of the life certificate submitted in physical form. In order to eliminate the need for physical presence at branches and issue of acknowledgement, banks were also advised to promote the use of digital life certificates among pensioners
- Recommendations of Damodaran Committee on Customer Service in Banks – Uniformity in Intersol Charges are expected from banks without any discrimination. To boost the quality of customer service and to ensure that there is undivided attention to resolution of customer complaints in banks, all public sector banks and select private sector and foreign banks were advised to appoint an internal ombudsman thereby

providing a forum available to bank customers for grievance redressal before they approach the Banking Ombudsman.

- Settlement of Claims of Deceased Depositor – Simplification of Procedure - Placing of Claim Forms on Bank's Website was advised. Guidelines regarding unclaimed Deposits/Inoperative Accounts in Banks – Treatment of certain Savings Bank Accounts opened for Credit of Scholarship Amounts and Credit of Direct Benefit Transfer under Government Schemes, were issued.
- Apart from issuing instructions to banks, the Reserve Bank also issues cautionary to members of the general public. The Reserve Bank of India also cautioned the public against Multi-level Marketing (MLM) activities explaining the functioning of these entities, and advising that falling prey to such offers can result in direct financial losses, apart from the fact that these are cognizable offences under the Prize Chit and Money Circulation.

Conclusion

One of the primary motivations for the country to push financial inclusion is to free the excluded from the clutches of the moneylender. Most financial consumers are ignorant of their rights and are therefore taken for a ride. As regulators, RBI, Government and other stakeholders are conscious of this position and that is why a constant and closer attention is paid on financial consumer protection, more specifically the protection of the vulnerable, defenseless retail consumers. There is a pressing need to move to a customer protection regime where the provider is held accountable for the service sold to the buyer, by ascertaining that the products sold or the advice given was suitable for the buyer considering his/her needs and current financial situation, that is, the customer must have a 'right to suitability'. Once the rights are enshrined in the Charter of Customer Rights, it is mandatory for all banks to adhere to them. The framework governing customer protection should consist of fairness, transparency of rules and conditions, suitability of products that matches customer needs, ability to repay, existence of a grievance redress process, clear specifications of liability if things go wrong, simplicity of the product and duty to inform about changes in the product. The country has come a long way in the process of financial inclusion, but still has a way to go. **We have to develop an action-oriented blueprint for achieving financial inclusion, financial literacy and consumer protection measures for the benefits of consumers and stability of markets. Accordingly an optimum synergy between financial inclusion, financial literacy and consumer protection must be ensured & as such a proper system so required to achieve the desired goals be put in place.**

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History and Film: A Case Study of History Classroom

Dr. Ganpat V. Gatti*

Abstract: *The current paper aims to identify the relationship between film and History. Further, more history is the base of life. It guides us for the present life. India is known for its historical rich heritage. This must be taught to Indian pupil. The movie is the best way to teach History for good comprehension and proper explanation skill. There are several movies on Indian History and other History. Current paper aims to check the observation, comprehension and explanation skills of the selected respondent. Respondents are selected randomly.*

Key words: *History, movie, Mohenjo-Daro, observation, comprehension, explanation etc.*

Introduction: The development of human life is depend on history. It teaches us how to live the life in present with the guideline tool of past/history. To know the History, one must have to read the books other written material on History. Literature is related to history in an indirect way & should, in no sense, be regarded as historical verity. It is reasonably good at depicting life in the historical period if the author was alive during or not long after the written accounts.

Literature Review

1. Dr. Roshni Duhan (2015) explained in The Relationship between Literature and Society that Literature is one of few platforms that the energy of an era discharges itself; be it in its political movements, religious thoughts, philosophical speculations, art. It can be seen that the same amount of energy is overflowing into the other forms of expression. For an instance, the study of English literature is able to take one out into the wide field of English history, by which it means the history of English politics and society, manners and customs, culture and learning, and philosophy and religion. However diverse the characteristics which make up the sum-total of the life of an epoch, these, like the qualities which combine in an individual, are not; as Taine puts it merely juxtaposed they are interrelated and interdependent.
2. Chantal Soldini (2015) explained in Relationship Between History and Literature that the relationship between history and literature will always be enveloping because one is the collection of happenings and the other is the reflection of human nature in its ever shifting form. Together, they make up the portrait of our humanity, but still leave enough space for more questions.
3. Edwin Onwuke (2016) in his study A Critical Review of The Impact of Literature and History on Society explained that it is essential for artists to sustain the momentum initiated and is maintained by major writers. he researched in his country, Africa and hence has taken their examples. According to him, Now is a very inauspicious point to redirect the thrust of African Literature away from the task of reforming and repositioning the continent still in the firm grip of corruption, political violence and endemic underdevelopment.

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4. Fedrik Chr. Brogger in History vs. Literature: Facts vs. Fiction? Or Factual Fiction vs. Fictional Facts? Or, Help, I Want to Get off explained that laughter may have grown steadily more shrill in the last few decades as linguists, anthropologists, and psychologists have started to deprive us of the stability of our "facts." Our laughter is also in many ways a particularly Western one, engendered by a deep-rooted positivistic tradition from which we have great difficulties of freeing ourselves. Ironically the theories of the so-called hard sciences have long since shorn their positivistic chains. But as long as we, historians and literary students alike, departmentalize wives or literature (or dreams or husbands or bombs or Per Hansas or Ronald Reagans) into a world of either "faet" or ["fiction," the studies of the humanities remain at a standstill.
5. Allan H. Pasco (2015) Explained in Literature as Historical Archive that No well-trained scholarly person or critic would nowadays deny that artistic works kind a major, well-integrated a part of that tapestry created by a period's economic, social, and dogmas and values. It's the approach people assume and feel a couple of society that characterizes them and their times, marking their variations from people who preceded and followed them. This is often true for all periods, however i'd go additional and argue that, particularly for investigation of the late eighteenth century in France, liberal arts is completely essential. Given the restricted range of primary sources, a broad education within the novels, plays, poems, and essays of the amount will add extraordinary richness to our understanding of those folks of way back. In short, the literature of the day, tested against historical and social science works, while not neglecting different pertinent archives, permits one to travel so much in perceiving the character of the French and in sensing, as an example, the treatment of youngsters, the anxieties diagrammatical by divorce, or people's yearning to flee to a different world, whether or not to America, the South Pacific and Asia, or elsewhere. Discovering such vital attitudes that stand a decent probability of reflective the truth of the time needs an oversized literary sample, vital harmony, and regular testing against different sources. Each the finance of publication and therefore the growing numbers of readers supply reasons for trusting late eighteenth-century novels, poems, and plays, notably once "fictive" reality is tested against different archives and once historians demand a multiplicity of examples that reveal harmony of significance.

Aims of the Study

1. To evaluate the importance of History in the filmy world.
2. To check the result of teaching-learning process with the help of historical films in India.
3. To describe the role of History in the development of Film and Literature.

Hypotheses

1. Movies are the historical part of human life with addition of few imagination by writer and director of the film.
2. Indian historical films are helpful as ICT tools in Indian classrooms of History.

Methodology of the Study

The researcher has selected 12 students of the college. The researcher has shown Mohenjo-Daro movie to the selected 12 respondent of the college. The respondent were taught history of Mohenjo-Daro with the use of watching movie, discussion and explanation of the history. Then after, they were asked oral questions and written test to check their observation skill, comprehension skill and explanation skill.

Sources of Data Collection

For the current study there were two types of sources are used as:

a. Primary Source:

In Primary source data is collected through practical data collection from the 12 selected respondent. They were selected on the random basis.

Secondary Source:

Books, journals, thesis both published and unpublished, news, articles etc. which were available in hard copy form and available on internet are use as the secondary source of the study.

