Multidisciplinary Global Journal of Academic Research (MGJAR)

Vol.I Issue II October 2014 ISSN: 2394-1758

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Vol. I Issue. II October 2014 ISSN: 2394-1758

Contents

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Vol. I Issue. II October 2014 ISSN:2394-1758

A BOON FOR RURAL WOMEN ENTREPRENEURSHIP

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Abstract

This study discusses the socio-economic background of the selected women entrepreneurs in Tuticorin District and examines the factors motivating women to become entrepreneur. The present study is to be based both on secondary as well as primary data. The study demonstrates that 36% of women completed only primary school and 34% women started their business at the age of 20-25. The study disclosed that 4% of the respondents are earning an income up to Rs.10000, 20% of the respondents are earning Rs.10000-15000 monthly, 10% of the respondents are earning Rs.15000-20000 monthly, and the others 66% of the respondents are earning above Rs.20000 respectively. The average monthly income of the women entrepreneurs' family is Rs.19400. The study reveals the monthly income of the respondent's before and after entering the enterprise. Before entering the enterprise 17.1 percent of the respondents had monthly family income of less than Rs.10000, whereas after entering the enterprise 10 percent of the respondents had monthly family income of less than Rs.10000. 30 percent of the respondents had monthly income between Rs.10000-15000 before entering the enterprise, which decreased by 21.4 percent after entering the enterprise. 25.7 per cent, 20 per cent and 7.1 per cent of the respondents had monthly family income between Rs.15000-20000, Rs.20000-25000 and above Rs.25000 respectively before entering the enterprise. But after entering the enterprise it was 18.6, 12.8 and 37.1 percent respectively. The chi-square analysis reveals that the factors are Age and Education are significant at 1% level. Marital Status and Monthly income are significant at 5% level of significance. The remaining factors are not significant at 5% level.

Key Words: entrepreneurship, income, social development, Gini co-efficient, Garrett's ranking techniques

INTRODUCTION

In India, entrepreneurship is considered as one of the best means of triggering economic and social development (Venkatsubramaniam, 2003). According to the Global Entrepreneurship Monitor, (Reynolds et al., 2002), one in eleven (8.9%) women is involved in entrepreneurship across the globe and India occupies the second position among the 22 countries where 14.1 percent of women have ventured into entrepreneurship. In almost all the developed countries in the world, women are putting their steps at par with the men in the field of business (Saidapur et.al, 2012). A study by Chinonye Okafor, Roy Amalu (2010) reveled that positive relationship exists between motivational factors and women entrepreneurial challenges. A study in Taiwan by Saikou E. Sanyang and Wen-Chi Huang (2008) proves those women entrepreneurs are capable as men running a business. S. Vargheese Antony Jesurajan & Dr. M. Edwin Gnanadhas (2011) in their study revealed that husbands/fathers were the main motivators for taking up entrepreneurship. This study discusses the socio-economic background of the selected women entrepreneurs in Tuticorin District and examines the factors motivating women to become entrepreneur.

OBJECTIVES OF THE STUDY

The field study has the following objectives

1. To study the socio-economic outline of the women entrepreneurs.
2. To understand the motivational and encouraging factors behind women entrepreneurs
3. To analyze monthly household income of the respondents before and after entering the enterprise.

Null hypothesis:

- There is no significant difference between the income of the sample respondents before and after entering the enterprise.

METHODOLOGY

The present study is to be based both on secondary as well as primary data. The survey period covers from June 2014 to September 2014 for primary data collection. The secondary data are to be collected from published, unpublished reports, handbooks, action plan, pamphlets of Director of Industries and Commerce, Chennai; District Industries Centre, Tuticorin; Statistical Office, Tuticorin and Centre for Development Studies, Thiruvanthapuram. In addition Journals, books and magazines have also to be used. In order to evaluate the performance of women entrepreneurs in Tuticorin District, Tamilnadu 70 women entrepreneurs to be randomly selected from the list obtained from District Industries Centre, Tuticorin. As on 31st March 2014 there are about 2412 women entrepreneurs registered in the District Industries Centre and 70 entrepreneurs that is, nearly 3% of total population were selected for primary data collection by adopting simple random sampling method. Business taken for the study was beauty parlours, tailoring, medical stores and grocery shops. The data to be collected from primary and secondary sources is to be analyze with the help of some statistical tools like average, percentages, standard deviation, 't' test, Gini co-efficient, Garrett's ranking techniques chi square tests and probability analysis.

LIMITATIONS

1. The study covers only Tuticorin district. Hence the findings of the study are entirely applicable to this district only and also applicable for a short period only.
2. Due to paucity of time, the present study is conducted only four types of business run by women entrepreneurs.

Socio-personal characteristics of respondents (n=70)

Variable	Categories	Percentage
Area of Residence	Urban	27
	Rural	73
Age	Young (15-30)	24
	Middle (30-45)	48
	Old (45-60)	28
Marital Status	Married	76
	Unmarried	24
Education	Illiterate	8
	Primary	36
	Secondary	18
	Hr. Sec	26
	Graduate	12
Family Size (members)	Less than 3	25
	3-5	60
	5-7	15
Family Type	Nuclear Family	90
	Joint Family	10
Type of enterprise	Tailoring	66
	Beauty Parlor	20
	Medical Stores	10
	Grocery Shop	4

Source of Finance	Personal savings	38
	Borrowing from friends	30
	Borrowing from relatives	20
	Loan from banks	12
No. of hours devoted For business	2-4 hrs.	3
	5-7 hrs.	51
	8-9 hrs.	27
	More than 9 hrs.	19
Age at starting of Enterprise	20-25	34
	25-30	24
	30-35	28
	35-40	4
	40-45	10
Monthly Income (Rs.)	5000-10000	4
	10000-15000	20
	15000-20000	10
	20000-25000	66
	Total	100

Source: Primary Data

RESULTS AND DISCUSSION

The socio-economic characteristics of respondents were analyzed and presented in the above table. It is evident from the results that 73% of the respondents reside at rural area and 27% of the respondents reside at urban area. Further, results revealed that the percentage of middle age respondents is more i.e., 48%. As per the survey middle age group's involvements is higher than that of old and young aged groups and mean size of the family worked out to be 36.2 years and standard deviation was 31.1127 in the study area. Regarding the marital status 76 per cent are married.

Besides, results revealed that 36% of the respondents had primary education, about 18% had high school education, about 26% possessed higher secondary level education and only about 12% had pursued degrees. Further, 8% remained illiterate. Results on family size categories indicate that majority of the respondents i.e., 60 percentage of families are having 3-5 size ranging from members and mean size of the family worked out to be 10 years and standard deviation was 6.12372. Results on family type revealed that 90 percent of the respondents belonging to the nuclear family. This clearly indicates the declining of the joint family system.

Business taken for the study shows 66 per cent are engaged in tailoring and 20 per cent run beauty parlor. Business concentrated on medical stores and grocery shop as 10 per cent and 4 per cent respectively. Moreover results revealed that 38% of women started their business by their own funding. Only 12% started their business by bank loan, 30% borrowing from friends and 20% borrowing from relatives.

The data shows that 51% women are working for 5-7 hrs. Only 3% women have only 2-4 hrs for their business. 27% and 19% women gave 8-9 hrs and more than 9 hrs to their business and they have huge family support and husband support.

The study demonstrates that 36% of women completed only primary school and 34% women started their business at the age of 20-25. The study disclosed that 4% of the respondents are earning an income up to Rs.10000, 20% of the respondents are earning Rs.10000-15000 monthly, 10% of the respondents are earning Rs.15000-20000 monthly, and the others 66% of the respondents are earning above Rs.20000 respectively. The average monthly income of the women entrepreneurs' family is Rs.19400.

Motive for starting Business

Reasons	Mean score	Rank
Not wish to employment for others	54.5	III
Self-assurance in the products /services proposed	49.5	V
Profit / making money	60.3	I
Desire for manage and liberty to make own choices	57.2	II
Social position	41.4	VI
Self - attainment	52.2	IV

Source: Computed from Primary Data

The major reason behind for starting business is to earn profit was ranked first followed by freedom to make own decisions. The various other factors like not want to work for others were ranked third, self achievement ranked fourth, confidence in the products /services offered ranked fifth and social status ranked sixth respectively.

Monthly Household Income of the respondents before and after Entering the Enterprise

Sl. No.	Monthly Household Income	No. of Respondents	
		Before entering the enterprise	After entering the enterprise
1.	Below Rs.10000	12 (17.1)	7 (10.0)
2.	Rs.10000-15000	21 (30.0)	15 (21.4)
3.	Rs.15000-20000	18 (25.7)	13 (18.6)
4.	Rs.20000-25000	14 (20.0)	9 (12.8)
5.	Above Rs.25000	5 (7.1)	26 (37.1)
	Total	70 (100)	70 (100)

Source: Computed from Primary Data
Note: Figures in brackets represent percentage to total.

The above table reveals the monthly income of the respondent's before and after entering the enterprise. Before entering the enterprise 17.1 percent of the respondents had monthly family income of less than Rs.10000, whereas after entering the enterprise 10 percent of the respondents had monthly family income of less than Rs.10000. 30 percent of the respondents had monthly income between Rs.10000-15000 before entering the enterprise, which decreased by 21.4 percent after entering the enterprise. 25.7 per cent, 20 per cent and 7.1 per cent of the respondents had monthly family income between Rs.15000-20000, Rs.20000-25000 and above Rs.25000 respectively before entering the enterprise. But after entering the enterprise it was 18.6, 12.8 and 37.1 percent respectively. From the Table it is evident that after entering the enterprise the respondent's monthly family income has shown a substantial increase.

In order to study the impact of enterprise on income of the sample respondents paired sample't' test is used.

Null hypothesis:

- There is no significant difference between the income of the sample respondents before and after entering the enterprise.

Results of Paired Samples 't'test for income before and after entering the enterprise

Pair 1 Before-After	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95 per cent Confidence Interval of the Difference				
				Lower	Upper			
	-3417.14	1238.76	488.132	-4390.94	-2443.35	7.0004	69	.000

The test result shows that 't' statistics 7.0004 is significant at 1 per cent level of significance with 69 degrees of freedom. Therefore the null hypothesis that there is no significant difference between the income of the sample respondents before and after entering the enterprise is to be rejected. Hence there is a significant increase in the income of the respondents after entering the enterprise.

