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Published by:
Darpan Mahajan on behalf of
Darpan Publications
M-451, Guru Harkishan Nagar,
New Delhi-110087
Phone: 011-25254090, 09212209090.

Editorial and Circulation Contact:
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(A Unit of Permanence Education
Services Pvt. Ltd.)
An ISO 9001-2008 Certified Company
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From Editor's Desk

Once policy interest rates are reduced, demand for credit to build roads, bridges, airports and other infrastructure will go up.

On April, 2016, the Reserve Bank of India (RBI) announced its first Monetary Policy Review for the financial year 2016-17. While continuing the trend of reducing interest rates, the repo rate (interest rate at which banks borrow from the RBI) has been reduced from 6.75% to 6.50% and cash reserve ratio (CRR) has been kept intact at 4.0%.

Although by using some other measures – like reduction in marginal standing facility (MSF) rate by 75 basis points to 7% – the RBI has tried to improve liquidity in the economy, the market which had expected a much bigger reduction in interest rates, showed its displeasure by a sharp decline in the share prices. The market experts believed that the repo rate would be brought down by at least half percent.

It may be noted that after 2010, the RBI started increasing interest rates due to high rate of inflation. The repo rate, which was only 5% in 2010, increased to 8.5% by 2012. Later, the RBI started reducing the policy rate and it now stands at 6.5%. Nevertheless, the RBI has been moving cautiously and has actually followed the 'wait and watch' principle. It seems that the body is still not confident about the stability of prices and a high growth trajectory in the near future.

It appears that the RBI is apprehending a fresh spurt of inflation due to implementation of 7th Pay Commission and One Rank One Pension (OROP), apart from monsoon uncertainties. Rating agencies like Moody's are also airing similar concerns apart from fearing depreciation of rupee. However, their apprehensions seem to be unfounded for more than one reason.

Firstly, after a long time, weather forecasters are seemingly in consensus that this year the monsoon would be normal and India is likely to witness a bumper crop. Secondly, the rupee has been growing

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consistently in the last more than one month, primarily due to consistently improving condition in balance of payment deficit on current account (CAD) and also a persistent surplus in balance of payment on capital account. There does not seem to be any reason for commodity prices to move upward in the near future.

According to the Chief Economic Advisor Arvind Subramanian, India's economy has been passing through deep deflationary situation. Though growth is picking up, wholesale prices of commodities, including metals and crude, have been coming down. An important indicator of inflation, called the GDP deflator, is clearly indicating at deflationary situation, due to which GDP growth in monetary terms is slower than real GDP growth. This situation, though rare, causes not only shortfall in revenue but incentive to increase production also gets adversely affected.

The situation is no different in other parts of the globe. To deal with the problem of economic slowdown, the US, the European nations, Japan and many other countries have reduced their interest rates to near zero level. The US has been following a most unconventional monetary policy in the name and style of 'quantitative easing.'

Today, when retail inflation is less than 5% and wholesale inflation has been in negative zone for nearly 15 months, there is an almost certainty about normal monsoon with GDP growth expected to be nearly 8%. With hardly any danger to the stability of rupee, the RBI could have easily gone for improving the liquidity position in the country, satisfying the thirst of the market and bringing improvement.

RBI Governor Raghuram Rajan has been time and again pleading for transmission of lower interest rates to the borrowers. No doubt, this move by the banks would improve the demand for credit and increase much needed liquidity in the system. However, by suggesting this, the RBI cannot absolve itself of its duty to reduce interest rates significantly, which is an urgent need to tackle the problem of deflation in the economy. There is no doubt that once policy interest rates are reduced, demand for credit to build roads, bridges, airports and other infrastructure would go up; and consumer demand will also shoot up.

It is notable that in the past, whenever interest rates were lower, growth was boosted. For the first time, when the economy could surpass the hurdle of low growth rates (what used to be called 'Hindu Rate of Growth'), it was basically due to low interest rate regime. During NDA-I, under then prime minister A B Vajpayee, lower interest rates gave a fillip to development.

Rate of growth of industrial development, which was hardly 4.1% in 1998-99, reached 8.4% by 2004-05. The country witnessed a fast expansion of road network and other infrastructure under Public Private Partnership (PPP) projects. The housing sector saw a big boost due to huge demand.

Perhaps, a major factor which helped development was low interest rates. For instance, at a rate of interest of 8%, an equated monthly instalment (EMI) on 20 years of housing loan of 10 lakh was hardly Rs 8,360, whereas for a housing loan of the same maturity at 10% rate of interest, one needs to shell out Rs 9,650 as EMI. Expectedly, lower rate of interest led to expansion of demand for cars and other automobiles, consumer durables, housing etc, apart from encouraging entrepreneurs to expand their businesses.

During UPA-II, high rate of inflation and resulting high interest rates, led to downfall in economic activity. Rate of capital formation, which had reached 37% at one point of time, nosedived to 31%. Therefore, dispelling unfounded fears, the RBI should reduce interest rates, especially the repo rate to at least 6% and usher in an era of lower interest rates to boost growth, more so when the economic situation is ripe for the same.

Dr Ashwani Mahajan
Chief Editor

Status of Fundamental Duties in the Indian Constitution: An Analytical Study

Aahana Vikram

R.V. Dhulekar an eminent member of constituent assembly (United Province) described the Constitution of India on 23rd November 1949 as

“Everybody knows that milk contains more than 75 percent of water and if balance is good, it maintains our body and strengthens it. It gives a longer life. Therefore I shall not try to dilute upon defects. They may be more than 75 percent-I do not mind. But I only mind that if the balance left is on the credit side and if the constitution that we have prepared contains all the substance that are necessary for the living being that is India then it is good constitution”

This is a great guiding principle when we review our Constitution. Constitution of India as observed by Dr. Rajendra Prasad

“Is after all a life less machine and its effective implementation will entirely depend on how it is operated.”

Fundamental Duties has been one such aspect which has been one of the most debatable topics ever since The Constituent Assembly was assigned the task of drafting our Constitution.

Constituent Assembly – 9th December 1946-26th January 1950

G. Durgabai in his speech in Constituent Assembly on 24th November 1949 broadly focussed on the criticism of “Non Inclusion of Fundamental Duties in the Constitution.”

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October-December, 2016

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“I have also heard the criticism that this constitution has not laid down the duties of the citizen. it has laid down only the rights. I do not want to say much on the restrictions which have been placed on the fundamental rights. While claiming his rights under the constitution, the citizens should as well remember that he has got an obligation and a duty to the state, from which he expects his rights or its protection”

In the course of debate of Constituent Assembly, Prof. K.T. Shah (Prof KT Shah was London School of Economics alumnus and a member of Constituent Assembly from Bombay and also Prof K T Shah was founding President of United Trade Union Congress a leftist labour organisation established in 1949) was the first person to raise the point about insertion of fundamental duties in the Constitution, had said that the

“Constituent assembly ought to enter fundamental duties of the citizens in the constitution and that should be treated as of the same vigour and force as that of the fundamental rights included in the constitution.”

One such incident which caught the attention of Nand Kishore Das a member of Constituent Assembly was a P.T.I news item published on 23rd November 1949 in Hindustan Times under the caption “Students Belaboured Railway Official”.

“Armed with draggers, iron rods and hockey sticks 40 student of a local English school dragged out a travelling ticket examiner from a guard van at Ghusia Kalau railway station and belaboured him. The ticket examiner had charged some students for travelling without tickets.”

He quoted this incident to draw the attention of other members towards the issue of co-relation of rights with duties. He said in the Constitution Hall that,

“Rights must be co-related to some duties. it would have been better if along with enumeration of fundamental rights, the constitution had contained specific references to duties to be performed by the citizen in order to be eligible for their rights”

The Constituent Assembly, however, did not include these suggestions. However, the Preamble of the Constitution which itself acts as a guiding force and imposes certain duty upon the State to protect basic structure on the basis of which the democratic republic is

to run in future. No corresponding duty was ever casted upon the citizen of India to protect the institution, country, its pride and its ideals.