The Result with the Selected Parameters of the Study

Sr. no.	Name of Respondent	Observation Skill	Comprehension Skill	Explanation Skill
01	CHAVAN MENAKA RANGNATH	95%	80%	70%
02	DHONDGE MAHADEV RAMKISAN	90%	85%	76%
03	JAYABHAYE BALASAHEB PANDIT	80%	84%	79%
04	KASHID SWATI NATHRAO	99%	89%	78%
05	KAWDE MAHADEVI RATNAKAR	85%	87%	73%
06	KOLHAPURE RADHA BALASAHEB	89%	83%	71%
07	KOPNAR PANDURANG NAMDEV	75%	86%	80%
08	KULKARNI SHREYA ASHOKRAO	70%	85%	76%
09	MOHAMAD SULEMAN IFTEKHAR	65%	87%	74%
10	RATHOD NISHA HARIBHAU	70%	82%	72%
11	SALVE SADHANA SAKHARAM	95%	84%	75%
12	SHINDE MIRA RAMKISHAN	84%	89%	74%

Table no. 01 Comparative Result of the Current Study

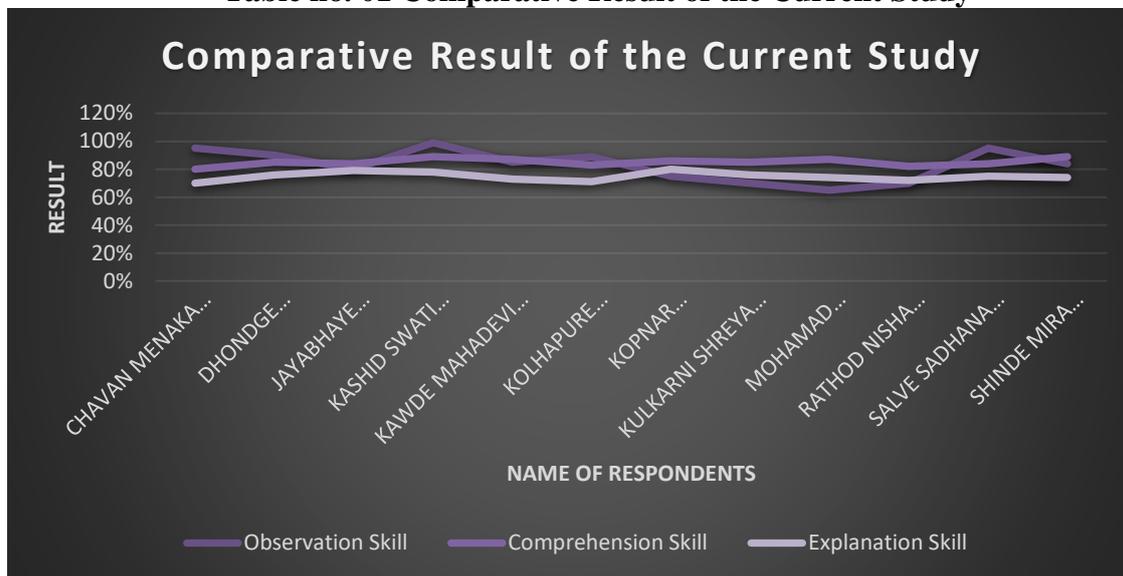


Figure no.01 Comparative Analysis of Result Current

Table number 1.1 and fig. number 1.1, are showing the result of three parameters of current study tested from the respondent. Due to the use of Movie in teaching the history of Mohenjo-Daro and its development of ancient history of human development.

Finding of the Study

1. Movies are the best tool to Develop the observation skill:

Individuals are born with different skills of acquisition. They have their unique ID and unique pattern to study. Current study shows that maximum pupil like to watch movie. Observation is the mother of curiosity. Therefore, movie is the best tool to develop the observation skill of the students.

2. Comprehension through Watching Movie in History is Easy:

Though History is base of current life. It is the guideline tool of the study. But it is very hard to learn. Pupil don't feel easy to learn it. Movie, they can watch again and again and get comprehension easily as they get bored to read history again and again.

3. Use of Multiple Methods need to Teach History:

Single method will not give expected result in teaching-learning process. Not only movie but also explanation, simultaneous with movie, has given good result in students' comprehension and explanation skill. Therefore, to make ease, the classroom teaching the subject history with multiple methods found a good result.

4. Indian Movies are based on History: There are availability of various movies on History as Gaddar- partition of India, Jodha-Akabar- History of Mughla's King Akbar and his Wife from Mewar, Mohenjo-Daro- the History and development of Haddapa and Mohenjo-Daro culture.

Suggestions of the Study

1. Use of ICT classroom with soundproof facility should there while teaching History to the students.
2. Collection of various movies based on History must be with the teacher to show wherever it will work as ICT Teaching material.

3. The explanation by the teacher of movie where fact or truth is given and where the imagination is used must be given to the students.
4. Make historical tours to the places which students watched in movies to get direct practical field work and knowledge and ask them to write project on it to develop explanation skill.

Conclusion

Thus, it is found that the History can be learnt easily through watching the movies with the expert teacher who can stop or take pause in between the movies and explain the contents match with the study material of students concern with the classroom. Movie is one of the ancient ICT tool which can be beneficiary now in the classrooms of History to make to learn it easy.

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Use of ICT Tools in English Classroom: A Case Study

Dr. Nirmala S. Padmavat*

***Abstract:** The current paper aims to study the different teaching aids in the Indian classrooms. It give emphasis on the Use of ICT tools in the English Classroom and its result as an outcome. There are numerous soft-wares are available in the global market. The use of such soft-wares with help of LCD Projectors, laptop, mobiles and other modern tools. How they affect as an outcome to teaching-learning process, is studied in the current research work. The researcher has given some writing task and asked some questions after teaching a specific lesson to selected group of respondent oral and few task are given in written. Two methods are applied for the same group i.e. traditional and ICT tools. The result of both is given in the current research work. Therefore, the current work is an attempt to find the benefit of teaching English with using ICT in classrooms with the experiment and observation method.*

***Key words:** Classroom, teaching-learning process, methods of teaching-learning, ICT tools etc.*

Introduction: The language is main media of communication for both human being and animal. Animal uses the code of language which is natural and binary given by God. Human created lots of structure as per their need. Ancient to modern era worldwide languages are found various changes. British was the country which has ruled maximum part of the world. Therefore, English became an International language. It is taught to be first or second language as several part of universe. India, being a bilingual country, English is used as First or Second language in most of the educational institutions from primary to higher studies. There are changes in the method and pattern of teaching English from schooling to the higher studies in India. In Maharashtra, there were different reasons and different patterns of the Teaching English in India due to historical background.

In India there was Bombay state before independent, latter it is converted into Maharashtra. But the most backward part of Maharashtra was Marathwada which was under the ruling of Nizam rulers. Therefore, in Marathwada Urdu was taught as First language, there was not much more importance to English during these times. Moreover, at Maharashtra level, after independent of India, English was shifted to eight standard from fifth standard, because the former education minister of Maharashtra for the said time stated that 'Throw the child with water.' On the other side at the National Level, the First Prime-Minister and the Great visionary Hon. Late, Pandit Jawaharlal called English as the Major window to the world. Therefore, again English was shifted at Fifth Standard as a second/third language in Maharashtra.

Since 2001, it is taught as from First standard with the same method as Mother-tongue is taught. This changing scenario created importance of learning English in India and Indian classrooms. Hence, researcher felt the need of current study in the use of modern technique of Teaching English in Indian classrooms.

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Literature Review

- a. Krashen's work on second language study is notable. (2003): he defined four terms which are typically used in the literature to describe language learning strategies: Transfer, Interference, Overgeneralisation, and Simplification.
- b. Keefe and Ferrell (1990) has shown in their research that positive transfer occurs in second language learning when the existing knowledge gets benefits from the learning instructions/tasks. It is explained that the positive transfer can be measured as transfer, which is a general term that explains the carryover of previous insight or knowledge to successive learning, e.g.: L1: German, L2: English.
- c. Schmidt, (1990) expressed that the contrast, negative transfer occurs when the prior performance obstructs the practice on a second language task. The negative transfer can be measured to as interference, e.g.: L1: German, L2: English.
- d. Robinson, (2001) stated that Grammar-Translation method is an ancient, oldest and traditional method of which is exploited in teaching ancient Greek and Latin languages. The technique has been generalised to integrate modern languages. Classes are taking place in the pupil's native language, with little active utilisation of the language intended for learning.
- e. Schmidt (1994) discussed about this methodology that it was initially established as a response to the grammar-translation method, in an attempt to incorporate more utilisation of the second language in guidance/ syllabus instructions.
- f. Krashen, (2003) talked that Lessons in the English as a second language normally start with a conversation by using a modern informal expression in the language intended for acquisition.
- g. Robinson, (2001) defined that the Materials are initially discussed verbally and employ measures or pictures in the direct method of teaching English.