Gini Ratio

Gini co-efficient of concentration ratio was used to measure the extent of inequalities in the distribution of income in the households of entrepreneurs before and after entering the enterprise in the case of those engaged in different activities in the study area. The range of Gin

ratio would be from 0 to 1. Gini ratio of 0 would mean that every individual would reserve exactly that same income i.e., perfect equality in distribution. Gini ratio of one mean that an individual would reserve the different income i.e., perfect inequality in income. Gini ratio was calculated by using the formula.

$$G = 1 - \frac{\sum_{k=1}^{N} (P_k - P_{k-1})(Q_k + Q_{k-1})}{10,000}$$

Where,

G = Gini coefficient of concentration

P_k = Cumulative per cent of frequency of entrepreneurs

Q_k = Cumulative per cent of income

N = Number of classes used in the analysis

Gini coefficient ratio	Before entering the enterprise	After entering the enterprise
G	0.21824	0.23501

The Gini ratio was estimated to analyse the distribution of household income of the entrepreneurs before and after entering the enterprise in the study area. The estimated values of Gini ratio before and after entering the enterprise clearly indicate that there is no perfect equality among the entrepreneurs household income. But decrease in the value of Gini ratio from 0.21824 to 0.23501 shows that the income inequality between the entrepreneurs has increased after entering the enterprise.

The Summary of Opinion of the women entrepreneur

Factors	Chi-Square Value	Result
Age	14.19	Significant**
Educational Qualification	16.35	Significant**
Family Size	3.81	Not Significant
Marital Status	8.94	Significant*
Type of enterprise	5.13	Not Significant
Monthly income	13.62	Significant*

Source: Compiled from Primary Data

The opinion of the respondents and socio-economic characters relationship is applied for chi square test. The selected variables only applied in this model. The table reveals that the summary of the respondents. The chi-square analysis reveals that the factors are Age and Education are significant at 1% level. Marital Status and Monthly income are significant at 5% level of significance. The remaining factors are not significant at 5% level.

CONCLUSION

This study examines the factors motivating women to become entrepreneur and income inequality between the entrepreneurs has increased after entering the enterprise. On the development of Tuticorin district women entrepreneurship the income and employment opportunities will increase, the rural and family infrastructure will improve and overall it will act as a catalyst for faster rural economic growth and development. Up to a greater extent the rural women entrepreneurship is directly proportional to the rural growth and development. Government should take initiatives to upgrade their skill and institutions should come up with offering education program for women entrepreneur.

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Multidisciplinary Global Journal of Academic Research (MGJAR)

Vol. I Issue. II October 2014 ISSN:**2394-1758**

REGULATED MARKET- FARMER'S OPINION SURVEY IN SELECTED DISTRICTS IN TAMIL NADU

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Abstract

The study which was conducted in the Regulated Markets in Cuddalore, Villupuram and Nagapattinam district focused on identifying the characteristics among the farmers and Regulated Market level of entrepreneurial behavior among the farmers. Among them with regard to innovation it was found low among the Small and Marginal Farmer, Medium Farmer, Big Farmer. The level of leadership ability and ability to assume risk also found low, requiring the improvement in the entrepreneurial behavior particularly among the farmers. Local rural markets are the best option for the marginal and small farmers to dispose off their perishable surplus to get quick returns. Due to the lack of good infrastructural facilities in the study area, most of the farmers prefer local rural markets instead of going to the specialized markets or near-by town area. The variation in the transaction of agricultural produce is mainly due to a number of factors like higher market demand, accessibility, nature of produce, transportation facility, market-size, fair price, and so on.

Key Words: Farmers, Regulated Market, Small and Marginal Farmer, Medium Farmer Big Farmer.

INTRODUCTION

The establishment of regulated markets as channels of marketing of agricultural produce is of comparatively recent origin; the first such markets were established under the Berar Cotton and Grain Markets Act in 1897. The periodic markets, on the other hand, are of greater antiquity.[1] Agricultural Marketing has become the key driver of the Agriculture sector today due to new market realities posed by the increasing accent on globalization, liberalization and privatization of the economy. The core objective of the Department of Agricultural Marketing and agricultural business is to help the farmers in marketing their agricultural produce at a fair price and to ensure remunerative returns to them. The aim of this Department is regulating agricultural produce trade by enforcing Tamil Nadu Agricultural Produce Marketing (Regulation) Act 1987 most effectively and also implementing new technologies to minimize post harvest losses by adopting various costs. Effective post-harvest operations like value addition, storage, and grading, packaging, processing and easy transportation. Market fee of 1 percent on the value of agricultural produce purchased by the traders is collected by the Market Committees and the fund is being utilized for developmental activities of Market Committees.[2] Agricultural Regulated Market centers also helps in increasing social contact and serve as centers of diffusion of innovation and ideas and become focus for political and other activities[3].

STATEMENT OF THE PROBLEM

farmers face various problems like heavy commission charges, lack of finance, un-remunerative prices, non-availability of manures, pesticides, water scarcity, and lack of storage facilities, irregular power supply, and want of market for the produce, high transport cost, the lack of regular payment and the like. To remove the disabilities of the farmers in the mandi, regulated markets have been established. The management of regulated markets vests in committees on which farmers are also represented. However, many of the marketing committees are not yet fully conscious of their responsibility of utilizing their funds for developing marketing facilities. In this context the researcher has made an attempt to study the working of select regulated markets in Tamil Nadu.

OBJECTIVE OF THE STUDY

This paper aims at examine the perception of the farmers towards working of select regulated markets in Tamil Nadu. For this purpose the researcher has selected three Districts in Tamil Nadu namely Cuddalore, Villupuram and Nagapattinam.

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NEED FOR STUDY

Regulated markets have come to stay and have been functioning for more than three districts in Tamil Nadu. The government is to increase the number of markets in new areas and to strengthen the existing markets. Against this background, it is appropriate to examine how for the regulated markets have been successful in establishing an orderly and efficient marketing system by eliminating all sorts of mal-practices for the benefit of the farmers.

METHODOLOGY

The study aims at examining the working of regulated markets in Tamil Nadu. There are 21 Market Committees in operation in Tamil Nadu as on September 2012. In order to collect primary data for the purpose of the study, multi-stage sampling technique is adopted.

DATA COLLECTION

` The primary data only used for this study. The researcher has collected primary data of the farmers from the selected regulated markets in Tamil Nadu.

LIMITATIONS OF THE STUDY

The present study is concerned with farmers' perception towards the working of regulated markets, rather than how it is reported by the traders and the officials of the regulated markets.

REVIEW OF LITERATURE

Senam Raju.M.S (2002)[4] observed that, the performance of these regulated markets is considered by many administrators and academicians to be most unsatisfactory. Though, the regulation of markets have brought certain benefits to the farmers, they have not achieved their objectives to the desired extent.

Kerur.N.M, Gaddi.G.M and Vilas Kulkarni (2011)[5] The performance of regulated markets as opined by the traders that, charges fixed for weighing, market fee, market information through display on notice board and payment of produce over 15 days after the sale are affecting the performance of markets.

Rehman et.al., (2012)[6] stated that the supply chain in agricultural marketing is long and has increased the margin between the price received by the farmer and the price paid by the consumer. Tightening of the supply chain is called for and the role of the farmer's organizations, Cooperatives/Self Help Groups needs to be expanded.

S. Ravi, K. Uthaiyasuriyan (2012)[7] the study concluded that the farmers are facing many hurdles in marketing the agricultural products. But, the regulated market is been established by the Government to rectify. Moreover the regulated markets are considered as responsible institutions in discharging all the functions connected with the sale of outputs, keeping in view the overall interest of the forming community all the ultimate consumers.

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Farmer's Category and Sell your Produce

Farmer's Category	Sell your Produce					Total	Pearson's Chi-square
	Direct Selling	Commission Agents	Wholesalers	Co-operative Markets	Processing Units/Mill Owners		
Small and Marginal Farmer	49 (13.53)	99 (27.35)	136 (37.57)	0 (0)	78 (21.55)	362 (100)	Value 17.452
Medium Farmer	11 (11.83)	21 (22.58)	45 (48.39)	1 (1.07)	15 (16.13)	93 (100)	df 8
Big Farmer	2 (8.00)	4 (16.00)	14 (56.00)	1 (4.00)	4 (16.00)	25 (100)	P Value 0.026
Total	**62 (12.92)**	**124 (25.83)**	**195 (40.62)**	**2 (0.42)**	**97 (20.21)**	**480 (100.00)**	

Source: Primary Data

Table reveals that majority of big farmers i.e., about 56 per cent sell their produce in their wholesales, 48.39 per cent of medium and 37.57 per cent of small and marginal farmers sell their produce in regulated market. On the whole 40.62 per cent of total respondents regulated markets. Since the p value less than 0.05, the difference is significant, and we reject the null hypothesis i.e., sell their produce in the farmer's category.

Farmer's category and Major Produce in Regulated Market

Farmer's Category	Major Produce in Regulated Market									Total	Pearson's Chi-square
	Paddy	Cambu	Baira	Ragi	Cotton	Green/ Black gram	Oil Seeds	Corria nder	Others		
Small and Marginal Farmer	213 (58.84)	4 (1.10)	4 (1.10)	12 (3.32)	22 (6.08)	46 (12.71)	54 (14.92)	3 (0.83)	4 (1.10)	362 (100)	Value 23.873
Medium Farmer	49 (52.69)	4 (4.30)	2 (2.15)	3 (3.23)	2 (2.15)	17 (18.28)	16 (17.20)	0 (0)	0 (0)	93 (100)	df 16
Big Farmer	19 (76.00)	1 (4.00)	0 (0)	0 (0)	3 (12.00)	1 (4.00)	0 (0)	0 (0)	1 (4.00)	25 (100)	P Value 0.092
Total	**281 (58.54)**	**9 (1.87)**	**6 (1.25)**	**15 (3.13)**	**27 (5.63)**	**64 (13.33)**	**70 (14.58)**	**3 (0.63)**	**5 (1.04)**	**480 (100.00)**	

Source: Primary Data

Table reveals that majority of the big farmers i.e., about 76 per cent sell in the major produce in RM paddy 52.69 per cent of medium farmers and 58.84 per cent of small farmers and marginal family sell major produce in ROM in paddy. On the whole 58.54 per cent of total respondents in major produce in RM in the paddy. Since the p value is greater than 0.5, the difference is significant, and we reject the null hypothesis i.e., at 5% level produce in RM in farmers category.