The basic argument which might have resulted in non-inclusion of Fundamental Duties would have been

The framers of the Indian Constitution were such visionaries as had practiced values in life, discharging their societal and national obligations and had followed noble ideals which had inspired our national struggle for freedom and the need to defend the country, promote harmony, secularism and preserve the rich heritage of the composite Indian culture. To the framers of the Constitution, these were basic and inherent values which were being practiced by each and every one. These were first nurtured in the home traditionally and were subsequently supplemented by education in schools and colleges. These were integral part of the way of life in India and it was taken for granted that aberrations in the practice of these will not be acceptable to the society. As such no need was felt to incorporate the Fundamental Duties specifically in the Constitution. Also it is undeniable fact that India has been under the influence of the ANGLO-SAXON jurisprudence till 1950. Even the framers of the Constitution were under the influence of this legacy as such did not felt the necessity of inclusion of duties.

Sardar Swaran Singh Committee 1976

However with the lapse of time, degradation of values, particularly values in public life became blatantly evident. The Congress government of 1976 said that non-inclusion of the Fundamental Duties during 1949 was a historical mistake.

And as it is rightly said that *“Julius caesar when dead was far much more powerfull than when he was alive”*

Just when it was assumed that democracy has been abolished indefinitely and possibly for ever in India on 25th June 1975 an Article 51-A was incorporated in the Constitution by the 42nd Amendment in 1976 with the purpose to strengthen the democracy as evident in words of the then *Prime Minister Indira Gandhi*, who justified the inclusion of Fundamental Duties in the Constitution saying that it will strengthen democracy. She said,

‘The moral value of fundamental duties would be not to smoothen rights but to establish a democratic balance by making the people conscious of their duties equally as they are conscious of their rights.’

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The Government evidently thought it was imperative that Fundamental Duties be introduced, not to take away the scope of the rights but to ensure a “democratic balance”.

H.R.Gokhale, the Union Law Minister, stated that

“The post independent history, demonstrated that people were over-emphasising the fundamental rights available to them with a zeal much more than that shown for fulfilling their fundamental obligations of respecting the established legal order.”

A chapter on Fundamental Duties was hence meant to have “a sobering effect on the restless spirits who have led a host of anti-national, subversive and unconstitutional agitations”.

Therefore, the Committee on Constitutional Amendments by the President of the Indian National Congress, popularly known as the Swaran Singh Committee from the name of the chairman, is reported to have felt that a chapter on fundamental duties for the citizen should be included along with the existing fundamental rights in the Constitution.

Features of the Swaran Singh Committee

Sardar Swaran Singh Committee was formed in the year 1976 to make recommendations about Fundamental Duties

- Committee recommended to include Fundamental Duties as a separate chapter in the Constitution and stressed the need to make people aware of the duties they have to perform along with enjoying rights
- Actually, this committee had only recommended 8 Fundamental Duties but the government of that time included 10 Fundamental Duties

Some provisions that were not accepted of the committee:

1. The provision to impose penalty or punishment for non-compliance of the Fundamental Duties.
2. The law by which a person is punished can't be taken to the court of law as a matter of violation of certain Fundamental Right.
3. Duty to pay taxes should also be a Fundamental Duty of the citizens.

List of Fundamental Duties

The following are the Eleven Fundamental Duties of every citizen of India:

- i) To abide by the Constitution and respect the National Flag and the National Anthem;
- ii) To cherish and follow the noble ideals which inspired our national struggle for freedom;
- iii) To uphold and protect the sovereignty, unity and integrity of India;
- iv) To defend the country and render national service when called upon to do so;
- v) To promote harmony and the spirit of common brotherhood amongst all people of India transcending religious, linguistic and regional or sectional diversities and to renounce practices derogatory to the dignity of women;
- vi) To value and preserve the rich heritage of our composite culture;
- vii) To protect and improve the natural environment including forests, lakes, rivers and wild life and to have compassion for living creatures;
- viii) To develop the scientific temper, humanism and the spirit of inquiry and reform;
- ix) To safeguard public property and to abjure violence;
- x) To strive towards excellence in Duties

Significance of Fundamental Duties

Moral/Civic: Some of the Fundamental duties are moral duties & some are civic duty. E.g. it is the moral duty to cherish the ideas of freedom struggle but it is the civic duty to respect the National Flag by saluting it & paying respect towards to it

Indian way of Life: It is very true that Fundamental Duties have actually been created from the wide culture present in India & hence it is actually a codification of the Indian way of life

Difference between Fundamental Right & Fundamental Duties: Fundamental Right applies to both citizens & foreigners but fundamental duties apply only to citizens

Non-justiciable: They are non-justiciable in nature i.e. they can't be taken to court of law if they are not followed. They lack legal sanction and direct enforcement. But Parliament can enforce it if it wants via proper legislation

Criticism of Fundamental Duties

Not exhaustive: The list of fundamental duties is not exhaustive i.e. it doesn't contain other important duties like casting vote, paying taxes, etc.

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Meaning: Some of the duties mentioned are ambiguous & difficult to understand for the common man like the “composite culture” mentioned in the Fundamental Duties.

Non-justiciable: It can't be questioned in the court of law for enforcement. So, it is of no use even if it is included in the constitution. But still various other acts have been formulated by the government which gives effect to these Fundamental Duties & help to punish if not practiced.

Unnecessary: Some critics argue that these duties are so general that they will be performed by any citizen of India. There was no need for them to be added in the constitution.

- Place in the Constitution: It has been added in the Part IVA i.e. after Part IV (Which belongs to the Directive Principles of State Policy which are non-enforceable even with the court of law). It has given the Fundamental Duties a nature of non-obligation. Instead it should have been placed as the Part IIIA i.e. after Part III (it belongs to the Fundamental Rights). It should have been given power at par with Fundamental.

Justice J.S. Verma Committee-1999

Another attempt made to review and reform the implementation of Fundamental Duties was made in the year 1999 BY

“The National Commission to Review the Working of the Constitution” wherein a report made by a Committee commonly known as ‘Justice J.S. Verma Committee’ on operationalization of fundamental duties of citizens has been accepted and a strong suggestion has been made for their early implementation.

The Verma Committee on Fundamental Duties of the Citizens identified the existence of legal provisions for the implementation of some of the Fundamental Duties. They are mentioned below:

- The Prevention of Insults to National Honour Act (1971) prevents disrespect to the Constitution of India, the National Flag and the National Anthem.
- The various criminal laws in force provide for punishments for encouraging enmity between different sections of people on grounds of language, race, place of birth, religion and so on.
- The Protection of Civil Rights Act (1955) provides for punishments for offences related to caste and religion.
- The Indian Penal Code (IPC) declares the imputations and assertions prejudicial to national integration as punishable offences.

- The Unlawful Activities (Prevention) Act of 1976 provides for the declaration of a communal organization as an unlawful association.
- The Representation of People Act (1951) provides for the disqualification of members of the Parliament or a state legislature for indulging in corrupt practices, that is, soliciting votes on the ground of religion or promoting enmity between different sections.
- The Wildlife (Protection) Act of 1972 prohibits trade in rare and endangered species.
- The Forest (Conservation) Act of 1980 checks indiscriminate deforestation and diversion of forest land for non-forest purposes.

In its recommendations, Justice Verma Committee in Chapter entitled “Salient Recommendations” under the heading ‘Operationalization Overview’ observed as under :

“Duties are observed by individuals as a result of dictates of the social system and the environment in which one lives, under the influence of role models, or on account of punitive provision of law. It may be necessary to enact suitable legislation wherever necessary to require obedience of obligations by the citizens. If the existing laws are inadequate to enforce the needed discipline, the legislative vacuum needs to be filled. If legislation and judicial directions are available and still there are violations of Fundamental Duties by the citizens, this would call for other strategies for making them operational.