Objectives of the Study

1. To define the benefits of ICT tools in Learning English as a foreign language.
2. To analyse the outcome of Teaching-learning process based on ICT tool used in the English classrooms,
3. To compare traditional teaching aids and modern ICT teaching aids teaching method.

Hypotheses

1. The pupil can learn new thing earlier with the support of ICT tools.
2. The pupil of 21st century feel comfortable with modern technical equipment of teaching-learning process.

Methodology of the Study

The researcher used observation and experimental method for the current study. Ten students are selected from Nutan Mahavidyalya, Selu as the respondent of the current study. They were taught the four dramas of Shakespeare in the classroom. The respondent were the student of Undergraduate level. The selected four dramas were the comedy of Error, Macbeth, Othello and Hamlet. The researcher selected these four dramas because in Hindi the movies are available for these four dramas-



Figure No. 1

The respondent were taught these four dramas first in the Traditional classrooms with use the blackboard and chowk. Then after, they were given objective test based on these four dramas with 25 questions. The result of it is given in below comparative chart.

After a week, same group has been selected and they have been asked to watch Hindi movies listed above in the English language lab. One movie on a day. On the fifth day another 25 objective questions, they were given to solve and that is also with using the software super-campus for teachers and students. The result of it also given below:

Sources of Data Collection:

For the current study there were two types of sources are used as:

a. Primary Source:

In Primary source data is collected through experiments and observation done on the selected respondent.

b. Secondary Source:

The data which was available in printed form, on internet in nature of books, journals, thesis both published and unpublished, news, articles etc. are use as the secondary source of the study.

The Result of the Study

Sr. no.	Name of Respondent	Result of Traditional Method	Result of ICT
01	AMBHORE PALLAVI CHATRAGHAN	60%	100%
02	KAMBLE NEETA MAROTI	65%	100%
03	KHEDEKAR ASHAMATI VASANTRAO	70%	100%
04	MORE SHRADHA KISHOR	55%	90%
05	SHAIKH NILOFAR RASHID	70%	100%
06	TAMBE LATA NAMDEV	60%	100%
07	CHAVAN POOJA SURESH	75%	100%
08	MORE HARI TATERAO	70%	90%
09	KANTULE ANKITA GANESHRAO	65%	100%
10	RODGE ALKA DATTATRAYA	70%	100%

Table no. 01 Comparative Result of the Current Study

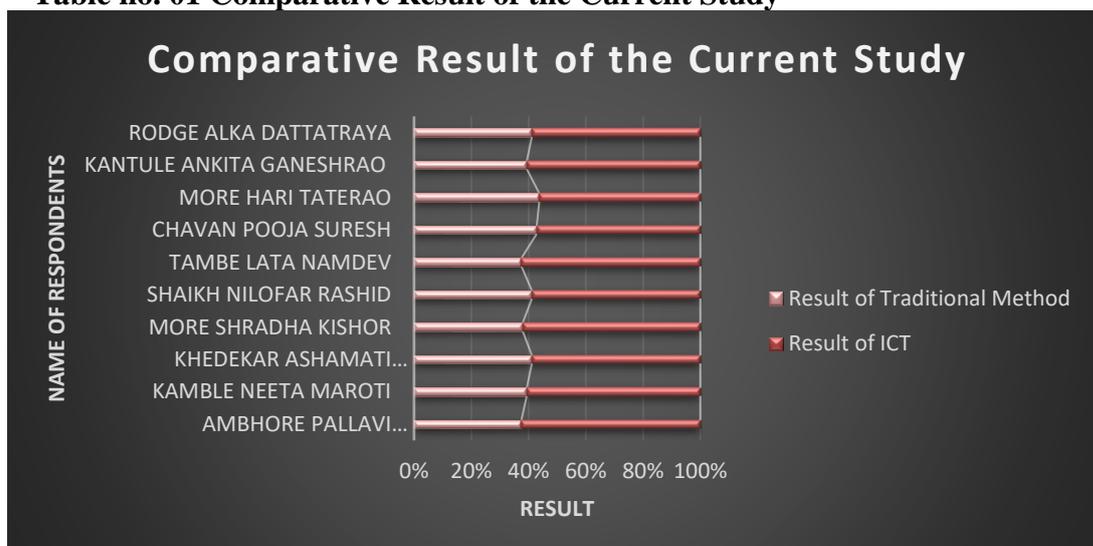


Image no.01 Comparative Analysis of Result Current

Table number 1.1 and fig. number 1.1, are showing the comparative analysis of the current result of the respondent. The result of Traditional method of teaching is not bad. It is also

in between 50% to 75% of acquisition of English language teaching in the classroom. But the result of observation of movies for the same dramas in ICT class-room is outstanding. For both test multiple choice questions were given, but they captured it in a very well manners with the help of ICT Tools. The finding of current study are given below.

Finding of the Study

1. Acquisitions of New Knowledge is Easy on ICT Tools:

The survey shows that current generation is interested in the use of all kinds of ICT tools. Hence, they feel very easy to learn through ICT tools. Therefore, it is the first and foremost finding of the study that acquisition of new knowledge through ICT tool is easy for the students.

2. Mobile in the Classroom/ off Classroom:

The pupil of modern era are addicted with the mobiles. Most of students, we can say more than 95% students have their own Android Mobile. They are techno-savvy. Hence it is found that if they are permitted for using mobile in the classroom as supporting teaching aids, good result is there.

3. Movies are More effective tools of the Learning:

Learning through entertainment is the best method to get acquisition of any new knowledge. Specially, learning foreign language, it needs most time to give for listening skill with observation. Movies give a good chance for both, therefore, movies are most effective tools in learning English language as a Second language in India being a bilingual country.

4. Combination of Various Student centric Method are useful in the English Classroom:

Teaching-learning process must be student centric method. Not only, single method will give good result, combination of different method will give good result. Following image will show the methods used by researcher being a teaching faculty of undergraduate level for teaching English in the Classroom:

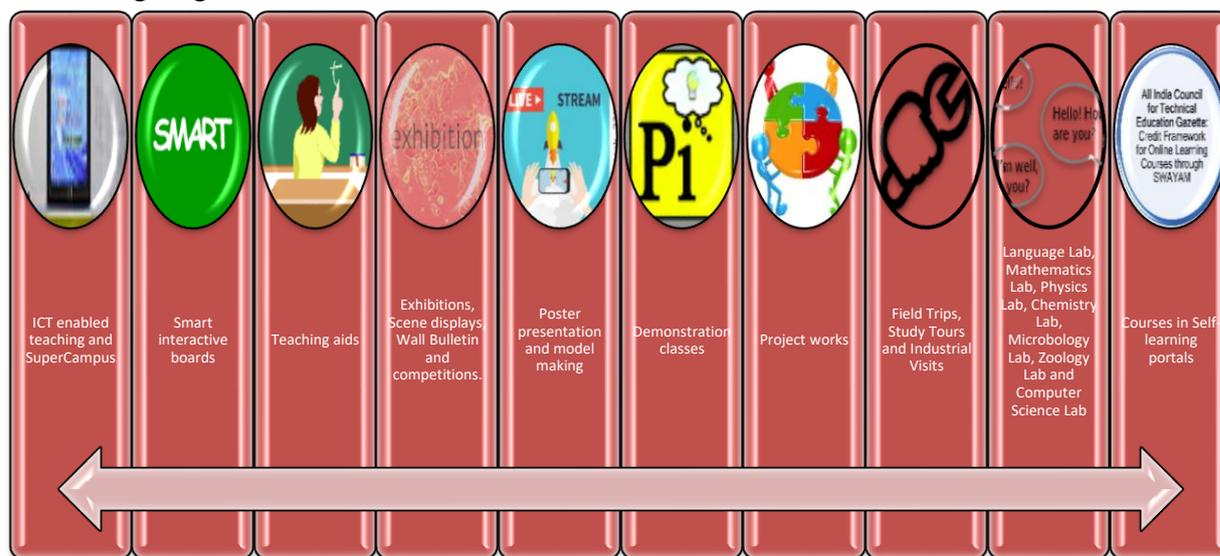


Image No. 02: Student Centric Teaching-learning Methods of NMS
Suggestions of the Study