Distance between your Farm and the Regulated Market

Regulated Market	Distance between your Farm and the Regulated Market				Total	Pearson's Chi-square
	Less than 10 kms	11 to 20 kms	20 to 30 kms	Above 30 kms		
Viruthachalam	7 (11.67)	17 (28.33)	16 (26.67)	20 (33.33)	60 (100)	Value 321.057
Srimushnam	36 (60.00)	23 (38.33)	0 (0)	1 (1.67)	60 (100)	df 21
Gingee	4 (6.67)	12 (20.00)	14 (23.33)	30 (50.00)	60 (100)	P value 0.000
Thirkovilur	3 (5.00)	7 (11.67)	20 (33.33)	30 (50.00)	60 (100)	
Marakkanam	36 (60.00)	24 (40.00)	0 (0)	0 (0)	60 (100)	
Valathi	40 (66.67)	20 (33.33)	0 (0)	0 (0)	60 (100)	
Chembanarkovil	9 (15)	39 (65)	10 (16.67)	2 (3.33)	60 (100)	
Vedarnayam	37 (61.67)	23 (38.33)	0 (0)	0 (0)	60 (100)	
Total	**172 (35.83)**	**165 (34.38)**	**60 (12.5)**	**83 (17.29)**	**480 (100.00)**	

Source: Primary Data

It is inferred from the table that Viruthachalam Regulated market farmers 33.3 per cent of the respondents distance between farms to Regulated market was above 30 kms. Sirmushnam Regulated market farmers 60 per cent of the respondents distance between farms to Regulated market was less than 10 kms. Gingee Regulated market farmers 50 per cent of the respondents distance between farms to Regulated market was above 30 kms. Thirkovilur Regulated market farmers 50 per cent of the respondents distance between farms to Regulated market was above 30 kms. Marakkanam Regulated market farmers 60 per cent of the respondents distance between farms to Regulated market was less than 10 kms. Valathi Regulated market farmers 66.67 per cent of the respondents distance between farms to Regulated market was less than 10 kms. Chembanarkoil Regulated market farmers 65 per cent of the respondents distance between farms to Regulated market was less than 11 to 20 kms. Vedarnayam Regulated market farmers 61.67 per cent of the respondents distance between farms to Regulated market was less than 10 kms

Crop Cultivation and level of Satisfaction towards of the Regulated Markets

Area under crop cultivation	level of satisfaction					Total	Mean Score
	Highly Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Highly Dissatisfied		
below 1 Acres	31 (11.23)	37 (13.41)	46 (16.67)	79 (28.62)	83 (30.07)	276 (100)	2.47
1-3 Acres	19 (23.75)	18 (22.5)	6 (7.5)	23 (28.75)	14 (17.5)	80 (100)	3.06
3-5 Acres	1 (22.37)	21 (27.63)	6 (7.90)	23 (30.26)	9 (11.84)	76 (100)	3.18
Above 5 Acres	14 (29.17)	8 (16.67)	6 (12.5)	13 (27.08)	7 (14.58)	48 (100)	3.19
Total	**81 (16.88)**	**84 (17.5)**	**64 (13.33)**	**138 (28.75)**	**113 (23.54)**	**480 (100)**	**2.75**

Source: Primary Data

Regulated Markets between Area under crop cultivation and satisfaction

Chi-square value	D.F	Table value at 5%	Result
39.826	12	21.026	Significant

The calculated Chi-square value is (39.826) greater than the table value 21.026 at 5 per cent level of significance. The test is significant. It means that there is a significant regulated market among the satisfaction levels of the respondents belonging to different crop cultivation towards regulated markets in select district in Tamil Nadu. Therefore, the null hypothesis is (Ho1) rejected. The average satisfaction score reveals of the above 5 acres is (3.19) high, followed by the 3-5 acres (3.18) and it was low among the below 1 acre crop cultivation. Therefore, above 5 acres are highly satisfied towards in Working of the Regulated Markets in Selected Districts in Tamil Nadu.

Transport using produce and level of Satisfaction towards of the Regulated Markets

Transport using to Market your Produce	level of satisfaction					Total	Mean Score
	Highly Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Highly Dissatisfied		
Own Transport	23 (14.47)	23 (14.47)	20 (12.58)	41 (25.78)	52 (32.70)	159 (100)	2.52
Private Transport	54 (17.31)	60 (19.23)	44 (14.10)	94 (30.13)	60 (19.23)	312 (100)	2.85
Public Transport	4 (44.45)	1 (11.11)	0 (0)	3 (33.33)	1 (11.11)	9 (100)	3.44
Total	**81 (16.88)**	**84 (17.5)**	**64 (13.33)**	**138 (28.75)**	**113 (23.54)**	**480 (100)**	**2.75**

Source: Primary Data

Regulated Markets between Transport using to market and satisfaction

Chi-square value	D.F	Table value at 5%	Result
17.104	8	15.507	Significant

The calculated Chi-square value is (17.104) greater than the table value 15.507 at 5 per cent level of significance. The test is significant. It means that there is a significant regulated market among the satisfaction levels of the respondents belonging to different Transport using to Market your Produce towards regulated markets in select district in Tamil Nadu. Therefore, the null hypothesis is (Ho1) rejected. The average satisfaction score reveals of the public transport is (3.44) high, followed by the private transport (2.85) and it was low among the below own transport. Therefore, public transport is highly satisfied towards in Working of the Regulated Markets in Selected Districts in Tamil Nadu.

CONCLUSION

The country has the potentials for over all increase in agricultural produce when the farmers are motivated with a minimum support price and an assumed market with conducive infrastructure. The connected multi commodities exchange with regulated markets so that the online trading may be extended to the farmers making use of regulated markets. Perhaps this may fetch them an attractive and competitive price, and relieve them from various hurdles in reaching the regulated markets.

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SVM Publications

Multidisciplinary Global Journal of Academic Research (MGJAR)

Vol. I Issue. II October 2014 ISSN:**2394-1758**

INCOME GENERATING PROGRAMME: MGNREGS IN VILLUPURAM DISTRICT, TAMIL NADU

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Abstract

This study is the low-most backward area in Villupuram district (Tamil Nadu). MGNREGA have being provided 100 days employment guarantee to who are willing to do jobs under this scheme .In Villupuram district many cases found that jobs were provided to real beneficiaries. In some cases wages were not given after completing of work some areas of Villupuram high level jobs have been provided to women under this scheme. Poverty ratio of Villupurum district is a part of Tamil Nadu highly comparative to other part of the state so this scheme is more important for these peoples. We studied about women employment in this area during study period according to the MGNREGA its create social inclusion and given approximately 70.97 percentage jobs for women's there is single achievement of this scheme.

Key Words: Population Census 2011, Women Empowerment, Person generated household, MGNREGA.

BACKGROUND

The first demand driven job guarantee scheme was born MGNREGA has a demand driven programme which was launching of MGNREGA programme purely creating unskilled jobs and given assurance to people who lived in rural areas because more than population lived in rural areas and increasing regularly due to globalization. Jobs have not created for unskilled peoples, so according to Article 21 right to right to life parliament have been notified National Rural Employment Guarantee Act on 7th September 2005 and act came into force on 2th February 2006.

INTRODUCTION

The National Rural Employment Guarantee Act was notified on 7Th September 2005 to create a right based Frome work for wage employment .The act came into force on 2th February 2006. The aim of the national Rural Employment Guarantee Act (NREGA) was to enhance the livelihood security of people in rural areas by guarantee 100days of wage employment in a financial year to a rural household where, member volunteer to do unskilled manual work. Before incensement in the proportion of the agriculture households to total rural household had increased from 25.35 to 32.2 percentages. The percentage of marginal households among the cultivation has increased from 66.6 in 1982 to79.6 percentage 2003. This rapid growth of agriculture labourers was mainly because the increased workforce in India was unable to find the employment in non agriculture section in rural and urban areas this tread of agriculture sector has been a adversely affecting the poor sections of all communities but the crisis of survival was most aggregated for the landless labourers and marginal peasants who are mostly form SCs, STs and female headed households.

OBJECTIVES

1) To examine 100 days Employment provided to workers on Villupuram district in Tamil Nadu
2) To find out how MGNREGA person job being generated in Villupuram District in Tamil Nadu

METHODOLOGY:

The secondary data which is collected by source of various Articles published on MGNREGA and data also collected from NREGA official websites. In this research work I also used complied percentage and ratio method for calculation of data, Villupuram District in Tamil Nadu

REVIEW OF LITERATURE

Parshuram Rai (2010) social audit one the major safe guard of this scheme purely failed in implementation in some cases due to heavy corruption involvement should not implemented properly which is backward areas of utter Pradesh in some Gram panchayats no single person of ST beneficial under MGNREGA but official data saying employment were given to peoples and some serious irregularities also found under MGNREGA in Villupuram like Gram predawn which is important part of implementation of this scheme did not know about MGNREGA scheme. Indira Hirqy (2011) says that if the NREGs is undertaken on a scale and implemented well, it can reduce poverty at the bottom as well as empower the poor in the short run. The multiplier analysis has demonstrated the positive impact of NREGs on women income production and employment. The consumption of locally grown crops, food crops, and vegetables increases show below stability and increase in income encouraged local processing of food grains, oil seeds with improved infrastructure, and more services will be made available locally. This will reduce their expenditure on health (which is usually a private expenditure) and improve their productivity at work considering the fact that ill health is one of the major risks that throws people in poverty. Many in villages are engaged in collection of fodder, fuel wood, water an animal grazing. Assuring water supply at the door step, regeneration of common lands for fuel and fodder as well as child care centres will reduce unpaid work of children, unpaid SNA and non SNA work restrict women's entry into the labour market, reduction in this work will release women for more productive work in the labour market, and the NREGs will provide productive employment to women immediately. In spite of these more employment opportunities will occur in the economy. V.A. Thorat and J.S. Dhekale (2011) discusses about the determinates of rural urban migration in konkan region of Maharashtra and the migrants and non-migrants had spread over two districts Ratnagiri and Sindhudurg of konkan region of Maharashtra. MGNREGA was implemented by the government having in view to the rural population in the country for both migrant and non-migrant households .Agriculture was the main source of income and their consumption expenditure was more than the production expenditure. It has also been observed that migration has a positive impact on income expenditure and net savings of migrant households because, analysis has shown that one unit increased in the age of household heads to increase in the probability of migration of family members by 0.81 percent the probability by 0.003 percent with one unit increase in before migration income of a household. The odds ratio for family size has indicated that with one unit increase in family size, the probability of migration of family members increased by 8.7 percent this was a negative relationship between migrations of family member farm income of a household. The probability of migration of family member decreases the odds ratio for off- farm income implies that with one unit increase in off farm income of households, the probability of migration decreases by 0.018 percent.