The desired enforceability can be better achieved by providing not merely for legal sanctions but also combining it with social sanctions and to facilitate the performance of the task through exemplar role models. The element of compulsion in legal sanction when combined with the natural urge for obedience of the norms to attract social approbation would make the citizens willing participants in the exercise. The real task, therefore, is to devise methods which are a combination of these aspects to ensure a ready acceptance of the programme by the general citizenry and youth, in particular.

The Committee is strongly of the view that the significance of dignity of the individual in all its facets and the objective of overall development of the personality of the individual must be emphasized in the curriculum at all the stages of education. This requires consciousness of citizenship values which are a combination of rights and duties, and together give rise to social responsibilities. Methods must be devised to operationalize this concept as a constitutional value in our

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educational curriculum and in co-curricular activities, in schools and colleges.

The Commission, accepted the “*Verma Committee Report*”, but successive government have failed to implement the recommendations of the commission regarding the “*Verma Committee*” in totality.

Suggestions For Effective Implementation Of Fundamental Duties

- 1) "Education is not confined only to the time spent in schools and colleges. Education begins at birth in the subconscious and continues till death. Anyone who says that he has nothing more to learn is already brain-dead. It follows that the influences that play on a child at home are of great importance. Parents should understand that education begins at home, the examples they set, the environment of enlightenment and tolerance that is necessary to produce good citizens cannot be sub-contracted to formal schooling important though this is. Schemes should, therefore, be framed that include parents in social activities that have as their objective the country's age-old traditions, its Welcome to the persecuted of every faith, its virtues of tolerance of and respect for all religions and a certain pride in belonging to this land and in being considered as Indian. The highest office in our democracy is the office of citizen; this is not only a platitude, it must translate into reality. The distinction is not illusory. This country has given far too much indulgence to an attitude of mind that acts on the question - what is there in it for me? Education and the process of inculcating unselfishness and a sense of obligation to one's fellowmen should inspire the question - where does my duty lie ? The transformation has the potential to make our nation strong, invincible and able to command the respect of the world.
- 2) It is further recommended that the first and foremost step required by the Union and State Governments is to sensitise the people and to create general awareness of the provisions of fundamental duties amongst the citizens on the lines recommended by the Justice Verma Committee on the subject. Consideration should be given to the ways and means by which Fundamental Duties could be popularized and made effective;
- 3) Right to freedom of religion and right of minorities and fellow Citizens should be respected;
- 4) Reform of the whole process of education is an Immediate but immense need, as is the need to free it from governmental or

political control; it is only through education that will power to adhere to our Fundamental Duties as citizens can be inculcated;

- 5) Duty to vote at elections, actively participate in the democratic process of governance and to pay taxes should be included in Article 51A.....”

Conclusion

The dream of the framers of the constitution to “*Wipe The Last Tear From the Last Eye*” is still far away from being realized.

When the working of part IV-A of the constitution ,consisting of the sole article, namely article 51A dealing with *Fundamental Duties* of citizen which has the potential to regenerate and reconstruct the nation is taken up for review, certain crucial questions are bound to arise. The most crucial of all questions would be “has the article 51-A served its purpose.

It is not in dispute that it is most unfortunate that in a country which preaches concept of *Dharma* to the rest of the world, we see from time to time spectacles of senseless violence, destruction of public property, millions of farmers suicide (2.5 lakhs in last fifteen years), millions of fellow citizen go to bed on an empty stomach, millions have no access to clean drinking water, basic health facilities and primary education and the majority of degree holder youth are unemployable.

It is equally shocking fact, but the bitter reality that 99.9% citizens including the Supreme Court lawyers, judges and the parliamentarians don't perform their fundamental duties enshrined in Article 51A of the Constitution of India.

We all want our rights without performing the fundamental duties. The question is that how can we think of building a nation without building the national character? And how can we build the national character without performing the fundamental duties like developing the spirit of enquiry? The lack of ‘training of mind and soul (pure conscience)’ to provide value education leads to non-performance and corruption, which leads to miseries to the fellow citizens.

The real cause of miseries to the millions of fellow human beings is the lack of training of mind and soul, not developing the spirit of enquiry as mandated by the constitution of India as fundamental duties.

During course of debate in constituent assembly there was a suggestion to correlate rights with duties which was declined at that stage.

Later on when working of constitution was reviewed in 1976 by the swaran singh committee it recommended the inclusion of *Fundamental*

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Duties but its most important recommendation to provide legal sanction in the form of punishment or penalty for non-compliance of fundamental duties was not accepted. Thus another attempt to bring fundamental duties at par with fundamental rights failed.

Again in the year 1999 when National Commission to Review the Working of the Constitution wherein a report made by a Committee commonly known as 'Justice J.S. Verma Committee' on effective operation of *Fundamental Duties* was accepted which called for legal as well as social sanctions for better implementation of fundamental duties. Its recommendation are yet to be implemented in totality even after the direction of Supreme Court of India in Rangnath Misra v/s Union of India & Others (2003) in which it has asked central government to consider in its right earnestness. And accordingly directed it to do so as also to take appropriate steps for their implementation as expeditiously as possible.

Here it is necessary to mention that duties are performed by individuals as a result of dictates of social system and the environment in which one lives, under the influence of role models or on account of punitive provision of law.

Therefore there is an urgent need to enact suitable legislation wherever necessary to ensure obedience of obligation by the citizen.

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Are Girl-students Safe in our Educational Institutions?

Ashish Kumar Srivastava

Sexual Harassment in Schools?

Well, that must be very rare, right? The truth is that it is absolutely rampant. To give an idea as to how frequently these incidents take place in our schools, let us share with you what we found for sexual harassment incidents in schools. These are stories that made to the newspaper headlines. I am presenting some of them – so that you can get a sense of how grave the sexual harassment problem in India is.

Sexual harassment in education is an unwelcome behavior of a sexual nature that interferes with a student's ability to learn study, work or participate in school activities. Sexual harassment involves a range of behavior from mild annoyances to sexual assault and rape.

Sexual harassment is bullying or coercion of a sexual nature, or the unwelcome or inappropriate promise of rewards in exchange for sexual favors.^[1] In most modern legal contexts, sexual harassment is illegal. It includes a range of actions from mild transgressions to sexual abuse or sexual assault.^[2]

Headlines of Sexual harassment in Indian Schools (from March 2015) that will shock you.

Don't forget that for every incident that makes a headline, there are probably hundreds that go unreported and thousands of victims will never get justice. If these sexual harassment incidents inside schools across India do not shock your conscience, then I don't know what will.

1. *Punjab: Government teacher arrested for obscene remarks in girl's notebook*^[3]

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October-December, 2016

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In Punjab, A 50-year-old government school teacher was arrested for allegedly writing obscene remarks in the notebook of a 12-year-old girl student in Kartarpur of Rupnagar district. The teacher had earlier written similar remarks in the notebook of another girl student.

2. *Teacher Sexual Harassment on 8th Class Student*^[4]

In Hyderabad, a Physics teacher in a private school at Vanasthalipuram, was sexually harassing a 13 year old student for 2 months and threatened to issue a TC to the student if she told anyone about the issue.

3. *High incidence of sexual harassment in schools*^[5]

In Odisha, five girls in the age group of 12 to 16, who were put up in tribal residential schools, became pregnant. 12 other girls in residential schools were raped or faced sexual advances. As many as 98 allegations of sexual harassment were received by the department which found truth in 59 cases. As per the department, teachers and non-teaching staff had been put under suspension.