1. Considering the need of current era, technical era, the use of modern technical tool must be more in the English Classrooms.
2. Mobile should be allowed in the classroom to use the students' software like super campus by MKCL Maharashtra in the English Classrooms to acquire the knowledge of English Language in bi-lingual countries as India. The image of practical experiment done for the current study is given in fig no. 03:



Image no. 03- Use of Super-campus for solving the MCQ in the current research work for Result (of the selected respondent)

3. Teachers of English must be aware of exciting soft-wares of English in India.
4. Movies related to teaching text are available on you-tube or other internet sources, they all should be used as a teaching aid in the English classrooms.
5. Hi-tech English language lab must be developed with the support of Government of India.
6. There are various schemes of Government of India which will help for the funding of ICT under Digital India.

Conclusion

Thus, Digital India, the concept of Indian Prime Minister Hon Modiji, will help for the Digital Classrooms and ICT based teaching-learning in Indian classrooms. Mobiles are commonly used ICT tool by the students. Though you restrict them, they use it in the classroom, then it is better to allow them to use it in the classrooms. They will use it happily and with enjoyment, they will acquire English in a proper way and will get good result of the classroom teaching as found in the English classrooms of Nutan Mahavidyalaya, Selu.

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An Empirical Study on the effectiveness of work life balance in Educationist working at Pratapgarh District of Rajasthan

Arti Jain*

Dr. Mukesh K. Sharma**

Abstract

Work life balance is the key issue in human resource practices and it has vital role in success of organization and employees both. Due to excessive pressure of modern life the conflict between work and life is increasing which results to anger, frustration and growing emotional disturbance.

The issue of imbalance is tremendously hampering all sectors of economy. However, Present study pertains to education sector because teachers are the cornerstone of the development of any nation and it is imperative to have a happy and satisfied teacher for the holistic development of the students committed to its care. Hence, this study is conducted to find out the work life balance of the educationist at Pratapgarh district of Rajasthan which is situated in Tribal area of Rajasthan. It is observed that students residing in rural and tribal area require more training than urban ones. It takes more resources, efforts and planning on the teacher's part.. With Constant pressure of producing results, the teachers have to juggle between work and home. The study is descriptive in nature and convenient & judgmental sampling technique is used. The sample size of research is 75 educationists working in various schools in the Pratapgarh district of Rajasthan.

The study revealed that personal life pressures led to poor performance at the organization and vice versa. It was also discovered that, teachers have to struggle to balance between work and home as they need lot of time to keep themselves updated to meet the demands of the students. Study also implies that employer's policy is not upto the mark for effective work life balance.

Major steps are suggested to overcome the issues.

Key Words:- Education, Economy, Human Resource, Work Life, Schools

1.1 Introduction

Modern world is full of conflicts, disputes and stress. There is a remarkable growth in the number of people opting to join the service industry. It has also been observed that demand in terms of money has increased and it has led to both spouse working. A single salary is not enough to meet the magnanimous demands of the materialistic world and status match combination. Work pressures have intensified in the past decades. Evidence suggests that the average time spent on job has increased drastically. As a result, work dominates the personal life (Guest 2002). This imbalance of work-life relationships can lead to severe health problems and hamper job performance (Singh 2010). Integration of personal and professional life has progressively become important due to their volutionary lifestyle in changing times, competition for growth and changing patterns of work, family

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and business. These issues are gaining momentum in the emerging markets (Joplin et al. 2003).

Work life balance is where the stress between the work and personal life is curtailed by having proper policies, systems, supportive management and provisions at work place and a harmony in personal life. Performance and the job satisfaction of the employees are said to be affected by the work life balance. Work life balance of the employees helps in reducing the stress level at work and increases the job satisfaction.

It has become imperative that the organizations provide a healthy work life balance so as to ensure progressive outcome and to some extent reduce attrition. In the contemporary world, with the limited skilled individuals, it becomes all the more important that employee has job satisfaction and is able to manage blissfully between his life and at work and home. Organizations offer different programs such as flexible hours, shifts, team outing, day care centres, health care centres, etc. to motivate the employees to work efficiently. Employees feel motivated and become loyal and committed towards the organization as it puts an extra effort to provide a healthy balance between work and life.

Some Work life balance issues are extremely important in the workplace, like increased level of stress, competition and insecurities in the workplace. All these factors lead to disruption in Work Life balance. Changes in the workplace and in employee demographics in the past decade have led to an increased concern for the thin line between employee work and home lives. Job requirements, such as mandatory overtime, on-call requirements, and evening / weekend / holiday backlog or home work often impose on employees' personal time. In terms of job attitudes, employees reporting high levels of both work-to-life and life-to-work conflict tend to exhibit lower levels of job satisfaction and organizational commitment. Both work-to-life and life-to-work conflict have also been associated with increased stress and burnout the employee, which eventually leads to health issues and even mental disorders like depression.

Sometimes malpractices like bias approach of the leader , back biting and dirty politics may cause a dent to the healthy environment in the work place and eventually lead to reduced job satisfaction among the employee.

This study is an attempt to understand the intentions of employees working with educational institutions and their way of effectively balancing personal and professional life. Based on this understanding, it is proposed that this study might also provide suggestions for institutions regarding the issue of Work Life Balance. The data for this study was collected from teachers teaching in schools, both in government and private sector. The teaching fraternity is chosen as they play a very pivotal role in the development of future generations. It is, therefore, essential to see that their work is not affected by their own personal needs, and hence the need for Work Life Balance. Some institutions do provide some allowances to enable their employees to balance their personal work with professional work. These are generally in the form of flexible working hours, Team Outings, Rewards and awards, day care centres. Whatever is provided in the name of WLB may not match the requirements of teachers from varied demographic backgrounds. Through this study, an attempt has been made to identify different personal motives and its priorities with respect to WLB among teachers belonging to different demographic profiles. Also an attempt has been made to understand the problems and stress as a result of putting in extra efforts, planning, using the resources to be able to meet the demand of the students from Tribal and Rural background,

1.2 Concept of Work-Life Balance

Work-life balance is not mere related to work and life; it is the positive state of mind. Work-life balance, in its broadest sense, is defined as a satisfactory level of involvement or 'fit' between the multiple roles in a person's life (Hudson, 2005). Greenhaus, Collins & Shaw (2003) defined work-family balance as "the extent to which an individual is equally-self engaged and equally satisfied with -his or her work role and family role". Work-life balance does not mean an equal balance in units of time between work and life. It is not a tight rope walk between two poles acting as an organizational commitments and home demands at the same time, but it is about proper understanding of the priorities of the professional and personal level. Reasons that enhanced the demand for work-life balance practices:

In 21st century our lifestyle has been changed drastically. Joint family becomes nuclear family where both husband and wife are working. Their responsibilities also increase. They have to take care of their children and elders. Some reasons that enhanced the demand for work life balance practices could be due to increasing number of women in the work place, growing demands of family, status symbol, the changed life style of modern families and increasing competition mad eboth the parents to work and earn. Apart from this for single parents managing work & personal life(taking care of children & other dependents) becomes very difficult, which results in stress, absenteeism, poor health etc Delloite & Touche, and IBM were the first to recognize the value and needs of their women contributors and changed their workplace policies, procedures & benefits by providing them with maternity leave, employee assistance programs, flexi time, work from home & child care referrals. (Article, The Hindu). Companies are taking initiatives by giving maternity benefits, flexi time, compressed work week, day care facilities to help their employees. Work Life Balance Policies are also important as they help in Public image of the organizations as it has important consequences for employee attitude towards their organizations as well as for the lives of employees. Organizations having good WLB practices have good image in the market & people want to join with the organization.