STUDY OF AREA

Villupuram district is the 23 rd district of the Tamil Nadu state. It has been formed by bifurcating the erstwhile composite South Arcot district and commenced functioning since 30 the September 1993 with Villupuram as its head quarters It is the fourth largest district in Tamil Nadu The district, sprawling over an area of 8,204.63 Sq. kms, is administratively divided into four revenue divisions, eight revenue taluks, 54 revenue firkas and 1490 revenue villages. There are three municipalities ,15 town panchayats, 22 panchayat unions and 1104 village panchayats inthis The major crops grown in the district are paddy, groundnut, sugarcane, cumbu, gingelly and tapioca. Out of the total geographical area of 7.22 lakh hectares, the net area sown was 3.31 lakh hectares in 2006-07. Forest area accounts for about 10 per cent. Sericulture is also coming up in this district in a modest way. Villupuram district lies between 11^{o} N and 12^{o} S latitude and 78 ^{o} W and 80 ^{o}E longitude with an area of 722203 hectares. The district is located in the northern part of Tamil Nadu and close to the state capital of Chennai at a distance of about 100 Kms from its northern border. The district head quarters Villupuram is about 160 Kms from Chennai. The boundaries of the district are Bay of Bengal and Union Territory of Pondicherry in the East, and Kancheepuram and Tiruvannamalai districts in the North, Cuddalore and Perambalur districts in the South and Dharmapuri and Salem districts in the west Villupuram district has a total population of 2960373 (as per 2001 Census), of which males account for 1492442 (50.41 per cent) and females account for 1467931 (49.59 per cent). The urban population according to 2001 Census is 426917(14.42 per cent) and the rural population is 2533456 (85.58 per cent). Density of the population in the district per sq. km. is 410. The people are primarily agrarian. The sex ratio of the district is 985 females for 1000 males in 2001 as could be observed from the Census 2001, the district human population is approximately 29.60 lakhs as compared to 27.56 lakhs in 1991 Census. The sex ratio works out to 985 in 2001 as against 967 in 1991. The total population as per 2001 Census is 29.60 lakhs as against 27.56 lakhs in 1991 Census. This shows a growth rate of 7.43 per cent over the decade. The taluk wise details on SC, ST and total population are furnished as could be observed from the above table, the SC population accounts for about 7.39 per cent and ST population accounts for about 2.16 per cent of the total population in the district. As per the latest census data, the SC/ST population in Villupuram District is about 7.73 lakhs forming 30.30 per cent of the population of the district. Thus, there is a very good scope for voluntary agencies to play a major role for the upliftment of the It was as per 2001to 2011 compared for population census in Villupuram district in rural areas.

It is males 15.80 percentage and female 16.23 percentage Villupuram district an average population .the literacy rate in rural areas male 18.67 percentage and female 20.82 percentages in average literacy rate if child sex ratio comprises 0.13 percentage male and 0.62 percentage female Villupuram districts in rural areas. There was change of 50.09 percentage in the population compared to population as per 2001 to 2011 In the previous census of inida 2011 Villupuram district record in increase of 10 percentage .It is population compared to 2001

Table: 1
Taluk-Wise Rural Population in Villupuram Districts (T.N) (census 2001)

	Total %		SC%		ST%	
Taluk – wise	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Villupuram	71.28	70.81	27.96	28.42	0.76	0.77
Gingee	77.59	77.59	20.42	20.40	1.99	2.01
Tindivanam	64.61	64.45	34.02	34.14	1.37	1.41
Vanur	63.65	63.45	35.26	35.38	1.09	1.17
Tirukkoyilur	69.46	69.31	29.85	29.68	0.69	0.71
Sankarapuram	61.84	63.34	25.43	25.06	12.73	12.63
Kallakkurichi	63.26	63.34	36.64	36.56	0.10	0.10
Ulundurpet	70.54	70.23	29.29	29.58	0.17	0.19

Source: website of Villupurum district wttp://www.villupurum.tn.nic.in

The above table 1 explain the variations of population taluk wise Villupuram, male and female 70.24 percentage SC 29.45 percentage and ST 0.16 percentage here, ST population is very low. Villupuramand, Gingee as some Gingee is thickly population Tindivanam, Vanur, Tirukkoyilur, Sankarapuram, Kallakkurichi is very low. But Ulundurpet more or less thickly populated that of Kallakkurichi. On the whole female is less than male population the census 2001 data the total 8 taluk in Villupuram district. Average 65.10 percentage 5 taluk and 3 taluk average high level rural population male and female .Here, also we have been increased employment in areas particular Villupuram distract we can government policy implement state or central government.

Table: 2
Population Census 2011 Villupuram District in Tamil Nadu

Caste wise	Rural			Total		
	Person	Male	Female	Person	Male	Female
SC	924896	465644	459252	1015716	510869	504847
ST	74859	37570	37289	74859	37570	37289
Others	248171	192425	55746	376360	296718	79642
Non-work (Agri)	1426832	607159	819673	1755624	723436	1032188

www.census2011tn.gov.in

The above table 2 extracts the rural population caste wise women note that SC population comparatively more both female and male than ST population. There is a vast difference bet them. Main household population 50.34 percentage male is higher them female .Others also thickly populated is only male than female population. Finally if you pin point the non-work.

We can See the highs level of thick population of female. There, we can analysis the higher growth rate of male in rural area. Abound the 2001 and 2011 census in ten years rural population given by economic growth very small increased in rural area and agriculture works male and female 3 percentage highly.

DATA ANALYSIS

Table: 3
Person Days Generate During (2009 to 2013 April) Villupuram District in Tamil Nadu

Year	Total Jobs provided	SC	% of Job for SCs	ST	% of Jobs for ST	Women	% of Jobs provide for women
2009-2010	26024599	7561357	29.05	421508	1.61	19226348	73.87
2010-2011	2465641	6241009	25.53	380999	1.54	17605476	71.40
2011-2012	27392607	7422944	27.09	473425	1.72	18986223	69.31
2012-2013 April	36742404	9576264	26.06	657380	1.78	25463683	69.30

Source: www.nrega.nic.in

The above explain the table 3 during 2009 to April 2013 on Villupuram district in Tamil Nadu MGNREGA terms of role it is provided jobs for women's table 2 STs in this Villupuram district received more jobs comparatively from SCs, STs have low level jobs person days in 2012 to2013 which was 1.61 percentage 2009 to2010,Scs in 2010 to 2011 are lower person days which were 25.53 percentage and in 2012 to2013 decreeing which was 26.06 percentage the shown table one impartment thing is that number of person days in STs is greater than to STs people that is shown better awareness about MGNREGA in STs because in this areas STs, population is less comparatively to SCs population (census2001) During this period Sts have more beneficiaries from Sts About women empowerment during this Tamil Nadu MGNREGA provided more jobs comparatively provision under the NRGEA scheme.

Table: 4

Employment status under MGNREGA in Villupuram District during (2009 to 2013) April

Years	Job card Issued household	Job Demanded Household	Job Provided Household	100 Days Completed Household	% of Completed 100 days Households
2009-2010	724441	620171	619770	40054	6.46
2010-2011	733610	613089	611156	31785	5.20
2011-2012	772089	625244	621051	38377	6.17
2012-2013 April	817559	697362	693510	89881	12.96

Source: www.nrega.inc.in

Table: 4 Shown during this period between 2009-2013 data clear cut shown about employment status in this areas data shown 100days employment completion percentage in very high comparatively to jobs provided. In the year 2009-2010 percentage of 100 days completion of jobs6.46 which are medley and low percentage was 2010-2011 .in 2010-2011no of households issued jobs card was 733610 but no. of jobs demanded only 613089 that was around 83.57percentage which was very high cause of this thing is that many people did not do difference between MGRNEA job card issued. That no of households provided jobs cut of no of households demanded jobs is around 99.68 percentages due to this gap another problem arisen is that unemployment allowance, unemployment allowance has important safeguard of this scheme but unemployment allowance to the workers those Who are demanded jobs but government did not provided. And more important thing 100 days employment was about households those who are working in MGNREGA have not been completed 100 days. It is shown success of MGNREGA in this Villupuram district because MGNREGA legally bounded 100 days employment; MGNREGA has a job guarantee scheme. It is completed 100 days employment in a year to people who are willing to do jobs in this scheme but unfortunately on Villupuram district in Tamil Nadu

The poverty eradication income down in the scheme

CONCLUSION

Rural development programmes which were implemented in rural areas. Since independence the difference is between MGNREGA and other rural development programmes. It is bounded 100 days employment to single rural households in a financial year who are willing to do unskilled manual workers under this scheme. In Villupurum district which is consider as backward area of Tamil Nadu. MGNREGA not gave 100 day job securities to those who are willing to do job under this scheme? In some areas of Villupuram high level jobs have been provided to women under this scheme. Poverty ratio of Villupurum district is a part of Tamil Nadu highly comparative to other part of the state so this scheme is more important for these peoples. We studied about women employment in this area during study period according to the MGNREGA official website its create social inclusion and given approximately 70.97 percentage jobs for women's there is single achievement of this scheme. The complaints at the ground level can be controlled through effective use of social aduits and more public participation for its successful implementation a co-ordination between trained technical personnel and staff of panchayat sanities may be beneficial for its successful monitoring and evaluation of this scheme is necessary for its effective implementation. It is increasing wage and days the most of people beneficent.

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Multidisciplinary Global Journal of Academic Research (MGJAR)

SVM Publications

Vol. I Issue. II October 2014 ISSN:**2394-1758**

AN OVERVIEW OF FOREIGN DIRECT INVESTMENT IN RETAIL SECTOR AND ITS PLACE IN INDIAN ECONOMY

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Abstract

The Indian Government new liberalization of policies during the last two decades has lead India to become an investment friendly country. Though India is the tenth most industrialized country in the world, it is well known that it is mainly agricultural activities with around 60% population engaged in the farm sector. However, in the initial stage of liberalization, FDI was centered on the urban manufacturing sectors because of its civic infrastructure, labour availability, flexible taxation mechanism etc. For a long time there were efforts for FDI in the retail sector so that the trader can reap the benefit of FDI. Retail trade contributes around 10-11% of India's GDP and currently employs over 4 crores of people. Recently, a great debate has cropped up against the government plans for FDI in the Indian retail sector. FDI in retail is fundamentally different from that in manufacturing. FDI in manufacturing basically enhances the productive employment in most cases; but FDI in retail trade may create job losses and displacement of traditional supply chain. One of the main features of rural India is disguised unemployment. Farmers, evicted from the agricultural sector, engage in small retail trades for livelihood. The main fear of FDI in retail trade is that it will certainly disrupt the livelihood of the poor people engaged in this trade. The opening of big markets or foreign-sponsored departmental outlets will not necessarily absorb them; rather they may try to establish the monopoly power in the country. However, so many positive factors are also there in favour of FDI in Indian retail service. In this background the present work makes an attempt to study the overview of FDI on Indian retail sector, with focus on Indian economy.

Key Words: Indian Economy, Foreign Direct Investment, Retail Sector and GDP

FOREIGN DIRECT INVESTMENT (FDI) - MEANING

Foreign direct investment (FDI) is a measure of foreign ownership of productive assets, such as factories, mines and land. Increasing foreign investment can be used as one measure of growing economic globalization. The largest flows of foreign investment occur between the industrialized countries (North America, North West Europe and Japan). But flows to non-industrialized countries are increasing.

First of all, FDI means Foreign Direct Investment which is mainly dealings with monetary matters and using this way they acquires standalone position in the Indian economy. Their policy is very simple to remove rivals. In beginning days they sell products at low price so other competitor shut down in few months. And then companies like Wall-Mart will increase prices than actual product price.

They are focusing on national and international economic concerns. There are four main working pillars of FDI. They are financial collaborations, technical collaborations and joint ventures, capital markets via Euro issues, and private placements or preferential allotments.

There are two types of FDI, one is inward FDI and second is outward FDI. Ongoing news suggests that largest retailer Wal-Mart has demanded for 51% of international dealings in FDI in Indian markets which had called nationwide strike. From positive and negative aspects FDI has its own advantages and disadvantages.