4. *Molested by teacher, Jhabua girl carries poison to kill self at school*^[6]

Unable to bear the agony of alleged sexual harassment by a school teacher, a 13-year-old Class VI girl went to the school in Kalyanpura area of Jhabua district with a bottle of poison. However, she was spotted by classmates and the matter was reported to Kalyanpura police station by Oxford Academy School management.

5. *Girl accuses teacher of sexual harassment*^[7]

A 13-year-old student of a government school in Bokaro has accused a para-teacher of sexually molesting her, a charge the accused termed as an attempt by a rival to frame him. The class-six student said she had not gone to school for the past 10 months fearing her science teacher. The girl's family has written to the deputy commissioner of Bokaro and the chief minister. "We only want justice and hindrance-free education for our daughter," said her father.

6. *Principal of public school arrested for sexual harassment*^[8]

The Director and Principal of a public school in Odisha's Nabarangpur district was arrested for allegedly sexually

harassing two girl students of class IX. Sanjib Singh was booked under section 354 of IPC and Protection of Children from Sexual Offences Act. He tried to trap the girls by promising them good marks in exams and wanted to have physical relation.

7. *Pune IAS officer arrested for raping, molesting minor girls^[9]*

A counselor working at the municipal school on Sinhagad Road brought to light the alleged rape and molestation of four girls by an IAS officer, upholding the importance of school counseling and creating awareness among students about sexual harassment. But this counselor also said she had to visit seven schools in a week, bringing forth the need to have a less-hassled and better-supported counselor, one for every school, so that they are available for students who face such distressing situations.

8. *Checking sexual harassment: UP govt tells teachers not to contact school students on social media^[10]*

The Uttar Pradesh government has issued a circular asking teachers and school staff not to interact with students on social media, phone or through e-mails, a move which it said is intended to check “sexual harassment” of students. The eight-page circular is based on Supreme Court guidelines and will be applicable to all educational institutions, including public and private, governed by all boards such as CBSE, ICSE and state Secondary Education Board.

9. *Accusing collector of “sexual harassment”, principal attempts suicide in M.P. ^[11]*

A principal of a government school in Panna tried to commit suicide after accusing district collector R. K. Mishra of sexual harassment. The victim consumed phenyl inside the school premises. The victim alleged that the collector once called her to his bungalow at night and since then he has been pressuring her often and sexually exploiting her.

10. *Principal of public school arrested for sexual harassment ^[12]*

The Director and Principal of a public school in Odisha’s Nabarangpur district was arrested for allegedly sexually harassing two girl students of class IX. Sanjib Singh was booked under section 354 of IPC and Protection of Children from Sexual Offences Act. He tried to induce the girls by promising them good marks in exams and wanted to have physical relationship in return.

Effects and Impact of the Sexual Harassment in the Educational Institutions on the Victim

Physical Effects

While sexual assault, including rape, can result in physical trauma, many people who experience sexual assault will not suffer any physical injury. Common psychological, academic, professional, financial, and social effects of sexual harassment and retaliation:

- Being objectified and humiliated by scrutiny and gossip
- Decreased work or school performance as a result of stress conditions; increased absenteeism in fear of harassment repetition
- Defamation of character and reputation
- Effects on sexual life and relationships: can put extreme stress upon relationships with significant others
- Having one's personal life offered up for public scrutiny—the victim becomes the “accused”, and his or her dress, lifestyle, and private life will often come under attack.
- Having to drop courses, change academic plans, or leave school (loss of tuition) in fear of harassment repetition and/or as a result of stress
- Having to relocate to another city, or another school
- Loss of references/recommendations
- Loss of trust in environments similar to where the harassment occurred
- Loss of trust in the types of people that occupy similar positions as the harasser or his or her colleagues, especially in case they are not supportive, difficulties or stress on peer relationships, or relationships with colleagues
- Psychological stress and health impairment
- Weakening of support network, or being ostracized from professional or academic circles (friends, colleagues, or family may distance themselves from the victim, or shun him or her altogether)

Psychological Effect

Aside from physical traumas, rape and other sexual assault often result in long-term emotional effects, particularly in child victims. These can include: denial, learned helplessness, genophobia, anger, self-blame, anxiety, fear, flashbacks, rationalization, moodswings,

numbness, promiscuity, loneliness, social anxiety, difficulty trusting oneself or others, difficulty concentrating. Being the victim of sexual assault may lead to the development of post-traumatic stress disorder, addiction, major depressive disorder or other psychopathologies. Family and friends experience emotional scarring including a strong desire for revenge, a desire to “fix” the problem and/or move on, and a rationalization that “it wasn’t that bad”.

Other Effect

Sometimes, the educational institution is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse decision (such as the victim being fired or demoted, or when the victim decides to quit the institution). The legal and social understanding of sexual harassment, however, varies by culture.

The harasser can be the victim’s teacher, supervisor, a supervisor in another area, principal, owner/trustee of the educational institution, class mate, and students of other classes, group D employee or someone who is not an employee of the educational institution.

Forms of harassment relationships include:

- The perpetrator can be anyone, such as a parent or legal guardian, relative, a teacher or professor, on teaching staff, a student, a friend, or a stranger.
- The victim does not have to be the person directly harassed but can be a witness of such behavior who finds the behavior offensive and is affected by it.
- The place of harassment occurrence may vary from school, university, workplace and other.
- There may or may not be other witnesses or attendances.
- The perpetrator may be completely unaware that his or her behavior is offensive or constitutes sexual harassment or may be completely unaware that his or her actions could be unlawful.^[13]
- The incident can take place in situations in which the harassed person may not be aware of or understand what is happening.
- The incident may be one time occurrence but more often it has a type of repetitiveness.
- Adverse effects on the target are common in the form of stress and social withdrawal, sleep and eating difficulties, overall health impairment, etc.
- The incident can result from a situation in which the perpetrator thinks they are making themselves clear, but is not understood

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the way they intended. The misunderstanding can either be reasonable or unreasonable. An example of unreasonable is when a woman holds a certain stereotypical view of a man such that she did not understand the man's explicit message to stop.^[14]

With the advent of the Internet, social interactions, including sexual harassment, increasingly occur online, for example in video games. According to the research statistics on online harassment, 25% of women and 13% of men between the ages of 18 and 24 have experienced sexual harassment while online.^[15]

Harassers into two broad classes:

- Public harassers are flagrant in their seductive or sexist attitudes towards colleagues, subordinates, students, etc.
- Private harassers carefully cultivate a restrained and respectable image on the surface, but when alone with their target, their demeanor changes.

Four different classes of harassers.^[16]

- Predatory harasser who gets sexual thrills from humiliating others. This harasser may become involved in sexual extortion, and may frequently harass just to see how targets respond. Those who don't resist may even become targets for rape.
- Dominance harasser: the most common type, who engages in harassing behavior as an ego boost,
- Strategic or territorial harassers who seek to maintain privilege in physical locations, for example a woman's harassment of male teacher/mate in a predominantly female occupation.
- Street harasser: Another type of sexual harassment performed in public places by strangers while on the way to school. Street harassment includes verbal and nonverbal behavior, remarks that are frequently sexual in nature and comment on physical appearance or a person's presence in public.^[17]

Prevention

Sexual harassment and assault may be prevented by secondary school,^[18] college,^{[19][20]} and workplace education programs.^[21] At least one program for fraternity men produced "sustained behavioral change".^{[19][22]} Many organizations and universities nationwide have anti-hazing policies that explicitly recognize various acts and examples of hazing, and offer preventative measures for such situations.^[23]

Coping

There often are a number of effective ways for offended and injured people to overcome the resulting psychological effects. This may include stress management and therapy, cognitive-behavioral therapy,^[24] friends and family support, etc.

Immediate psychological and legal counseling are recommended since self-treatment may not release stress or remove trauma, and simply reporting to authorities may not have the desired effect, may be ignored, or may further injure the victim at its response.