1.3 Statement of Problem

Now days, employers expect more from staff, and the employees are increasingly putting additional pressure on them to achieve greater results. Today's workers have many competing responsibilities such as work, children, housework, volunteering, spouse and elderly parent care and this places stress on individuals, families and the communities in which they reside. Work-life balance has been a concern for all those interested in maintaining a fine balance between working life and its association with broader quality of life. The understanding of this delicate relationship can provide direct impact on person-organization fit. Hence, many organizations are in quest of increasing the standards of employees by improving their organizational commitment, enhancing job satisfaction levels and at the same time reducing the work related stress. In today's fast paced business world, the ability to achieve work life balance is becoming more and more difficult. Hence, teaching professionals needs a very much consideration in maintaining their work life balance. Hence, the researcher has made an attempt to conduct the study on Work life Balance of teaching professionals of Pratapgarh District.

1.4 Scope of the Study

The current study has covered the teaching professionals of Private and Government Schools of Pratapgarh District. The study has emphasized the analysis of demographic

profile of the respondents, and relationship between demographic variables and the level of attitude towards teaching profession. The study has primarily focused on the factors determining the level of attitude of the respondents towards teaching profession with special reference to the students being tribal and the factors influencing the level of attitude of the respondents towards Work life balance.

2.1 Review of Literature

Ashok and Ebria (2015) suggested that more time to be spent with the family members and try to know what they need. This is a major aspect in work-life balance. Missing the quality time with family due to work pressure leads to dispute in family.

Venkataramanan and Abirami (2013) suggested that understanding of stress in management teaching professionals may not only form the basis of stress analysis but may also be useful in rationalizing stress behavior and formulating coping strategies for the entire teaching professionals. Based on this information the working conditions may be improved. Information generated from this additional study of stress has the potential to increase job satisfaction and to reduce the turnover rate for experienced as well as the new teaching professionals. The study concluded that may be done by improving upon the pay packets and fringe benefits so that faculty members may feel pride in their job and perform to the best of their capacity, thereby increasing job satisfaction and reducing stress.

Lakshmi & Kumar (2011) Work-life balance is vital to teacher effectiveness and satisfaction in the context of student learning. Researches have proved that a good quality work life balance results in the wellness of the faculty and also improved student behaviour. Moreover, good work life balance gives a feel of job satisfaction and also helps to achieve higher retention rates in the institution

Rupashree and Shivganesh (2010), in their study, reported that supervisor support and work-family culture are positively related to job satisfaction and affective commitment. No significant association was found between Work-Life Benefits and Policies (WLBP) and job outcome measures. Job characteristics and supervisor support were positively related to work-to-family enrichment. Work-to-family enrichment mediated the relationships between job characteristics and job outcomes and between supervisor support and affective commitment.

McNall et al.(2010) conducted the study to analyze the relationship between flexible work arrangement and job satisfaction. Data is collected from 220 employees. Data is analyzed through regression analysis. Results of the study indicate that greater the flexible work arrangements provided more will be the satisfaction employee will have from their jobs.

Gibson, (2006) offered two explanations regarding the interconnectedness of work and life in the organizational setting: (1) the compensation effect implies that employees tend to compensate for low work or personal life satisfaction by seeking contentment in the other domain; and (2) the spillover view that indicates that job satisfaction spills over into one's work life and vice versa

Greenhaus, Collins & Shaw (2003) defined work-family balance as "the extent to which an individual is equally-self engaged and equally satisfied with -his or her work role and family role". Work-life balance does not mean an equal balance in units of time between work and life. It is not a tight rope walk between two poles acting as an organizational commitments and home demands at the same time, but it is about proper understanding of the priorities of the professional and personal level.

Jenkins (2000) observes that issues like child rearing, the need to balance multiple roles etc. have consequences on health and family relationships. Securely attached individuals experienced positive spill-over in both work and family

2.2 Research Gap

Through various literature reviews it is found that work life balance is very important aspect in current decade and it is the key issue in the success of employees. At international and national level many study have already been conducted on the theme of work life balance but the southern part of Rajasthan is untouched therefore the area is chosen for determining the intentions of employees working with educational institutions and their way of effectively balancing personal and professional life. Based on this understanding, it is proposed that this study might also provide suggestions for institutions regarding the issue of Work Life Balance

2.3 Objectives

- To determine the effectiveness of work life balance among educationist working in Pratapgarh district of Rajasthan.
- To identify the factors which are affecting teacher's work life balance.
- To assess the satisfaction level of teachers related to work life balance and its related aspect.

3. Research Methodology

The study is descriptive in nature where teachers were selected as respondents who are teaching to students in schools in the area of Pratapgarh district of Rajasthan

The chapter divided into three parts

3.1 Sources of Data

Primary data were collected primarily through direct administration of the questionnaire. The study uses secondary data to support and substantiate primary data and also to form a strong theoretical base. The secondary data were collected from Research paper, SSRN, shodhganga, Local bodies, research journals, newspaper, articles, GST portals, working papers etc.

3.2 Sample size:- 75 teachers .

3.3 Sampling technique:- In Non Probability method of sampling, convenient technique was applied.

4.0 Data Analysis:- Data are analyzed using descriptive techniques and divided into four parts.

Part A

Table 1: Demographic Characteristics

Frequency In Percentage	
Salary	
Below 10,000	22
10,000-20,000	34
20,000-30,000	20
Above 30,000	24
Gender	
Male	23
Female	77
Civic Status	
Married	87
Unmarried	13
Nature of Family	
Family	
Joint	55
Nuclear	45
Spouse Occupation	
Service	47
Self Employed	53
Residence Type	
Self Owned	85
Rented	15
Classes taught	
Pre- Primary	16
Primary	12
Middle	25
Secondary	47

A survey conducted on 75 people to find the demographic character of responded. It was found out that 77% of the respondents were females and 23% males. Around 87% are married and 55% live in joint family. Out of 75 respondents, spouse of 47% were found to be in service and remaining 53% are self employed. 85% had their own house. 22% respondents earned a salary below 10,000/-, 34% fall in the range of 10,000 to 20,000. 20% earned between 20,000/- – 30,000/- and about 24% fall in the bracket of above 30,000/- Out of 75 teachers, 16% of them taught in Pre-Primary 12% in Primary, 25% in middle and 47% in Secondary.

Part B Dichotomous questions on the basics of Work Life Balances

Statements	Yes	No	Not Sure
The school has a policy for work –Life Balance	65	14	21
You always wanted to be a teacher	73	11	16
Do You teach your children at home	75	25	0
Do You have dependent elders at home	60	40	0
Do you get the salaries as per by – laws	55	28	17
Is your spouse working	66	34	0
Do you feel that you should add to your qualifications	94	4	2
Do you think working in private sector is better than Government Sector	46	35	19
Do you take private tuitions at home	68	32	0
Do you carry school work at home	67	33	0
Do you recommend a five day week in education	57	35	8

21% of the total respondents were not sure about the work life policy for work-life balance. 65% knew about it and 14 % said that there was no policy. 73% of the respondents always wanted to be a teacher whereas 11% did not and 16 % were not sure.75% of the respondents agreed that they teach their children at home and 25% did not. 60% of the respondents have dependent elders at home and 40% did not.55% said that they got salaries as per by laws and 28% did not . 17% were not sure about the bye laws of the government salaries. 66% of them ha dtheir spouse working . 94 % of the respondents were in agreement that they should add on to their qualifications for their growth. 46% of them think that working in private sector is better than government sector, 35% did not feel the same and 19% were not sure about their choice. 68% take tuitions at their home and 32% did not. 67% teachers carry their work home.57% of the respondents believed that we should have 5 day week in education system too where as 35% do not support the motion. 8 % were not sure about it.