There is now consensus among governments of industrialized and non-industrialized countries that foreign direct investment is desirable, even essential, for economic growth and poverty reduction. Many questions remain about how foreign investment should be regulated (Zarsky 2002).

Kiely (1998) summarizes some of the arguments for and against Transnational Corporations and the capital investment they bring. Critics of foreign investment have suggested that it led to dependent, or restricted, development. Supporters have suggested that foreign investment can bring capital and technology, develop skills and linkages and increased employment and incomes.

FOREIGN DIRECT INVESTMENT (FDI) IN RETAIL - MEANING

In 2004, The High Court of Delhi defined the term 'retail' as a sale for final consumption in contrast to a sale for further sale or processing (i.e. wholesale). A sale to the ultimate consumer. Thus, retailing can be said to be the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturer and institutional buyers such as the government and other bulk customers retailing is the last link that connects the individual consumer with the manufacturing and distribution chain. A retailer is involved in the act of selling goods to the individual consumer at a margin of profit.

Allowing FDI (Foreign Direct Investment) in multi brand Retail (51%) was something being held back for a long time now and finally the Prime Minister of India has given a go ahead. Many are against this decision. It is not mandatory for the states to implement this, so why should there be such a big drama. Even though Kerala is ruled by Congress Party and we see an initial response by the Chief Minister that they are not going to implement this in Kerala. The big funds is the 51% which means that the Foreign company or the investor will have the majority stakes in the business. They will be partnering with Indian company to start their chain of retail stores in India. Tesco had TATA as their partner in India and Walmart has Bharti (Airtel) as their partner. Unless we have the mindset to accept such decisions, we will not see big development in infrastructure in our country.

FDI POLICY WITH REGARD TO RETAILING IN INDIA

It will be prudent to look into Press Note 4 of 2006 issued by Department of Industrial Policy and Promotion (DIPP). and consolidated FDI Policy issued in October 2010 which provide the sector specific guidelines for FDI with regard to the conduct of trading activities.

a) FDI up to 100% for cash and carry wholesale trading and export trading allowed under the automatic route.
b) FDI up to 51 % with prior Government approval (i.e. FIPB) for retail trade of 'Single Brand' products, subject to Press Note 3 (2006 Series).
c) FDI is not permitted in Multi Brand Retailing in India.

REASONS FOR ALLOWING FDI IN RETAIL SECTOR

Foreign Direct Investment (FDI) complements and supplements domestic investment. Domestic companies are benefited through FDI, by way of enhanced access to supplementary capital and state-of-the-art technologies; exposure to global managerial practices and opportunities of integration into global markets.

Government had instituted a study, on the subject of "Impact of Organized Retailing on the Unorganized Sector", through the Indian Council for Research on International Economic Relations (ICRIER), which was submitted to Government in 2008. The ICRIER study indicated significant benefits for various stakeholders, such as consumers, farmers and manufacturers, arising from the growth of organized retail.

Based upon the study, as well as the experience of other countries, it is the Government's assessment that implementation of the policy permitting FDI, up to 51%, in multi-brand retail trading, is likely to facilitate greater FDI inflows into front and back-end infrastructure; technologies and efficiencies to unlock the potential of the agricultural value chain; additional and quality employment; and global best practices. This, in turn, is expected to benefit consumers and farmers in the long run, in terms of quality and price.

The 30% mandatory sourcing condition has been incorporated to encourage local value addition and manufacturing. The increased level of activity, in the front-end, as well as in the back-end, resulting from greater FDI inflows, is expected to create additional employment opportunities for rural and urban youth. It is, further, expected to encourage existing traders and retail outlets to upgrade and become more efficient, thereby providing better services to consumers and better remuneration to the producers from whom they source their products.

There is no procedure to shortlist companies. Foreign investors desirous of investing in retail trade (multi brand or single brand) in India are required to submit their applications in the Department of Industrial Policy & Promotion, where their applications are examined to determine whether the proposed investment satisfies the notified guidelines, before being considered by the Foreign Investment Promotion Board, in the Ministry of Finance, for Government approval.

As per some news items published on 17.11.2012, Wal-Mart, USA, is stated to be inquiring into allegations of potential violations, under the Foreign Corrupt Practices Act of USA, in certain countries where the company is operating. India has stringent anti-corruption laws. Any corrupt practices are liable to be dealt appropriately under applicable laws.

FDI IN SINGLE BRAND RETAIL

The Government has not categorically defined the meaning of "Single Brand" anywhere neither in any of its circulars nor any notifications.

In single-brand retail, FDI up to 51 per cent is allowed, subject to Foreign Investment Promotion Board (FIPB) approval and subject to the conditions mentioned in Press Note 3 that (a) only single brand products would be sold (i.e., retail of goods of multi-brand even if produced by the same manufacturer would not be allowed), (b) products should be sold under the same brand internationally, (c) single-brand product retail would only cover products which are branded during manufacturing and (d) any addition to product categories to be sold under "single-brand" would require fresh approval from the government.

While the phrase 'single brand' has not been defined, it implies that foreign companies would be allowed to sell goods sold internationally under a 'single brand', viz., Reebok, Nokia, Adidas. Retailing of goods of multiple brands, even if such products were produced by the same manufacturer, would not be allowed. Going a step further, we examine the concept of 'single brand' and the associated conditions:

FDI in 'Single brand' retail implies that a retail store with foreign investment can only sell one brand. For example, if Adidas were to obtain permission to retail its flagship brand in India, those retail outlets could only sell products under the Adidas brand and not the Reebok brand, for which separate permission is required. If granted permission, Adidas could sell products under the Reebok brand in separate outlets.But, what is a 'brand'?

Brands could be classified as products and multiple products, or could be manufacturer brands and own-label brands. Assume that a company owns two leading international brands in the footwear industry – say 'A' and 'R'. If the corporate were to obtain permission to retail its brand in India with a local partner, it would need to specify which of the brands it would sell. A reading of the government release indicates that A and R would need separate approvals, separate legal entities, and may be even separate stores in which to operate in India. However, it should be noted that the retailers would be able to sell multiple products under the same brand, e.g., a product range under brand 'A' Further, it appears that the same joint venture partners could operate various brands, but under separate legal entities.

Now, taking an example of a large departmental grocery chain, prima facie it appears that it would not be able to enter India. These chains would, typically, source products and, thereafter, brand it under their private labels. Since the regulations require the products to be branded at the manufacturing stage, this model may not work. The regulations appear to discourage own-label products and appear to be tilted heavily towards the foreign manufacturer brands.

There is ambiguity in the interpretation of the term 'single brand'. The existing policy does not clearly codify whether retailing of goods with sub-brands bunched under a major parent brand can be considered as single-brand retailing and, accordingly, eligible for 51 per cent FDI. Additionally, the question on whether co-branded goods (specifically branded as such at the time of manufacturing) would qualify as single brand retail trading remains unanswered.

FDI IN MULTI BRAND RETAIL

The government has also not defined the term Multi Brand. FDI in Multi Brand retail implies that a retail store with a foreign investment can sell multiple brands under one roof.

In July 2010, Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce circulated a discussion paper on allowing FDI in multi-brand retail. The paper doesn't suggest any upper limit on FDI in multi-brand retail. If implemented, it would open the doors for global retail giants to enter and establish their footprints on the retail landscape of India. Opening up FDI in multi-brand retail will mean that global retailers including Wal-Mart, Carrefour and Tesco can open stores offering a range of household items and grocery directly to consumers in the same way as the ubiquitous '*kirana'* store.

FOREIGN INVESTOR'S CONCERN REGARDING FDI POLICY IN INDIA

For those brands which adopt the franchising route as a matter of policy, the current FDI Policy will not make any difference. They would have preferred that the Government liberalize rules for maximizing their royalty and franchise fees. They must still rely on innovative structuring of franchise arrangements to maximize their returns. Consumer durable majors such as LG and Samsung, which have exclusive franchisee owned stores, are unlikely to shift from the preferred route right away.

For those companies which choose to adopt the route of 51% partnership, they must tie up with a local partner. The key is finding a partner which is reliable and who can also teach a trick or two about the domestic market and the Indian consumer. Currently, the organized retail sector is dominated by the likes of large business groups which decided to diversify into retail to cash in on the boom in the sector – corporates such as Tata through its brand Westside, RPG Group through Foodworld, Pantaloon of the Raheja Group and Shopper's Stop. Do foreign investors look to tie up with an existing retailer or look to others not necessarily in the business but looking to diversify, as many business groups are doing?

An arrangement in the short to medium term may work wonders but what happens if the Government decides to further liberalize the regulations as it is currently contemplating? Will the foreign investor terminate the agreement with Indian partner and trade in market without him? Either way, the foreign investor must negotiate its joint venture agreements carefully, with an option for a buy-out of the Indian partner's share if and when regulations so permit. They must also be aware of the regulation which states that once a foreign company enters into a technical or financial collaboration with an Indian partner, it cannot enter into another joint venture with another Indian company or set up its own subsidiary in the 'same' field' without the first partner's consent if the joint venture agreement does not provide for a 'conflict of interest' clause. In effect, it means that foreign brand owners must be extremely careful whom they choose as partners and the brand they introduce in India. The first brand could also be their last if they do not negotiate the strategic arrangement diligently.

CONCERNS FOR THE GOVERNMENT FOR ONLY PARTIALLY ALLOWING FDI IN RETAIL SECTOR

A number of concerns were expressed with regard to partial opening of the retail sector for FDI. The Hon'ble Department Related Parliamentary Standing Committee on Commerce, in its 90th Report, on 'Foreign and Domestic Investment in Retail Sector', laid in the Lok Sabha and the Rajya Sabha on 8 June, 2009, had made an in-depth study on the subject and identified a number of issues related to FDI in the retail sector. These included:

(a) It would lead to unfair competition and ultimately result in large-scale exit of domestic retailers, especially the small family managed outlets, leading to large scale displacement of persons employed in the retail sector. Further, as the manufacturing sector has not been growing fast enough, the persons displaced from the retail sector would not be absorbed there.

(b) Another concern is that the Indian retail sector, particularly organized retail, is still under-developed and in a nascent stage and that, therefore, it is important that the domestic retail sector is allowed to grow and consolidate first, before opening this sector to foreign investors.

Antagonists of FDI in retail sector oppose the same on various grounds, like, that the entry of large global retailers such as Wal-Mart would kill local shops and millions of jobs, since the unorganized retail sector employs an enormous percentage of Indian population after the agriculture sector; secondly that the global retailers would conspire and exercise monopolistic power to raise prices and monopolistic (big buying) power to reduce the prices received by the suppliers; thirdly, it would lead to asymmetrical growth in cities, causing discontent and social tension elsewhere. Hence, both the consumers and the suppliers would lose, while the profit margins of such retail chains would go up.

ADVANTAGES OF FDI IN RETAIL

- Chances of more employment. Every new business will need employees and this growth in retail sector would give jobs to many in our country.