Evolution of Law :Varied Legal Guidelines and Definitions

The United Nations General Recommendation 19 to the Convention on the Elimination of all Forms of Discrimination against Women defines sexual harassment of women to include:

Such unwelcome sexually determined behavior as physical contact and advances, sexually colored remarks, showing pornography and sexual demands, whether by words or actions. Such conduct can be humiliating and may constitute a health and safety problem; it is discriminatory when the woman has reasonable ground to believe that her objection would disadvantage her in connection with her employment, including recruitment or promotion, or when it creates a hostile working environment.

While such conduct can be harassment of women by men, many laws around the world which prohibit sexual harassment recognize that both men and women may be harassers or victims of sexual harassment. However, most claims of sexual harassment are made by women.^[25] There are many similarities, and also important differences in laws and definitions used around the world.

In India: Sexual harassment in India is termed “Eve teasing” and is described as: unwelcome sexual gesture or behavior whether directly or indirectly as sexually colored remarks; physical contact and advances; showing pornography; a demand or request for sexual favors; any other unwelcome physical, verbal/non-verbal conduct being sexual in nature and/or passing sexually offensive and unacceptable remarks. The critical factor is the unwelcomeness of the behavior, thereby making the impact of such actions on the recipient more relevant rather than intent of the perpetrator.^[26] According to the Indian constitution, sexual harassment infringes the fundamental right of a woman to gender equality under Article 14 and her right to life and live with dignity under Article 21.^[27]

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In 1997, the Supreme Court of India in a Public Interest Litigation, defined sexual harassment at workplace, preventive measures and redresses mechanism. The judgment is popularly known as Vishakha Judgment.^[28] In April 2013, India enacted its own law on sexual harassment in the workplace - The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Almost 16 years after the Supreme Court's landmark guidelines on prevention of sexual harassment in the workplace (known as the "Vishakha"), the Act has endorsed many of the guidelines, and is a step towards codifying gender equality. The Act is intended to include all women employees in its ambit, including those employed in the unorganized sector, as well as domestic workers.

The Act has identified sexual harassment as a violation of the fundamental rights of a woman to equality under articles 14 and 15 of the Constitution of India and her right to life and to live with dignity under article 21 of the Constitution; as well as the right to practice any profession or to carry on any occupation, trade or business which includes a right to a safe environment free from sexual harassment. The Act also states that the protection against sexual harassment and the right to work with dignity are universally recognized human rights by international conventions and instruments such as Convention on the Elimination of all Forms of Discrimination against Women, which has been ratified on the 25th June, 1993 by the Government of India.^[29]

The Criminal Law (Amendment) Act, 2013 introduced changes to the Indian Penal Code, making sexual harassment an expressed offence under Section 354 A, which is punishable up to three years of imprisonment and or with fine. The Amendment also introduced new sections making acts like disrobing a woman without consent, stalking and sexual acts by person in authority an offence.

Initiatives taken by govt. of U.P. to check sexual harassment^[30]: UP govt tells teachers not to contact school students on social media.

Initiatives taken by govt. of Bihar: panels to protect children from sexual abuse^[31]

The Act, in effect since November 2012, is gender-neutral and defines various forms of sexual abuse including harassment, penetrative or non-penetrative abuse, and pornography.

Bihar schools will have committees of teachers and guardians exclusively to help protect primary and middle school students from sexual harassment by teachers and outsiders. These will submit

monthly reports to the education department secretary through district education officers.

The primary education department had issued an order on April 4 to set up such committees, with teachers and guardians as members, but an early summer vacation prevented schools from meeting a June 21 deadline for submitting a final report on formation of these committees.

Initiatives taken by C.B.S.E. [32]

With a view to ensure that the guidelines and norms prescribed by the Hon'ble Supreme Court of India for prevention of sexual harassment of women at work place, are adhered to strictly, schools were requested by the Board dated 19.4.2001, 29.10.2001 and dated 15.1.2002 for taking immediate steps and to send Quarterly Action Taken Report on the subject in the prescribed Performa already provided to the schools.

Post-complaint Retaliation and Backlash

Retaliation and backlash against a victim are very common, particularly a complainant. Victims who speak out against sexual harassment are often labeled troublemakers who are on their own “power trips”, or who are looking for attention. Similar to cases of rape or sexual assault, the victim often becomes the accused, with their appearance, private life, and character likely to fall under intrusive scrutiny and attack.^[33] They risk hostility and isolation from colleagues, supervisors, teachers, fellow students, and even friends. They may become the targets of mobbing or relational aggression.^[34]

Women are not necessarily sympathetic to female complainants who have been sexually harassed. If the harasser was male, internalized sexism (and/or jealousy over the sexual attention towards the victim) may encourage some women to react with as much hostility towards the complainant as some male colleagues.^[35] Fear of being targeted for harassment or retaliation themselves may also cause some women to respond with hostility.^[36]

Retaliation has occurred when a sexual harassment victim suffers a negative action as a result of the harassment. For example, a complainant be given poor evaluations or low grades, have their projects sabotaged, be denied work or academic opportunities, have their work hours cut back, and other actions against them which undermine their productivity, or their ability to advance at work or

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school, being fired after reporting sexual harassment or leading to unemployment as they may be suspended, asked to resign, or be fired from their jobs altogether. Retaliation can even involve further sexual harassment, and also stalking and cyber stalking of the victim.^[36] Moreover, a school professor or employer accused of sexual harassment, or who is the colleague of a perpetrator, can use their power to see that a victim is never hired again, or never accepted to another school.

Organizational Policies and Procedures

Most school/universities have policies against sexual harassment, however these policies are not designed and should not attempt to “regulate romance” which goes against human urges.^[37]

Act upon a report of harassment inside the organization should be: The investigation should be designed to obtain a prompt and thorough collection of the facts, an appropriate responsive action, and an expeditious report to the complainant that the investigation has been concluded, and, to the full extent appropriate, the action taken.

When organizations do not take the respective satisfactory measures for properly investigating, stress and psychological counseling and guidance, and just deciding of the problem this could lead to:

- Decreased productivity and increased team conflict
- Decreased study / job satisfaction
- Loss of students / staff. Loss of students who leave school and staff resignations to avoid harassment. Resignations/firings of alleged harassers.
- Decreased productivity and/or increased absenteeism by staff or students experiencing harassment
- Decrease in success at meeting academic and financial goals
- Increased health care costs and sick pay costs because of the health consequences of harassment and/or retaliation
- The knowledge that harassment is permitted can undermine ethical standards and discipline in the organization in general, as staff and/or students lose respect for, and trust in, their seniors who indulge in, or turn a blind eye to, or treat improperly sexual harassment
- If the problem is ignored or not treated properly, a school’s image can suffer

Conclusion

Indian schools and the authorities responsible for them need to take a more proactive attitude to solve the sexual harassment puzzle. It would appear from the above news articles that the threat of sexual harassment of school going children and even the staff is really high.

As an overall social and economic effect every year sexual harassment deprives women from active social and economic participation, and costs hundreds of millions of dollars in lost educational and professional opportunities for mostly girls and women. Further, the glorious tradition of teacher-student relationship in Indian culture is getting contaminated.

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Resolving Problems of Poor Rural Women in India: A Study of their Empowerment through Microfinance in the State of Bihar

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Abstract

The present research tries to study the condition of poor rural women in India and more importantly their ways and means of empowerment through microfinance, especially in state of Bihar. Rural poor women in India and Bihar in particular, are mostly illiterate, jobless or do pity jobs and hardly contribute to the income of their family. This study is an attempt to find solution for making this significant proportion of population productive and empowered enough in rural economy and society. Microfinance is an option to resolve the problem of poor people. It is the provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance to poor and low-income households and their microenterprises. Microfinance is an approach that has been proven to empower people around the world to pull themselves out of poverty. Relying on their traditional skills and entrepreneurial instincts, recipients of small loans, other financial services and support from local organizations called microfinance institutions (MFIs) to start, establish, sustain or expand very small self-supporting business.