Part C:- :- Level of Agreements on the Work life Balance Parameters

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I am able to manage time between school and family	25	61	8	1	5
I feel that organization will be more effective and successful if employees have a good work life balance	51	45	4	0	0
I am Happy with the HR Policies of School	9	11	10	70	0
I think Remuneration plays an important role in work life balance	31	66	1	1	1
I am Happy with appraisal and promotion policy of My school	12	58	18	9	3
The School has a flexible Timings Policy	8	60	15	13	4
Quality life with my family is	8	37	23	24	8

affected because of Work Pressure					
I feel that my profession keeps me updated	52	45	3	0	0
I feel that I am not paid according to the working hours I put in	2	40	24	29	5
I feel that my family suffers due to my extra working hours at home	12	28	24	30	4
I feel that teaching in Tribal setting is tougher than any other place	14	40	28	18	0

25% of the total respondents strongly agree that they are able to manage work life while 61% say they agree though not so strongly .We have 5% not at all in agreement with the statement. 96% of the total respondents agree that organization will be more effective and successful if employees have a good work life balance. 20% people agree with the HR Policies of the school while 70% of them do not agree with the same. 97% feel that remuneration plays a key role in job satisfaction. Almost 70% of the respondents are happy with appraisal and promotion policy of their school.68% feel that school has a flexible timings.45% of them agree that work pressure affects their family quality time.97% agree that their job keeps them updated.42% feel that they are not paid according to the working hour they put in. 40% feel that their family suffers due to extra working hours at home. 54% feel that teaching in Tribal setting is tougher than any other place.

Part D Work Life Balance - Factors

Statements	True	Somewhat True	Not True
Leadership style has an impact on job satisfaction.	78	21	1
Schools make sure to provide the much needed resources	80	16	4
Spouse's educational background and kind of employment affects professional growth and involvement	60	27	13
Growth hinders when there is lack of support from the colleagues	62	30	8
Appreciation by the school management helps to increase the job satisfaction	92	6	2

Out of 75 respondents, 78% consider it true that leadership style has a lot to do with Job satisfaction. 80% of the teachers agreed that schools provide them much needed resources. 60% of the teachers felt that spouse's educational background had an effect on their professional growth.27 % felt that it was true to some extent and13% felt that it had no effect on them.62% agreed to the fact that growth hinders when there is lack of support from the colleagues. To which 30% said that it is somewhat true and remaining 8% did not consider it true. 92% of them agreed that Appreciation by the school management helps to increase the job satisfaction and 6% believe to be somewhat true and 2% said it not to be true.

5.1 Findings

- It is important to have a work life balance for the organizations to work effectively as agreed by 96% of the educationists.

- Pressure of work affects the family life and home environment. This was agreed by 45% of the respondents.
- Extra working hours at home or bringing the school work home makes the family suffer as agreed by 40% of the respondents
- It is tougher to teach in tribal settings as compared to urban. This was agreed upon by 54% of the respondents
- 44% of the respondents feel that they are not paid as per the working hours .
- Teaching profession helps the respondents keep updated themselves.95% of teachers agree to them.
- HR Policies are not up to the mark. It was said by 70% of the respondents.
- Working in Government sector is better than working in Private sector as said by most of the respondents.

5.2 Suggestions

- More HR Policies should be brought into effect and the employee should be made aware about the same.
- Training on Time and Stress management should be a regular feature so that the employee can manage time well and does not have to carry pressure or work home.
- Remuneration need to be increased so that the employee can avoid taking tuitions and spend quality time at home.
- Some Work Life balance Policies should be made to take care of the dependent elders at home.
- 5 days week can be introduced in the Education system

5.3 Conclusion: The teaching fraternity of India, from both affiliated to government and private sector institutions, is not much exposed to WLB Practices, and even their employers have not done much in terms of designing and implementing WLB policies and practices. There is a need for designing such policies and programs to enable the teaching community to balance their work and personal life needs. The results of the study indicate that there are differences in the perception regarding the need for WLB polices based on their background. International studies from Europe, US and Hong Kong reveal the fact that WLB practices have the potential to enhance employee satisfaction and organizational commitment. The corporate world, to a large extent, has already taken positive steps towards formulating WLB policies and initiating practices. 5-day-work week is one such policy which can provide some flexibility to manage work and personal life effectively. Since the study is on education sector, options like flexi-time and working from home would not be feasible, as it is the practice in some other industries.

The incorporation of Work-Life Balance strategies into annual planning of educational institutions can, in fact, have positive impact on employee's well-being.

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Relationship Between Brand Equity And Customer Retention **A Descriptive Study With Two-Wheeler Brands With Special** **Reference To Bangalore City**

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Abstract

Brand Equity is the value a brand name adds to a product. In other words, Brand equity is the marketing effects and outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name. On the other hand, the success of any business mainly depends on the customer satisfaction and the ability of the company to retain its customers for a long term. Indeed, customer satisfaction has for many years been perceived as key in determining why customers leave or stay with an organization. Organizations need to know how to keep their customers, even if they appear to be satisfied. Customer retention improves profitability principally by reducing costs incurred in acquiring new customers. In India, Hero Honda Motors Limited (Ltd) (HHML), Bajaj Auto Limited (Bajaj Auto) and TVS Motor Company Limited (TVS) contribute for over 80 per cent of the Automobile Two-wheeler industry sales. The other key players in the two-wheeler industry are Kinetic Motor Company Limited (KMCL), Kinetic Engineering Limited (KEL), LML Limited (LML), Yamaha Motors India Limited (Yamaha), Majestic Auto Limited (Majestic Auto), Royal Enfield Limited (REL), Suzuki Motor Corporation and Honda Motorcycle & Scooter India (Private) Limited (HMSI). As there are many number of two wheeler brands, which brand of two-wheeler has higher customer retention is unknown. Hence, this paper deals with the relationship between brand equity and customer retention for two-wheeler brands.

Keywords: Brand, Brand Equity, Customer retention, Two-Wheeler

1. Introduction

A brand is a symbol or mark that helps a customer to recall and differentiate it from a competing product. The concept of "brand" is today relevant in all organizations, whether in a business to consumer or in business to business capacity and the implications are very clear. David Ogilvy (1983) says a brand is a consumer idea of a product or service. A product can be imitated, but a brand cannot. The Companies in every industry must adapt a more strategic view of their own brand if they are to succeed. The strongest and long lasting brands are created by divergence of an existing category. To make a brand strong there should be clarity, consistency and leadership. A brand is a symbol of promise to a customer. A successful brand delivers on that promise.

The success of any business mainly depends on the customer satisfaction and the ability of the company to retain its customers for a long term. Indeed, customer satisfaction has for many years been perceived as key in determining why customers leave or stay with an organization. Organizations need to know how to keep their customers, even if they appear

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to be satisfied. Customer retention improves profitability principally by reducing costs incurred in acquiring new customers. A prime objective of retention strategies must therefore be zero defections of profitable customers. Customer retention helps increase revenue through increases in sales volume and/or premium prices as well as reducing the expenses or costs of generating those revenues. An increase in retention rate has been argued to have led to a corresponding increase in profit.

The idea behind brands is that it is used as identifiers (**Kohli and Thakor, 1997**). The brand serves to identify a product and to distinguish it from the competitors. **Chiranjeeb (1997)** in his study have revealed that brand benefits are the foundations of brand image. It claimed that a brand name itself is the foundation of brand image. In a broad sense purchase decisions are based almost solely upon the attitude existing at the time of purchase.

Rust and Zahorik (1993) have stated that the costs of customer retention activities are less than the costs of acquiring new customers. They argue that the financial implications of attracting new customers may be five times as costly as keeping existing customers.