- Better price for consumers. Companies like Walmart, Tesco would be setting up deep discount stores. Strong competition would help the consumers getting a better price and reduce the Food inflation.

- Better price for producers. These companies would buy products directly from the Farmers or producers, eliminating the unwanted middlemen who take a good chunk of profit.

- Big investments come into the country.The conditions set include that the investor should at least invest US$100 million(INR 450crores) and out of that atleast half should be on backend infrastructure. India would earn big Foreign Exchange with these investment coming in.

- Increase economic growth by dealing with different international products

- 1 million (10 lakh) employment will create in three years - UPA Government

- Billion dollars will be invested in Indian market

- Spread import and export business in different countries

- Agriculture related people will get good price of their goods

DISADVANTAGES

- Will affect 50 million merchants in India
- Profit distribution, investment ratios are not fixed
- An economically backward class person suffers from price raise
- Retailer faces loss in business
- Market places are situated too far which increases traveling expenses
- Workers safety and policies are not mentioned clearly
- Inflation may be increased
- Again India become slaves because of FDI in retail sector

We should understand that small retail shops which we call our traditional Kirana Shops should not be affected much as these Big Retails would come only in cities with population more than 10 lakhs. There are many conditions set to open a retail outlet to protect the interest of the people and country. We believe that this should be a wise decision by the Government of India to help India grow. We will have to wait and see the real consequences.

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RESEARCH PAPER www.academicresearchsupport.com

Multidisciplinary Global Journal of Academic Research (MGJAR)

Vol. I Issue. II October 2014 ISSN:2394-1758

An Impact of Economic Reforms on Indian Financial System

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Abstract

This paper investigates the impact of the economic reforms in general and financial sector reforms in particular on Indian financial system for the period 1992-93 to 2004-05. The performance of financial system is measured using various financial indicators. Results reveal that there is considerable lag between deposit collection and credit disbursement activities of the Indian banks. There is significant deceleration in project financing activities of the development financial institutions in India (DFIs). This has raised the attention of the policy makers for introducing specific reforms for effective working and rehabilitation of India's prime lending institutions. There are many areas in which Indian financial system is still behind the averages financial institutions of OECD. This fact raises the attention of Indian policy makers for comprehensive growth of Indian financial system to achieve 9% to 10% GDP growth rate in the coming years.

Key Words: Indian Financial System, New Economic Reforms, Financial Reforms, DFIs, NBFCs.

INTRODUCTION

Indian financial system comprises of four types of main institutions: commercial banks, development financial institutions, Non- banking financial institutions (NBFCs) and capital market. The notable features of Indian financial system are; short term borrowing business is confined to commercial banks and long term credit business is the monopoly of development financial institutions. Leasing and hire purchase is the main area of NBFCs. Capital market enables the firms to raise equity and debt capital and it also provides liquidity to both types of securities. Indian financial system is relatively well developed and organized except for a few sections of the system. Present Indian financial system has gone through different stages of development.

Before 1990s Indian financial system was characterized by presence of extensive regulations and excessive control of R.B.I. Several rigidities were present such as administered interest rates, control over credit disbursement and directed credit, weak banking structure, lack of proper accounting and risks management practice, lack of transparency in the operation of banking and financial institutions (Rakesh Mohan, 2006). At this outset, it was necessary to initiate the financial sector reforms along with New Economic Reforms. The main objective of financial sector reform in the early 1990's was to create efficient, stable and competitive financial system. So that it could then contribute in stimulating economic growth in India in the coming years (Rakesh Mohan, 2006).

The review of financial sector reform was taken by (Leeladahar, 2007). As he concludes that net profit to assets ratio improved from 0.49 per cent in 2000-01 to 1.13 per cent in 2003-04 although, it is subsequently declined to 0.88 per cent in 2005-06. It was still significantly higher than it was in early 1990s. Another welcome development has been taken place is that a sharp reduction in non-performing loans (NPLs). Gross NPAs ratio was 15 per cent in the early 1990s and subsequently, it is declined to 3 per cent in 2005-06. The importance of banking reforms for co-operative banks is assessed by Ramesh (2003). He describes that co-operative character of these banks can be enriched provided these banks adopt prudential norms, system of governance, and regulations at par with other banking institution in the country.

Arun and Turner (2003) observe that India has adopted gradual approach while reforming the financial sector due to complex political economy. This kind of approach helped India in bringing stability in the financial system. Sugata (2003) analyses the nexus of financial sector reform, investment and growth in India. He concludes that typical reforms measures ushered to limited extent. Substantial public investment or public- private joint ventures are needed to boost up infrastructure facilities in India. This initiative will push up the rate of investment. Section 2 deals with data and methodology. Section 3 analyses the impact of financial sector reforms on various constituents of financial sector is analyzed.

DATA SOURCES AND METHODOLOGY

The present paper uses data for the period 1992-2005 for analyzing the performance of commercial banks in India. To analyze the trends in the activities of development financial institutions data is used for 2000-2005. The performance of Non- banking financial institutions is assessed for the period 2001-2005. The impact of financial reforms on stock exchange is seen for the period 1993-2005. The constituents of financial sector are covered to explore the impact of financial sector reforms in India for on an average period of five years for which data was available. In order to estimate the compounded annual growth rates (CAGR) of time series data of the respective constituents of finance and its sub-variables are measured following linear trend equation. This kind of estimation procedure uses semi log model.

$$Y= a + b (T) + u \qquad \ldots\ldots(1)$$

By taking natural log of the dependant side

$$\ln (Y) = a + b (T) + u \qquad \ldots\ldots(2)$$

Where Y = is dependant variable for whose compounded annual growth rate is to be calculated by taking natural log (In).

T= time period (independent variable)

u = is the disturbance term.

a and b are the parameters to be estimated from the time series. The regression coefficient b is estimated by ordinary least squares (OLS) technique. The compounded annual growth rate is calculated as under:

$$CAGR = \{\text{antilog } (b) - 1\} * 100$$

OUTCOME OF BANKING SECTOR REFORMS

Against the backdrop of the *Narasimham Committee Report, 1991*, government of India introduced a series of Banking Reforms in 1992. The following steps were undertaken to make Indian banking industry competent and sound, which covers: 1) reduction in SLR and CRR in phased manner from 38.5 percent and 15 percent to 25 percent and 5 percent respectively 2) de-control of interest rate on deposits and loans 3) recognition of income, classification of assets, provision for bad debts and norms thereof were introduced under the prudential system of banking 4) capital adequacy norms were fixed at 8 per cent by RBI in April 1992. Beside these decisions, Basle I and II committee norms were imposed on the commercial banks for creating adequate capital base for sound banking in India. In order to make nationalized banks stronger and efficient in their operations, Banking Companies (Acquisition and Transfer of Undertakings) Act was amended for enabling them to approach the capital market.

The commercial banks were given free hand in their operations and policy decisions. Viz. closing of non- viable branches, opening of new branch, opening of extension counters. As a part of fair and competitive business of banking, government of India gave permission to new private sector banks to enter into the banking business. To cater to the need of rural people, local area banking system was introduced in 1996. The intention behind this measure was to tap the local funds to meet the requirement of loan the local people and to inculcate the habit of saving among the rural people. With the aim of speed recovery of old debts of commercial banks, Recovery of debts owing to Banks and Financial Institution Act, 1993, was amended by the government of India. This Act has speed up the process of recovery of old debts through setting- up Recovery Tribunals and Appellate Tribunals. In response to the banking sector reforms, how Indian commercial banks have reacted and shown the performance is shown in the Table 1.

Table 1 shows that in terms of branch expansion dive of Indian commercial banks, number of branches increased by 5995 over the base year in the present study; however, the annual growth rate of opening of new branches was observed below 1 per cent. CAGRs in deposits collection and credit disbursement were recorded as 15.36 and 16.44 per cent respectively. These two figures show the slow progress of the main functions that have been discharged by the Indian banks. The positive achievement of the banking reforms is reflected in posting the net profit of Rs.20706 crore by 31st March 2005 and it was increased at the 12.17% CAGR.

Table 1 Progress of Scheduled Commercial Banks in India since 1992

Details	1992	2005	CAGR (percent)#
Number of Branches (N0s)	62121	68116	0.66
Deposits (Rs. Crore)	237107	1753174	15.36
Credit (Rs. Crore)	136706	1157807	16.44
Net profit (Rs. Crore)	-4150	20706	12.17

Source: - RBI, Banking statistics, Quarterly Handout and Banking Statistics: Basic statistical return of Scheduled Commercial banks in India, March 2004, vol. 33 and the earlier issues. Note: # Calculated by researcher.

REFORMS IN DEVELOPMENT FINANCIAL INSTITUTIONS

The *Narasimham Committee*, 1991 recommended several policy and operational changes on the assumption that the Development Financial Institutions (DFIs) are still required in India to speed up the process of industrialization and infrastructural development even though the promotional and developmental role of DFIs is declined to a great extent. In the era of deregulation and liberalization, the responsibility of DFIs is increased to take up the challenges such as project financing, syndication; merger and acquisition, venture capital and technology financing. Government of India accepted the recommendation of *Narasimham Committee* and amended IDBI Act, 1964 in 1992 to restructure its capital base. Accordingly, IDBI raised equity capital of Rs. 2370 crore through the capital market.

Narasimham Committee gave recommendations in respect of reforming the operational set up of DFIs. In order to make them professional, some vital changes suggested were: implementation of prudential norms, adoption of diversification principle in their working and rationalization of interest rates, Later S. H. Khan committee gave recommendations related to merger of banks and DFIs together to become a Universal Bank. In response to Khan Committee recommendations, ICICI set up universal bank with a merger between ICICI and ICICI bank. After some years, IDBI has also followed same suit and became IDBI bank in 2004. UTI also promoted UTI bank in 1995; however it did not merge with the principal UTI institution. UTI under went drastic changes which resulted with a creation of UTI-1 and UTI-2 by the special ordinance made by the Government of India.

Major DFIs and investment institutions brought several changes in their operations and investment strategy. Almost every DFI and investment institution has set up mutual fund division, asset Management Company, merchant bank division and venture capital funds. However, the role of DFIs in project finance in the recent past is on way of eroding due to the competition from commercial banks, foreign banks and easy access to foreign funds in the form economic commercial borrowing, American depositary receipt (ADR) and Global depositary receipt (GDR). Interest rate charged for Project funding by the DFIs became un-economical for the Indian firms. Therefore, many Indian firms started preferring fund from the capital market as best option for Project funding. Government of India has withdrawn the concessional financing to DFIs and barred them from raising funds for short term from the money market; Ultimately DFIs started raising high cost funds from the capital market for refinancing it to the industries.

Table 2 Assistance of DFIs and Investment Institutions* (In Rs. Crore)

Disbursement	2000-01	2001-02	2002-03	2003-04	2004-05	CAGR
DFIs	40802	21594	17716	16029	16970	-16.09
Investment Institutions	9085	10398	7488	16989	8972	-0.25
Total	49887	31992	25203	32018	25942	-12.26

Source: Economic Survey (2005-06), GOI, Disbursements of Assistance DFIs and Investment Institutions. *Excluding ICICI, UTI and IDBI .