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The traditional literature implies that women are empowered when they can exercise choices and are aware of alternatives, microfinance being one of the most important catalyst. This research attempts to understand the impact of microfinance on women empowerment through a case study in Bihar. It is found that even though women have experienced an increase in income and consumption, they have very little control over resources, assets and do not participate equally in major household decisions. However, they have significant influence on the choices that children make. The research finds that the real bottlenecks are the hierarchical nature of society, the lack of entrepreneurial talent and risk-taking ability in these women.

The methodology applied in this study is narrative as well as analytical. Basically, this paper is based on secondary sources as well as some primary datas. Microfinance is a new term in the field of development. Bihar is one of the backward states of India. The pattern of funds flow during last decades to self-help groups and microfinance institutions – the competing institutional arrangements of microfinance delivery in India – reveals that the commercial banking system had steadily shifted its patronage to large MFIs from the mid- 2000s. Increased access to equity capital helped these MFIs improve their capital adequacy, which, in turn helped them leverage the domestic debt market. They also resorted to newer ways of raising capital through product structuring and introduction of innovative debt instruments. MFIs thus played a significant role in linking the processes of neo-liberal restructuring and financial sing in the daily lives of local communities thereby also empowering the lives of poor rural women in India and the state of Bihar in particular.

Introduction

Socially, Politically and economically—the issue of empowerment and development of women in India is very important for inclusive growth. This vast country has a huge population of over 1.2 billion, of which about half of its population is women. It is a well established fact, through various researches, studies and census datas that this population in India has hardly been tapped for productive uses. Their contribution to GDP in India is pathetic. Especially, when we take up the case of “Poor Rural Women in India”, the scenario is even more disheartening Poor women in Indian villages are mostly illiterate, do pity jobs or are seasonal agricultural labourers or simply house wires. They hardly contribute to family’s income and are subject to exploitation in many wives. Hence, their empowerment is very important. This

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study is an effort to provide a solution to the empowerment of poor rural women through micro financing their economic and entrepreneurial endeavours in India and state of Bihar in particular.

Microfinance is the provision of a broad range of financial services such as deposits, loans, payment services, money transfers which gives insurance to poor and low-income households and their micro enterprises. Women constitute almost half of the population of our country. In order to change the face of the socio-economic scenario, microfinance and Self Help Groups are playing an important role in the self employment of women. Microfinance offers an excellent platform for private-public partnership in which poor and rural people, especially women members of Self Help Groups gain new choices and a chance to increase their financial position and wealth. Microfinance institutions plays an important role in collaboration with government, non government organizations, social organizations etc in poverty alleviation, employment generation, improvement of health and nutritional status as well as improving the status of women.

Concept of microfinance, has emerged as a need of meeting special goal to empower under privileged class of society, women, poor and down-trodden by natural reasons or cast, creed, religion or otherwise. There are very important role of micro finance in improving the status of women in our society as well as facilitators in political empowerment of women. The traditional literature implies that women are empowered when they can exercise choices and are aware of alternatives, microfinance being one of the most important catalysts. This research attempts to understand the impact of microfinance on women empowerment through a case study in Bihar. 'Micro finance' is often defined as financial services for poor and low-income clients offered by different types of service providers. In practice, the term is often used more narrowly to refer to loans and other services from providers that identify themselves as "microfinance institutions" (MFIs). The principles of microfinance are founded from the philosophy of co-operation and its central values of equality, equity and mutual self help.

Microfinance is an approach that has been proven to empower people around the world to pull themselves out of poverty. Relying on their traditional skills and entrepreneurial instincts, recipients of small loans, other financial services, and support from local organizations called microfinance institutions (MFIs) to start, establish, sustain or expand very small, self-supporting businesses. A key to microfinance is the recycling of loan rupees. As each loan is repaid usually within

six months to a year and the refunded money is recycled as another loan, thus multiplying the value of each rupee in defeating global poverty and changing lives in communities.

Micro entrepreneurs (the self employed poor) have little access to the formal financial system in developing economies. At best, formal financial institutions reach the top 25 percent of the economically active population, which leaves the bottom 75 percent without access to formal financial services. Asia pacific region has six micro finance giants. There are other regulated institutions, which provide financial services to micro entrepreneurs such as rural banks and credit union. The commercial banks undertook microfinance lending only because their governments required it. These commercial banks can be classified as Government subsidized lending programmes, government mandated lending targets.

SHGs bank linkage programme is effective in targeting poorest households as majority of beneficiaries are from among the poorer groups – landless and marginal farmers. Microfinance has received a significant amount of attention all over the world, especially in poor developing countries where it was felt necessary to provide micro credit to the poorest of the poor. The gap in the formal rural credit sector can be filled. A majority of such projects are now being controlled by non-governmental organizations in the hope that they will be able to overcome the weaknesses in the banking system. However, while small scale rural credit is necessary, overall credit policy must be build and restructured on the strengths of the banking system in India.

Justification of the Study

Microfinance is a new term in the field of development. The importance of microfinance in the field of development was reinforced with the launch of the Microcredit Summit in 1997. The summit aims to reach 175 million of the world's poorest families, especially the women of those families, with credit to the self-employeds and with other financial and business services, by the end of 2015. The UN declared year 2005 as the International Year of Microcredit. Microfinance has proven powerful in combating poverty, but extra care is required if, a microfinance institution has to establish services in area of very disperse population or in an unstable social context.

Bihar is one of the most backward states of India. In the rural dominant state economy, rural areas consist of artisans, agricultural

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labourers and entrepreneurs besides farmers and cultivators. There is also migration of people from rural to urban areas and also within and outside India necessitating remittance services. Rural people need all kinds of protection from adversities and natural calamities. The unfavourable situation of low productivity, deficiencies of other credit agencies and inaccessible banking sector services have led the rural areas into doldrums looking up to the expensive and exploiting local money lenders for loans. In present times, there have been frequent discussions and deliberations going on with regard to the importance of microfinance facilities and services by the banks in the rural areas.

As women have become more and more conscious about their identity, their very self has persuaded them to show their mettle in a male-dominated society. Women domain in India has become wider larger and their roles have not only expanded but become more complicated. They are now active not only in politics but also in other fields like administration, education, medicine, science, journalism, sports, police services, armed forces, as social activists in agitation and protest movements. Educated, emboldened and beautiful urban ladies in India have won international beauty pageant contests alike 'Miss Universe ' and Miss world. The new emerging Indian women have made a mark of their own. The emerging women power is also exhibited by the facts that, one by one, male bastions are falling before the onslaught of talented women of the 21st century. However Condition and status of women living in rural areas of India are not well.

Millennium Development Goals, as defined by the United Nation Organization, are the leading star for the development of communities in the years to come. Women empowerment is one of the important aims of Millennium Development Goals. Donor agencies are relating their policy and programmes to the achievement of these goals. There has been a wide recognition among the academicians, bankers, researchers and policy makers regarding the need for deepening and widening the financial services for the rural poor. The international and national experiences indicate the micro savings are important for micro-credit. Herein comes the relevant role of Microfinance in uplifting the status of rural poor especially the poor rural women in India.

But, very little emphasis has been given in study and research on the related topic. Hence, this is very important to understand the role of microfinance in social and economic development of women in rural

areas of India. That's why the present topic on "Resolving Problems of Poor Rural women in India : A study of their empowerment through Microfinance in the state of Bihar" has been selected for the study.

Objectives of the Study

The specific objectives of the study are following:

- (i) To analyse the role of microfinance in the empowerment of rural women in India.
- (ii) To examine the present status of microfinance in one of the backward state like Bihar of India.