Gerpott, Rams and Schindler (2001) have stated that the Business relations between the customer and the company is a continuous process for retaining the customers towards brand loyalty. Similarly, Retention and attraction of new customers are important factors towards market share and revenues (**Rust, Zohorik & Keiningham 1995**). On the other hand, it is vital to decide who has to serve the customers by the company for the retention of the customers. After sales services like guarantee, warranty, checking the performance of the product etc., plays crucial role in customer retention (**Saeed, Grover & Hwang, 2005**). The quality of the product /service should be maintained and there is a strong influence of quality commitment, trust and satisfaction on customer retention (**Lin & Wu, 2011**). Further, loyalty program along with monetary benefits leads to emotional commitments towards the brand which forms the basis for higher customer retention (**Verhoef, 2003**). Although ample research works are done in brands and customer retention, very meager work is available with regard to two wheeler brands in Bangalore City. Hence, this paper deals with the relationship between the different two wheeler brands and customer retention.

2. Research Design

The present study is based on descriptive analysis using primary data to investigate the objectives and testing the hypotheses. A well-structured questionnaire was used as an instrument to collect the data. The data used for the purpose of this study were collected for a period of one year from 1st May 2018 to 30th April 2019.

2.1 Statement of the Problem

Due to heavy competition and availability of many brands of two-wheelers the strategies followed by the brand managers to acquire the market is of crucial importance. On the other hand, acquiring the market is only by means of establishing strong brand equity. Among the various components of Brand Equity, the attribute which captures loyalty among the customers is the next important task for the brand managers. This is due to the fact that, each brand creates a value in the market by way of any of the attributes of Brand Equity and this attribute differs from one brand to another.

There are various brands of two-wheelers and each brand has their own market share. Comparison of each brand of two-wheeler with its counter parts is essential to know which factor of brand equity has played an important role in establishing a strong brand. Knowing

the brand equity for each brand of two-wheeler is essential to evaluate the success of these brands in business. One way of measuring this success is capturing the customers who do not want to get away from the brand of two-wheeler of their choice. Thus, the research problem for the present study has been formulated to focus the answering of the following questions:

- What are the factors that determine the brand equity for each brand of Two-Wheeler?
- What are the attributes of brand equity which are most significant in creating customer retention value for the different brands of Two-Wheelers?
- What will be the impact of brand equity over customer retention value for the particular brand of Two-Wheeler?

2.2 Objectives of the Study

- To know the respondents' order of preferences among the different brands of two-wheelers.
- To examine the factors determining the brand equity for two-wheelers.
- To know the respondents' order of preference for the attributes of Brand equity in creating customer retention.
- To study the level of satisfaction for the various brands of two-wheeler in establishing customer retention value.
- To analyze the Impact of the overall performance of various brands of Two-wheeler towards customer retention value.

2.3 Sampling Technique

The geographical area of Bangalore City was chosen as the Universe. The main reason for choosing Bangalore City is that the investigator is located here and is familiar with the place. The Questionnaire was administered in person randomly to a majority of respondents in the study area after oral confirmation that they are owning/using two-wheeler. Also, *Snowball Sampling Technique* was used to select the respondents who are stationed far away from the researcher. On this basis the questionnaire was administered to 1,300 respondents with a yielding rate of 77.1% (1001 usable Questionnaires).

2.4 Techniques used for Analysis

The techniques used for analysis are i) Descriptive statistics such as frequency analysis, Mean, Mode and Standard Deviation ii) Non-parametric tests such as Chi-Square test and Friedman Two-way ANOVA, iii) Correlation Coefficient 'r' and Coefficient of Determination 'r²'.

3. Analysis and Interpretation

The data for the present study collected from the respondents through Questionnaire were tabulated and analyzed using appropriate statistical techniques mentioned in the research methodology. The results from the statistical analysis and corresponding interpretations of the objective-wise analysis of the study are presented in this section. All the numerical results of the percentage analysis are rounded off to the first significant digit.

3.1 Analysis on the order of preferences among the different brands of two-wheelers

To know the respondents' order of preference for the different two wheeler brands, Friedman Two way ANOVA and Chi-Square tests were used. The results are tabulated below:

Table 1: Respondents' Preference for the different Two-Wheeler brands

SI No.	Two-wheeler brands	Mean Rank N=1001	Chi-Square (Significance at 5% Level)
1.	TVS-Suzuki	2.96	2014.316 df=4 P=0.000
2.	Hero Honda	1.67	
3.	Bajaj	2.25	
4.	Yamaha	3.58	
5.	Other Brands	4.54	

It is clear from Table 1 that the respondents have ranked Hero-Honda as their first preferred brand of two-wheeler as the mean rank is 1.67. The next preferred brand is Bajaj with a mean rank of 2.25, followed by TVS Suzuki with mean rank of 2.96 and finally Yamaha with a mean rank of 3.58. There is a significant difference in the respondents' order of preference for the different two-wheeler brands as revealed by the significant chi-square value (2014.316) for 4 degrees of freedom at 5% level of significance.

3.2 Analysis on the factors determining the brand equity

To determine the factors of Brand Equity, the different factors such as Brand awareness, Brand Imagery, Brand performance, Brand Judgement and Brand usage were analyzed using descriptive statistics and the results are tabulated below:

Table 2: Factors determining Brand Equity

Descriptive Statistics	Brand awareness	Brand imagery	Brand performance	Brand Judgment	Brand Usage
N	1001	1001	1001	1001	1001
Mean	4.50	2.22	4.38	1.52	3.83
Median	5.00	2.00	5.00	1.00	4.00
Mode	5	2	5	1	4
Minimum	1	1	1	1	1
Maximum	5	5	5	5	5

It is obvious from Table 2 that brand awareness with the high mean score (4.50) is the most important factor for Brand Equity followed by Brand performance with the mean score of

4.38, brand usage with the mean score of 3.83, Brand imagery with 2.22 mean score and brand Judgment with 1.52 mean score. Also, it is interesting to note that Brand Awareness and Brand performance has a mode of 5 which is the score for extremely important on a 5-point scale. Similarly, Brand usage has 4 as the mode which the score for Important in a 5-point scale. Thus Brand Awareness, Brand Performance and Brand Usage are considered to be the most important factors that give brand equity for the Two-Wheeler brands.

3.3 Analysis on the order of preference for the attributes of Brand equity

The respondents' order of preference for the various attributes of brand equity in creating customer retention value for the two-wheeler brand were analyzed using Friedman Two-way ANOVA and Chi-square test.

Table 3: Respondents' order of preference for the attributes of Brand equity in creating customer retention

Sl No	Attributes of Brand equity	Mean Rank			
		N=1001			
		TVS	Hero Honda	Bajaj	Yamaha
a.	Brand Value	4.74	1.38	2.62	4.00
b.	Brand Exposure	6.26	2.48	1.89	4.00
c.	Brand Satisfaction	8.03	2.14	5.14	4.00
d.	Brand recognition and recall	8.28	5.05	1.49	6.67
e.	Brand reputation	7.66	5.28	5.38	6.33
f.	Brand loyalty	9.82	6.24	5.02	1.67
g.	Customer care/service	9.68	8.14	7.73	8.67
h.	Variety of models	2.43	8.19	8.03	1.33
i.	Easy accessibility of showroom/service station	4.03	7.15	8.89	8.67
j.	Affordable price and cost worthy	1.83	8.95	8.81	9.67
	Chi-Square (Sig at 5% level)	7635.2	7317.575	7821.002	8547.81
	P for 9 degrees of freedom	0.000	0.000	0.000	0.000

On examination of Table 3, it is clear that the affordable price and cost worthiness (mean rank=1.83) of the two-wheelers of TVS brand has created the highest customer retention value. Further, variety of models (mean rank = 2.43), easy accessibility of showroom/service station (mean rank = 4.03), brand value (mean rank = 4.74), brand exposure (mean rank = 6.26), brand reputation (mean rank = 7.66), brand satisfaction (mean rank = 8.03), brand recognition and recall (mean rank = 8.28), customer care/service (mean rank = 9.68) and brand loyalty (mean rank = 9.82) follow the ranking order in establishing customer retention value for TVS brand of two-wheeler. This ranking is significant at 5% level as indicated by the Chi-square value 7635.268 with p=0.000 for 9 degrees of freedom.