Trends in assistance disbursed by DFIs and Investment Institutions are shown in the Table 2. It shows that CAGR of finance disbursed by the DFIS to the various industries as project finance remained -16.09 per cent for the period 2000-01 to 2004-05. During the same period, investment institutions disbursed assistance at the compounded growth rate of -0.25 per cent per annum. The CAGR of assistance given by these two prime sources are recorded at the rate of -10.26 per cent.

Table 3 Product wise Assistance Disbursed by Development Financial Institutions (Rs. Crore)

Sr. No.	Product	1999-00	2000-01	2001-02	2002-03	2003-04	CAGR
1	Direct Finance (Project Finance) New Project finance	33487.1 28681.1	31387.2 35316.3	23143.7 26921.7	10129.2 13860.7	13286.9 17208.9	-16.88 -9.79
2	Re-finance	4173.5	4758.4	5256.2	8496.3	5724.2	6.52
3	Bill finance	3766.4	2103.3	1764.4	1474.9	1524.1	-16.55
4	Loans to and investment in shares/bonds of FIs*	1262.6	286.9	411.4	207.9	2045.2	10.13
5	Retail finance	708.4	3463.7	7607.0	N.A.	N.A	N.A.
6	Secondary market operation	72.9	1001	971.8	1147.5	2192.2	97.53
Total		72152.0	78316.8	66076.2	32322.0	41981.5	-10.26

Source: Report on Development Banking in India (2004-05), Appendices "All India Financial Institutions." published by IDBI. * Includes assistance by NBFCs.

It appears from the trends in assistance that project finance activity suffered lot during the last five years in India. Therefore, finance rose from the Indian financial institutions by the Indian corporate firms show declining trends. What is shown in the Table 2 is reiterated in the Table 3. This table points out the several lending activities of development financial and investment institutors for which they predominantly offered finance to Indian industries since their inceptions. Under the head of project finance, loans are given to new and existing projects. It can be seen that CAGR of both the heads recorded as -16.88 and -9.79 respectively during the period 1999-00 to 2003-04.

These institutes offer bill finance to the industries for short duration whose GAGR is recoded as -16.55 per cent. However, finance given as refinance to industries shows 6.62 is CAGR. We may conclude from both activities of lending that the major activities of DFI received set back in the period of 1999-2003-04 due to the competition from the private commercial banks, foreign banks in India and low interest rates that prevailed in international finance market. Another notable feature of their activities is that, they introduced a scheme of security finance for which they offer finance at high interest rates. Hence, loans offered for investment in shares and secondary market operations show satisfactory CAGR of 10.13 and 97.53 percent respectively.

The subdued performance of development financial institutions from the lending front is due to the sluggish growth in new projects and emphasis on utilization of unused industrial production capacity of industries. Another reason for fall in demand for project finance is, delay in implementation of the projects. Further, the growth in service sector might have shifted the finance pattern, most of the service sector industries are human capital intensive. Study made by Dept. of Company Affairs of India found that the resources raised in the form of equity capital rose from 28.5 to 53.0 per cent as percentage of total project cost during the period 1970-71 to 2000-01. Further, this study also finds that the share of loan finance has declined from 53.5 to 43.0 per cent for the same period. (Report on Trend and Progress of Banking in India, 2003-04).

NON-BANKING FINANCIAL COMPANIES (NBFCs)

New economic reforms create conducive environment for the growth and development of NBFCs. Generally, NBFCs render services in the avenues of hire purchase, leasing, investment and housing. Some of them have entered into the business of mutual funds, merchant banking and regular banking for making their presence strong and also to diversify the risks and functions in the profession. RBI introduced prudential norms for NBFCs in Jan. 1998, which made it mandatory for them to achieve minimum 12% capital to the risk weighted assets ratio on or before March 31, 1999. In June 2000, NBFCs were allowed to enter into the Insurance business with net owned funds of 2 crore or more. NBFCs having consistent good record and net worth of 200 crore were allowed to open private sector banks from 3rd Jan., 2001. RBI monitors the working of NBFCs in India since 1948.

5.1 Progress and Performance of NBFCs after Reforms

Since liberalization, many NBFCs introduced drastic changes in their operations. This is due to the prudential norms and stringent regulatory measures undertaken by R.B.I. for sound health of NBFCs. An Idea behind this policy was to protect the interest of depositors and to follow a healthy practice in the functioning of NBFCs in the country so that they may support the mission of industrialization. In fact, they work as gap filler along with existing financial institutes and banks in India. The number of registered and unregistered NBFCs has declined from 1065 in 2000 to 573 at the end of 31st March 2005.

Table 4 Progress and Performance of NBFCs after Reforms (In Rs. Crore)

Sr. No.	Activities	2001	2002	2003	2004	2005	CAGR
1	Investments	4344	4334	4338	3817	3508	-4.18
2	Loans and Advances	10271	13710	13398	12363	11301	1.93
3	Hire Purchase Assets	12886	13202	13031	11649	14200	1.96
4	Equipment Lease Assets	4680	3112	5816	3036	1971	-15.88
5	Bill Business	788	673	450	436	464	-10.05
6	Others	4663	4802	676	1453	2398	-12.45

Source: Report on Trends and Progress of Banking in India, RBI, Various issues.

The declined travel of NBFC is observed in India after the Harshad Mehata Scam. Many NBFCs accepting public deposits disappeared from presence because of their unfair practices and exorbitant interest rates charged by them for the products which they were offering to corporate world. Another reason could be the stringent norms and strict inspection of R.B.I which compelled them to disappear from existence. The Table 4 reveals the activities of NBFC. It can be observed that except the hire purchase and leasing activates, all others activities of NBFCs shown poor performance during the last five years. The increasing access to equity market and commercial banks must have captured the business of NBFCs. The prudential norms of RBI must have limited the lending capacity of NBFC. All these factors resulted into sluggish flow of finance by NBFCs for the industries in India.

REFORMS IN INDIAN CAPITAL MARKET

Indian capital market is quite developed and well organized. However, in terms of efficiency and stability, it has been passing through the stage of maturity. Financial reforms have been introduced in the three distinct segments of the market since 1992 such as 1) General Reforms 2) Primary-Market Reforms 3) Secondary-Market Reforms. Prior to 1992, capital market was regulated by government of India through the Office of Controller of Capital Issue (CCI) under The Capital Issues (Control) Act 1947 and Securities Contract and Regulation Act 1948.

Pricing, size, timing, industry specific debt, equity proportion, listing of securities, transfer and transactions of securities were regulated under both the laws. Hence, firms found these provisions as critical and bureaucratic. The provisions of Industrial and Development Regulations Act, 1951 were acting as bottleneck and were found to be non-encouraging to Indian industries in their expansion and diversification activities. The CCI provisions were silent on the information to be disclosed for existing and new investors. Hence, in 1992, government of India accepted the recommendations given by *Narasimham Committee* and abolished the office of CCI, with the constitution of the Security Exchange Board of India (SEBI) under the SEBI Act.

6.1 General Reforms

It was necessary to undertake the several policy decisions to improve the working of capital market; hence SEBI act was amended in 1995. This act has made registration compulsory for all the capital market intermediaries. In addition to that, SEBI also introduced the regulatory mechanism for the intermediaries to keep vigil on their functioning. The registration of Foreign Institutional Investors (FIIs) made it mandatory with SEBI for tracking down their activities. To avoid the overall market manipulations and manipulations in particular script, SEBI forwarded the set of regulations for market players. SEBI Act 1995 gave power to SEBI for initiating prosecution and proceedings against market players who violates the provisions.

6.2 Primary Market Reforms

SEBI initiated several package of reforms for protecting the interest of investors, encouraging the confidence of new investors and also to increase over all depth and breadth of capital market in India. To achieve objectives of SEBI, following measures were undertaken: 1) Registration, Regulation and Inspection of primary market intermediaries. 2) Code of conduct for market players. 3) Implementation of disclosure standards and prudential norms for issuers. 4) Code of advertisement for issuers. 5) Amendment in listing agreement. 6) Introduction of Book-Building process. 7) Allotment and refund of shares is made speedy.

6.3 Secondary Market Reforms

A well organized and efficient secondary market is a necessity of a developing economy. Number of measures has been in place for making Indian stock exchanges modern since, 1992. These are: 1) Risk management rules for market intermediaries. 2) Introduction of settlement-guarantee funds. 3) Screen based trading and on-line trading. 4) Scrip-less trading. 5) Dematerialization of securities. 6) Revised carry forward systems. 7) Introduction of Derivatives trading. 8) Timely completion of settlement. 9) Internet trading. 10) Securities lending scheme.

The aforesaid measures were undertaken for making Indian stock exchanges well equipped with the modern trading practices that are installed in the renowned stock exchanges across the globe. The overall impact of these measures can be assessed by looking at various aspects. Free pricing of issues gave complete autonomy to the firms in working-out market determined price of stocks. Trading practice that is being followed in almost all stock exchanges now become transparent in India. The cost of transactions has come down significantly. Table 2 gives overall performance of Indian stock exchanges in term of parameters that are generally used to examine the development of capital market across the world.

As Table 2 shows, the transaction cost of secondary market has declined drastically due to an introduction of screen based trading and efforts of SEBI. Prior to 1990, high transaction cost proved to be one of the impediments to the stock market development in India. Price discovery and market efficiency are determined by degree of liquidity offered by stock exchange in the concerned country.

Table 6 Impact of Reform on the Performance of Indian Stock Market (BSE) (In percent)

Indicators	1993-1994	2004-2005	Variation
Transaction cost	4.25	0.6	-3.65
Traded value ratio	9.8	18	8.2
Turnover ratio	23	30.5	7.5
Volatility	2.3	1.5	-0.8
Number of listed companies (No.)	7811	4731	-39.43
FIIs (In Rs. crore)	4188	52279	1150
Liquidity ratio	4.28	8.10	3.82
New Issue ratio	21	65	209.52

Source: Compiled and calculated on the basis of Hand Book of Indian Statistics 2004-05, R.B.I. and Annual Report 2005-06, SEBI.

Liquidity in Indian stock exchange has improved significantly due to surge in the trading volumes, which grew at 89.25 per cent during the last five years. The other parameters of liquidity also show encouraging results: traded value ratio and transaction ratio increased by 8.2 and 7.5 per cent. Before 1990, Indian stock market was considered as highly volatile market, however from the 1993-94 onwards the volatility ratio has declined from 2.3 to 1.5 per cent by end of 2004-05, which resulted in increasing flow of foreign institutional investors (FIIs) and significant rise in turnover ratio of the market.