Hypotheses of the Study

Keeping in view of the above objectives, the following hypotheses have been formulated and will be tested in this study:-

- (i) Microfinance is an option to resolve the problems of poor women in rural areas of India.
- (ii) Microfinance helps in the empowerment of rural women.

Methodology of the Study

The research methodology applied in this research article is descriptive as well as analytical. Basically, this study is based on secondary sources as well as some primary data. Therefore, many literatures, books and other current articles have been used during this study. The recorded information has been collected from research findings as well as from official and government records. Different published information, books, bulletins, latest journals, periodicals and other relevant literature have been used during compilation of the present study. The relevant information has also been obtained from newspapers and magazines. Authentic references have been used for support of evidence and to make the study enrich.

Discussion and Result

Recognition of Microfinance in World

Microfinance was recognized by the developed world when Dr. Mohammad Yunus of Bangladesh was honoured with Nobel Peace prize for the year 2006. Dr. Yunus has pioneering work as setting up of the "Grammeen Bank" in Bangladesh. He has been the source of inspiration for economists and researchers working in the area of micro finance,

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world over. The Bank has women as 94 percent of its patrons, who display a repayment rate of 98 percent. In India, too the story is not different. On the basis of the recent work, by the World Bank which suggests that almost 30 percent of employment in low income countries is generated by the informal sector of the economy. Microfinance, small and medium term enterprises together contributes 63 percent of the GDP.

Microfinance in India

Microfinance has been an accepted idea for now over two decades as a pathway to emerge out of poverty. Microcredit and microfinance are relatively new terms in the field of development, first coming to prominence in the 1970s. But, the 1980s was the turning point in the history of microfinance, due to the MFIs such as Grammeen Bank. It provides small loans and saving services profitably on a large scale. They received no continuing subsidies, were commercially funded, were fully sustainable and they attained wide outreach to clients. It was also at this time that the term “microcredit” came to prominence in development. The difference between microcredit and the subsidized rural credit programmes of the 1950s and 1960s was that microcredit insisted on repayment, on charging interest rates that covered the cost of credit delivery and by focusing on clients who were dependent on the informal unorganised sector for credit.

It was now clear for the first time that microcredit could provide large-scale outreach profitably. The 1990s saw an accelerated growth in the number of microfinance institutions created and an increased emphasis on reaching scale. Dichter (1999) refers to the 1990s “the microfinance decade”. In India too, microfinance took roots around 17 years ago with the linkage-banking programme started by NABARD in 1992. Microfinance had now turned into an industry according to Robinson (2001). Along with the growth in microcredit institutions, attention changed from just the provision of credit to the poor (microcredit), to the provision of other financial services such as savings and pensions (microfinance), when it became clear that the poor had a demand for these other services. There are many microfinance institutions such as Annapurna Microfinance Pvt. Ltd., Asirvad Microfinance Pvt. Ltd., Grameen Financial Services Pvt. Ltd., Suryoday Microfinance Pvt. Ltd., etc working very successfully in India.

The pattern of funds flow, during last decades, to self-help groups and microfinance institutions are two competing institutional arrangements of microfinance delivery in India. This reveals the fact

that the commercial banking system had steadily shifted its patronage to large MFIs from the mid-2000s. Increased access to equity capital helped these MFIs improve their capital adequacy, which, in turn, helped them leverage the domestic debt market. They also resorted to newer ways of raising capital through product structuring and introduction of innovative debt instruments. MFIs thus played a significant role in linking the processes of neo-liberal restructuring and financial sing with the daily lives of local communities. Cashpor Micro Credit (CMC) is an Indian Microfinance Institution (MFI) based in northern India. This organization focuses on improving the position of women below the poverty line in disadvantaged areas, such as Uttar Pradesh and Bihar.

Microfinance in Bihar

Microfinance institutions could contribute in a big way in rural development and empowerment of women in Bihar. Bihar is one of the poorest and third largest (8 percent of the total population of the country) populous states in India. It is 12th largest in terms of geographical coverage (2.8 percent of the total land area). In terms of Human Development Index, Bihar is at the lowest position among all the major Indian States. As per the planning Commission's classification Bihar falls in the Middle Gangetic plains region. Bihar has tremendous potential for growth and development in general and microfinance in particular due to its natural and human resource endowments. Developing strategies for expanding the outreach of financial services for the poor in a developing state like Bihar has been an instructive and enriching exercise. Particularly striking is the wide range of efforts that are already under way by several committed organizations and individuals.

Bihar is one of the most under developed states in terms of outreach and development of banking services. Despite many challenges, Bihar has emerged as a development oriented state in last few years. State of Bihar has been also slow in promoting SHGs as financial intermediaries for a variety of reasons till 2001 with only 9000 SHGs formed in the state. Economic pursuance of people from the poor sections of the society requires amicable system to develop them as sustainable profitable pursuance. They need financial services. Among the states that remain highly underserved. Bihar is among the least evolved microfinance markets. But, in the last few years, the sector has been growing at a brisk pace, particularly supported by initiatives

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of state government, NABARD, Commercial Banks and many emerging local as well as multi state microfinance institutions.

Table-1: Regional skew of Microfinance Penetration in Selected States in India

<i>Sl. No.</i>	<i>Name of State</i>	<i>Microfinance Penetration Index</i>	<i>Microfinance Poverty Penetration Index</i>
1.	Andhara Pradesh	3.03	5.27
2.	Tamil Nadu	2.18	2.66
3.	Kerela	1.29	2.36
4.	Karnataka	2.15	2.27
5.	Pubjab	0.08	0.27
6.	Haryana	0.13	0.26
7.	Bihar	0.3	0.2

Source: Srinivasan, N. (2008): Microfinance in Indian State of the Sector Report.

Within the state, microfinance is promoted at different levels by various institutions. There apex levels agencies like NABARD, the Women Development Corporation (WDC) and Bihar Rural Livelihood Promotion (Jeevika) are promoting SHGs for bank linkage. Other apex agencies, lend to NGO/MF'Is for on-lending, such as Small Industries Development Bank of India (SIDBI) and Rshtriya Mahila Kosh (RMK). Resource agencies provide technical and financial support to the Self Help Promoting Institutions to build capacity of SHGs to help them, in turn to become sustainable in nature. The state government has a vital role to play in the microfinance sector.

Self Help Groups (SHGs)

A self help group is defined as a group constituting of people who have personal experience of a similar issue or life situation, either directly or through their family and friends. This group is generally formed with 10-20 members and in India about 90% of the SHGs are women's groups. In India, a range of microfinance models exists. An important model is self help groups (SHGs). These are larger and much more autonomous than borrower groups in the *Village Model*. SHGs are based primarily on the principle of lending their members saving but they also seek external funding to augment these resources. A number of non-government organizations (NGOs) specialize in

promoting and motivating SHGs with an important distinction between NGOs, which operate as financial intermediaries, and those which confine themselves to social intermediation.

An estimated 400-500 NGOs are engaged in microfinance but total outreach is estimated at fewer than 1.5 million households, very small in relation to the number of poor households in the country. While some NGOs emphasize sustainability, in many cases interest margins are far too low for this to be achieved and the institutions remain heavily dependent on donor assistance. SHG is linked to a commercial bank, regional rural bank or cooperative bank for the credit needs. Before a loan is granted to SHG, it must prove its ability to save, learn book keeping skills, and commit to continue as a cohesive group, holding regular meetings etc., usually 6-12 months observation period is kept to comply with the above conditions. Under the Rajiv Gandhi Mahila Vikas Pariyojana, 25,571 SHG were promoted, of which 14,970 were credit linked, up to the eleventh five year plan. (2007-2012).