Similarly, for the two-wheelers of Hero Honda, brand value is the most important attribute in establishing customer retention value as indicated by the mean rank of 1.38. Further,

brand satisfaction (mean rank = 2.14), brand exposure (mean rank=2.48), brand recognition/recall (mean rank =5.05), brand reputation (mean rank = 5.28), brand loyalty (mean rank = 6.24), easy accessibility of showroom/service station (mean rank = 7.15), customer care/service (mean rank = 8.14), variety of models (mean rank = 8.19) and affordable price and cost worthy (mean rank = 8.95) follow the ranking order in creating customer retention value for Hero Honda brand of two-wheelers. Also, there is a significant difference in the respondents' ranking on the various attributes of brand equity in creating customer retention value for Hero Honda as indicated by the significant chi-square value 7317.575 with $p=0.000$ for 9 degrees of freedom.

In the case of Bajaj brand of two-wheelers, brand recognition/recall with the mean rank of 1.49 has the highest customer retention value. The other attributes of brand equity such as brand exposure (mean rank = 1.89), brand value (mean rank = 2.62), brand loyalty (mean rank = 5.02), brand satisfaction (mean rank = 5.14), brand reputation (mean rank = 5.38), customer care / service (mean rank = 7.73), variety of models (mean rank = 8.03), affordable price and cost worthy (mean rank = 8.81) and easy accessibility of showroom/service station (mean rank = 8.89) follow the order in establishing customer retention value for the Bajaj brand of two-wheeler. This is further validated by the significant Chi-square value 7821.002 with $p=0.000$ for 9 degrees of freedom.

Finally, for the Yamaha brand of two-wheeler variety of models is the most important attribute in creating the customer retention value, since the mean rank is 1.33. Further, brand loyalty (mean rank = 1.67), brand satisfaction (mean rank = 4.00), brand exposure (mean rank = 4.00), brand value (mean rank =4.00), brand reputation (mean rank = 6.33), brand recognition/recall (mean rank = 6.67), customer care/service (mean rank = 8.67), easy accessibility of showroom/service station (mean rank = 8.67) and affordable price and cost worthy (mean rank = 9.67) follow the ranking order in establishing customer retention value for Yamaha brand of two-wheeler. Also, the significant Chi-square value 8547.812 with $p=0.000$ for 9 degrees of freedom reveals that the mean ranks are significant for Yamaha brand of two-wheeler.

3.4 Analysis on the level of satisfaction for the various Brands of Two-Wheeler

After knowing the respondents' individual preferences for each attribute under each brand of two-wheeler, their level of satisfaction about the different two-wheeler brands based on its ability to have a good customer retention value was captured and analyzed using descriptive statistics. The results are tabulated in table 4

Table 4: The level of satisfaction for the various brands of Two-Wheeler in establishing customer retention value

Sl. No.	Two-wheeler Brand	Level of Satisfaction	Frequency	Percent	Mode	Mean	Std Deviation
1	TVS	Satisfied	283	28.3	1	1.72	0.88
		Neither Satisfied Nor Dis-	153	15.3			
		Satisfied					
		Dis-satisfied	564	56.4			
		Total	1001	100.0			
2.	Hero Honda	Satisfied	769	76.8	3	2.71	0.57
		Neither Satisfied Nor Dis-	173	17.3			
		Satisfied					
		Dis-satisfied	59	5.9			
		Total	1001	100.0			
3	Bajaj	Satisfied	748	74.7	3	2.65	0.65
		Neither Satisfied Nor Dis-	157	15.7			
		Satisfied					
		Dis-satisfied	96	9.6			
		Total	1001	100.0			
4	Yamaha	Satisfied	164	16.4	1	1.65	0.75
		Neither Satisfied Nor Dis-	318	31.8			
		Satisfied					
		Dis-satisfied	519	51.8			
		Total	1001	100.0			

Source: Primary Data

It is clear from Table 4 that majority of the respondents (56.4%) are dissatisfied with the TVS brand since it is not able to create customer retention value. Further, the mean score of 1.72 proves that the level of satisfaction of the respondents about TVS brand in creating customer retention value is between dissatisfied and neutral. But, majority of the respondents are satisfied with the Hero Honda brand (76.9%) and Bajaj brand (74.8%) of two-wheelers since they have high customer retention value. This majority is further validated by a mode of 3 for both the brands.

Subsequently, majority of the respondents (51.9%) are dissatisfied with the Yamaha brand of two-wheeler since it failed to create customer retention value. Also, the mean value is 1.65 depicts that the respondents' level of satisfaction lies between neutral and dissatisfied for Yamaha brand of two-wheeler.

3.5. Analysis on the impact of the overall performance of various brands of Two-Wheeler towards customer retention value

Finally, to know the impact of the overall performance of the various two-wheeler brands on the customer retention value, the correlation coefficient 'r' and coefficient of determination 'r²' were calculated and the results are tabulated in table 5

Table 5: Impact of the overall performance of various brands of Two-Wheeler towards customer retention value

Overall performance	Particulars	Customer Retention Value							
		TVS		Hero Honda		Bajaj		Yamaha	
		r	r ²	r	r ²	r	r ²	r	r ²
TVS	Pearson Correlation	.502*	0.25	-	-	-	-	-	-
	Sig. (2-tailed)	0.000		-		-		-	
Hero Honda	Pearson Correlation	-	-.933*	.870	-	-	-	-	
	Sig. (2-tailed)	0.000		-		-		-	
Bajaj	Pearson Correlation	-	-	-	-.892*	.795	-	-	
	Sig. (2-tailed)	-		0.000		-		-	
Yamaha	Pearson Correlation	-	-	-	-	-	.835	.69	
	Sig. (2-tailed)	-		-		0.000		.007	

Source: Primary Data

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

It is evident from Table 5 that all the correlation coefficients are positive and significant at 1% level. The positive correlation coefficient indicates that there is a positive relationship between the overall performance of the two-wheeler brands and its customer retention value. This reveals that in customers' perception when the overall performance of the two-wheeler brand increases its retention value also increases.

Among the different two-wheeler brands, Hero Honda has the maximum correlation between its overall performance and customer retention value as indicated by the high positive correlation coefficient of 0.933 which can explain 87.0% of variance. Similarly, Bajaj with the high correlation coefficient of 0.892 can explain 79.5% of variance in overall performance and customer retention value. Following Bajaj, Yamaha has correlation coefficient of 0.835 between its overall performance and customer retention value. Finally, TVS brand has the correlation coefficient of 0.502 between its overall performance and customer retention value and explains 25% of variance. Thus, it can be concluded that Hero Honda has the maximum performance among the respondents which is capable of creating high customer retention value followed by Bajaj, Yamaha and TVS brands of two-wheeler.

4. Findings and Suggestions

1. Majority of the respondents believe that their two-wheeler brand enhances the customer retention value because of Brand Exposure. Hence, it is suggested that the exposure of the brand to the customers should be increased by organizing various camps.
2. Most importantly, the customer retention is established by way of guaranty and warranty for the spare parts of two-wheelers which are sustainable for a longer duration. This will automatically increase the brand equity for that brand of two-wheeler thus enhancing its retention value. Hence, it is strongly recommended that the manufactures should offer long-term guaranty and warranty for the two-wheeler spare parts.
3. It was inferred from the study that easy maintenance is the most important attribute of the two-wheeler which creates satisfaction among the users for the brand. Thus, it is strongly suggested that the two-wheelers should be manufactured with utmost care and use error-free spare parts so that it is easy to maintain in a long run. This will enhance the level of satisfaction of the customers which will force them to stay with the two-wheeler brand that they are using at present.

5. Conclusion

The findings from the present study highlight the need to gain an understanding of the impacts of taken attributes and their contribution to customer and preference under different components. It might have been expected that brand imagery may have greater importance than overall performance for the brand, given the less abstract nature of this product category. This finding should be viewed with caution, since the product used in the study is non-durable products. Finally the measurement and management of brand equity have become top priority marketing issues in recent years, as evidenced by the growing literature on the subject.

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