Financial reforms have set the discipline among the companies and also in the working of stock exchanges; hence, the non performing companies got deleted from the list of BSE. The stringent norms and strict vigil over stock exchanges made it possible for various stock exchanges in de-registering the companies which had not followed compliance. Necessary changes have been introduced for the effective working of primary market. It comprises an abridged prospectus and book building process. These efforts made good impact on the primary issue ratio of securities, which recorded at 209.50 per cent for the period 1993-94 to 2004-05.

Table 7 Resources Raised by Indian Corporate Sector (Rs. Crore)

Year	Equity issued	Debt Issued	Total	Proportion of equity to debt issue
2000-01	3368	70557	73925	0.04
2001-02	1272	71147	72419	0.01
2002-03	1457	69561	71018	0.02
2003-04	18948	68224	87172	0.27
2004-05	24388	87920	112308	0.27
Total	49433	304799	354232	0.16
CAGR %	48.58	4.58	8.72	46.51

Source: - SEBI Annual Report, 2005-06, Page No. 14.

Table 7 depicts the trends in fund raising made by corporate sector in India. The total funds rise in the equity and debt market by the Indian corporate sector stood as Rs.49433 and Rs.304799 for the period 2000-01 to 2004-05, for which compounded annual growth rate is recorded as 48.58 and 4.58 per cent for equity issues and debt issues respectively. It can be concluded from the table that reliance on equity capital has been increasing rapidly and debt portion of capital has set to decline. Hence, equity debt proportion ratio has increased from 0.04 to 0.27 in the span of just five years. In spite of decreasing trends in interest rates charged on debt instruments from the way back since 1993, this kind of change is observed. The reasons for this trend can be concluded as easy access to equity capital, presence of supportive infrastructure, and no risk of bankruptcy in equity finance for firms.

CONCLUSIONS

The penetration of banking business is measured by CAGR of branch expansion, which is observed as 0.66 per cent in India for the period 1992-2005. Another indicator of banking business efficiency is deposit credit ratio, it is found as 66.00 per cent in 2005. This ratio shows that there is considerable lag in deposit collection and credit disbursement. The significant deceleration in project financing activities of the development financial institutions of India (DFIs) has drawn the attention of the policy makers to introduce the policy reforms for effective working and rehabilitations of these prime lending institutions of India. Refinance and bill financing activities of DFIs have also shown the negative CAGR. This is probably because of high commission rates of DFIs over the newly started private banks.

The important out come of the financial reform is the introduction of prudential norms for NBFc along with other banking and financial institutions. The stringent conditions of prudential norms compelled many inefficient NBCs to close down their business. The performance of NBCs remained subdued in equipment, bill business and other activities for the period 2001-2005. The major achievement of secondary market reforms is that the flow of investment by FIIs has increased by many times and transaction cost of securities has also come down by 3.65 per cent. Indian stock market was not preferred as investment destination by the FIIs before 1991 because of its high volatility nature. Now per centage of volatility has gone down to the extent of 0.8 per cent. The introduction of derivatives and commodity exchange market has increased the confidence of domestic as well as foreign institutional investors in Indian market.

The disclosure norms for intermediaries and issuers of the securities have made it possible to bring transparency in their business. A technology break through in the operations of trading of stock has enhanced the trading volume of equities. The confidence building measures of SEBI has created confidence in the minds of investor community. As result of this, equity-debt capital proportion has elevated from the 0.04 in 2000-01 to 0.27 in the year 2004-05. Many Indian firms preferred capital by way of equity issue during this period over the debt capital.

The Indian financial system has made major strides in the operational efficiency and endorsing the Basel I norms and ready for Basel II norms. However, there are many areas in which Indian financial system is still behind the OECD averages such as bank deposit / GDP ratio, financial system deposit / GDP ratio, banks over head costs / total assets and bank concentration. PLR has been increasing in India Since April 2007. The emerging challenge for Indian financial system now is increasing deposit interest rates and PLR, which has made it difficult to strike the balance between both for the Indian banks. If interest rates are revised in upward direction repeatedly that may hit new business, and ultimately, it would be unaffordable for existing and new borrowers of industrial credit and housing finance. However, interest rates are still lower in international market. That may cause the Indian borrower to shift away from securing loans at affordable terms and rates.

This act may put pressure on foreign exchange reserve and also it could hamper the business prospect of Indian banking and financial intuitions. Indian banks are still lagging behind in adopting modern technology like ATM centers, there are only 10 to 12 ATM per million population in India whereas in Thailand ATM are 170, in Korea 500. The prudential norms have increased the costs of restructuring the banking in India many folds.

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SVM Publications

Multidisciplinary Global Journal of Academic Research (MGJAR)

Vol. I Issue. II October 2014 ISSN:2394-1758

DESTITUTE CHILDREN EDUCATION – A SOCIAL STANDPOINT

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Abstract

Education has become a fundamental right; still most of the children have to live without primary education. This research article aim is to establish the awareness and importance of the education for destitute children. To review with primary education of children with their family and socio economic status to create the hypothesis and how to be solved the issues and future focus along with actions to be taken care.

Key Words: Destitute Children, Education, Social welfare, NGO, SHP

INTRODUCTION

In modern society the term "Destitute" means "Totally improved".

We are living in 21st century still Indian Society having more destitute people. If we realize to deep analysation among the destitute children, mostly 14 years children's are fall in this category. The causes for this situation are definitely the lack of education.

Government decided and engaged a compulsory education for every child and now-a- days parents are also aware the importance of child education. But even otherwise there is no that much growth among late 1990s and recent years of 21st centaury.

OBJECTIVE OF THE PAPER

- To analyze the reason for volume of destitute children education are there in regular,
- To identify the free residential and boarding school socio economic status.
- To enquire reason mainly focused about the destitute children education ratio increased recent years due to family and parents issues in the society.

HYPOTHESIS

H1 - Destitute children due to no parent, pavement children, poverty.

H2 – Destitute children due to special case like parent separation, parents are working as street worker, those lost their family.

SELECTION OF STUDY AREA

Though government regularized compulsory education for children and also providing free education to all. To fulfill this objective the state government running government schools and corporation schools, but still we have problem with related to destitute children education. The reasons vary according to child's circumstances and few are summarized here.

- Psychological issues
- Alcoholic parents
- Separated Parents
- Moral issues because of environment, media, etc.

METHODOLOGY OF STUDY

Samples are collected from the residential school, Chennai. The method of data collection includes Interview method and Questionnaire method. The objective of the data collection is to identify the children's socio economic status and reason behind them.

Below table 1 shows the number of students taken as sample for primary school level and categorized at their age level. Total number of students taken as 50 and age range categorized as 3 different levels.

Table 1

Age Range	Number
5- 6 years	19
7-8 years	14
9-10 years	17
Total	**50**
Sources: Field Work	

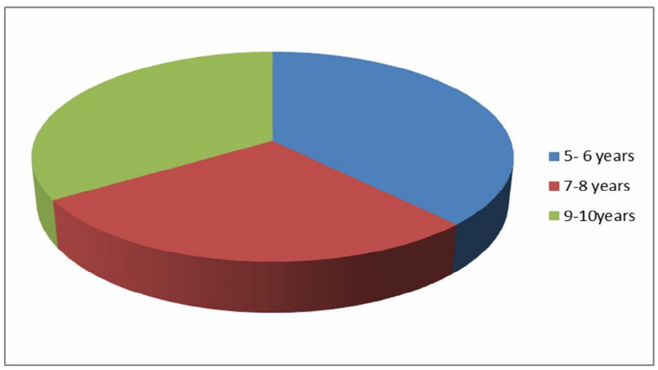
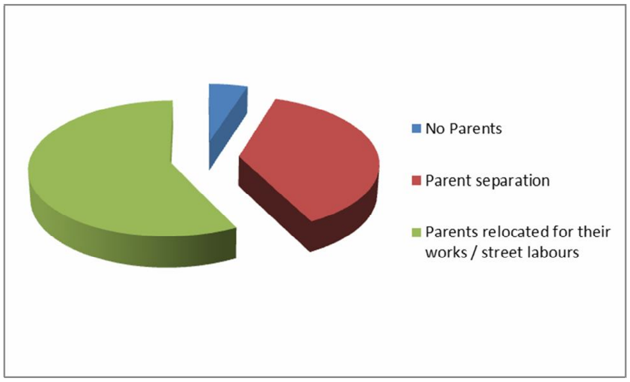


Table 2 shows the reason for Destitute and Number of students comes under that each reason among them.

Table 2

Reason for Destitute	Number
No Parents	2
Parent separation	15
Parents relocated for their works / street labours	23



The above graph denotes that the more destitution is because of the problems among the parents such as their immoral behaviours, the trend of giving more importance to "Self" not the family and it's true that the ratio is going on increasing. If the government and other social institutions will not more importance towards this in future definitely this will be the "Ultimate Problem" in human society.

THE CAUSES OF DESTITUTE CHILDREN

1. Over freedom (by guardian) results in misbehavior and ended in no interest in education
2. Psychological issues
3. Affected by conflict and disaster of parents
4. Outside motivation for beggary and other illegal activities
5. Behavioral problems

HOW TO SUSTENANCE FOR DESTITUTE CHILDREN

In recent trends many NGOs and Social Welfare Organisations, Self Help Groups and Volunteers are more focused about the destitute children and their education rather than only for providing accommodation and boarding.

They are more focused on;

- Shelter Care
- Slum Intervention Program
- Child Help Line for Street Children
- Children's Parliament

Recently Government created Child help line to constrain the misuse of Street Children, Minor age Marriage and especially issues for girls.

SUGGESTION TO EXTEMPORIZE

Social Trainee and Social Worker and Volunteers can help the destitute children not only giving money supports, but extend their help to stay with them and spend more time to motivate them. This will help them to diagnose and study profoundly the problem of children and provide them psychological support, social re-enforcement, education counseling, recreation and relaxation activities according to their needs.

Also the Social Trainee and Social Worker and Volunteers can motivate the destitute children to be in the group activation. This will helpful them as like as follows.

- To identify the skill sets of different children / students
- To identify the Sportiveness of the students.
- To share the information and learning capacity of themselves
- To create unity is the strength to achieve the goals.
- To make easy compatibility with in a group and achieve the targets.
- To create the help minded setup, when a stronger student can help weaker student within a group.
- To motivate the students readiness and enthusiasm of any activities.
- To create stage fear ness and develop the outcome of personal skills.
- How to set the target and method to follow to achieve the same.

Always Social Trainee and Social Worker and Volunteers can come and motivate the problematic children is not possible and also not fine. By giving training among themselves will give them the self-confidence, self-supporting, independent skill set improvements.

CONCLUSIONS

- More care about children rather than the family situation and family member's issues / egoisms.
- Family and Parental counseling is important and how to avoid separation and how to improvise smooth life and child education.
- Besides that, it has also developed an ability to intellectualize and integrate theory and apply appropriately in practice.
- The importance to use skills and techniques for enhancement of process, rapport building, interaction of children.
- The professional social worker can help the children for psychological support, counseling, ethnics.

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