Contribution of NIDAN

Regarding microfinance related activities *Nidan* is considered to be pioneer as it was the first organization in Bihar, which initiated various micro finance related activities in the state. In spite of various limitations and hurdles, it took the responsibility to support the society in its social objectives through micro-finance activities. With the time *Nidan* microfinance has evolved as an inclusive business enterprise to ensure easy access to credit services among the poor for their entrepreneurial and social empowerment. Micro-credit has played critical empowering role in the life of the poor - more so among the poor women. *Nidan* promotes the saving habit and makes credit accessible through various Financial Institutions, both Government and Non-Governmental. Through, 4,688 self-help groups, *Nidan* reach out to 58,888 members in 25 blocks of six districts of Bihar for different micro finance and micro credit services.

The mission of *Nidan* to provide a range of quality, affordable financial services in a sustainable manner to the low income families through Self-Help Groups, is meant for their socio-economic empowerment. The *Nidan* microfinance received biggest boost when it got Microfinance fund support from Rashtriya Mahila Kosh (RMK). It also got fund from ICICI bank and HDFC bank of India. *Nidan* microfinance has been known for its quality services and close relationship with the community. *Nidan* has adopted the client focused

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approach by introducing various customized products and services. *Table-1* shows the products details of Nidan microfinance in Bihar. In the near future, it plans to introduce more products and services like remittances, short term loans to cater the seasonal markets (e.g. fruits vegetable growers and jute based production) etc.

Table-2: Products Details of Nidan Microfinance in Bihar

SI. No.	Product Name	Interest rate (Flat)	Installment	Repayment period
1.	Petty Business	15%	Weekly	12-18 months
2.	Agriculture Based	15%	Quarterly	12 months
3.	Animal Husbandry	15%	First after 3 months onwards weekly	18 months
4.	Others	15%	Weekly	12-18 months

Source:www.nidan.in

Contribution of NABARD

NABARD is set up by the Government of India as a development bank with the mandate of facilitating credit flow for promotion and development of agriculture and integrated rural development. The mandate also covers supporting all other allied economic activities in rural areas, promoting sustainable rural development and ushering in prosperity in the rural areas. It is an apex institution handling matters concerning policy, planning and operations in the field of credit for agriculture and for other economic and developmental activities in rural areas. NABARD continued to support the *Rajiv Gandhi Mahila Vikas Pariyojan* (RGMVP), special initiative of the Rajiv Gandhi Charitable Trust (RGCT), for promotion of credit linkage and federating of SHG in selected districts of some state in India.

Contribution of SIDBI

Small Industries Development Bank of India. (SIDBI) is one of such premier financial institution which was set up on 2nd of April, 1990 in response to the long standing demand of the small scale industry sector in India, by an Act of Parliament. SIDBI was initially established as a wholly-owned subsidiary of IDBI to work as the principal financial institution for the promotion, financing and development of SST sector and coordinating the functions of institutions engaged in similar activities. The Bank has been delinked from IDBI in 2000 and recently entrusted the responsibility of serving the whole Micro, Small and

Medium Enterprise (MSME) sector. The recent years have witnessed microfinance emerging as a potent tool of inclusive growth and attainment of Millennium Development Goals.

SIDBI, on its part is committed to contribute towards the national goal of attaining inclusive growth by reaching out to those at the bottom of the pyramid. The Bank has, so far, provided microfinance assistance through more than 150 Micro Finance Institutions (MFIs) partners, thereby benefiting more than 340 lakh advantaged person, mostly women in the rural sector. Mahila Udyam Nidhi Scheme provides equity support to women entrepreneurs for setting up projects in tiny-sector. As a part of its responsible financing initiative, SIDBI has been addressing various issues and concerns of the micro finance sector like transparency in dealing with poor as well women clients, reducing interest rates, improving transaction efficiency, etc through its policy instruments by sensitizing the concerned stakeholders at various forums.

Contribution of Bihar Women Development Corporation

The Women Development Corporation (WDC) works in close conjunction with Dept. of Welfare, Govt. of Bihar and is the nodal agency for implementing women development programmes of the State. WDC endeavours increase the income of poor women through their involvement in income generating activities thereby contributing to poverty alleviation through microfinance. For the economic, social and cultural empowerment of women the Mukhya Mantri Nari Shakti Yojana has been conceived and is being implemented in the year 2007-08. Earlier SHGs have been organized and nurtured for microfinance activities under projects of Swashakti (follow up of the World Bank/IFAD project), Swayamsiddha (working through Community Development Project Offices), Swavalamban, and DEEP (with the Ministry of Social Welfare, Government of Bihar focusing on women from scheduled castes).

WDC acts as the main funding and selection agency of NGOs that implement and facilitate its policies and strategies. WDC also plays a key role in promoting the project concept as well as guiding, coordinating and monitoring the activities of these NGOs. WDC is also in the process of forming SHG federations at block level to maintain the momentum of women empowerment and to undertake financial intermediation. Microfinance in Bihar is witnessing several initiatives and innovations to provide a set of financial services to the clients.

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These initiatives, including some new institutional innovations and products hold promise of easing the spread of microfinance in the state. Several of these involve the use of information and communication technology applications that hold promise of making a significant difference to the way business is done, once some of the teething troubles and cost issues are resolved.

Microfinance is often the only formal provider of finance to people in the low income strata of society, especially in the rural areas. Thus, in order to maintain access to formal sources funding, borrowers are incensitized to repay loans on time. Furthermore, the social pressure under the joint liability group mechanism, motivates borrowers to meet their financial commitments on a timely basis. The MFIs underlying business risk characteristics have also improved gradually since 2010, with stronger underwriting practices. Integration of advanced technology to monitor the performance of collection centers, and stronger borrower discipline in repayments have also contributed to the robust performance of microfinance loans.

Conclusion

We can say that microfinance is not merely extending credit, but extending credit to those who require most for their family's survival. It has both qualitative and quantitative importance for rural women in India. The socio-economic status of women members of Self Help Groups are gradually improving. The women's groups working at the grassroots level are small and scattered and have diverse ways of empowering women. Women's movement and groups have to recognize the importance of women as a constituency and ensure their participation and representation in policy formulation. The movement should also provide a support system for women who enter political processes to win elections.

The evolution of microfinance in India is a powerful tool for poverty alleviation and women empowerment. It is very important for the sustainable development of the rural and poor women of India. The MFIs are set to maintain buoyant growth over the medium term, with the large MFIs outpacing the smaller ones in growth. MFIs will also enhance their geographical diversity by venturing into new, under-penetrated regions. It is important to create unity in diversity between women's group, organizations, Self Help Groups and individuals

involved with women's empowerment. The role played by the Micro finance institutions in collaboration with government, non government organizations, social organizations etc. in poverty alleviation, employment generation, improvement of health and nutritional status and improving the status of poor rural women are very commendable.

Women's groups should be provided necessary moral and advisory support, exchange of ideas and experiences. They must be provided expertise on electoral laws and politics and evolve issues and strategies for women candidates to increase their chances of winning the elections. In the light of above discussion, we conclude that there is strong correlation between microfinance and women's empowerment. It is expected that given the strengths of the wide range of organizations involved, a common purpose will be achieved that will lead to increase incomes and livelihood opportunities for the poor and vulnerable women population of India in general and Bihar in particular. If this goal is achieved and half of the population in India consisting of women is made productive, undoubtedly, India would emerge as a major global power in days to come as its GDP, National and per capital income all would increase tremendously. Moreover this will foster the national objective of social inclusiveness, social restructuring and will also strengthen in-depth the Indian economy and society.

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India China and U.S.: Rebalancing in Asia

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China and India are world's fastest growing economies accounting for one-third of the humanity. They are natural competitors in the Asian security architecture. What makes the region of Asia Pacific very important is the rise of China challenging the unipolarity of America, and the rebalancing strategy of U.S. as a statuesque power to maintain its primacy. India's role becomes very crucial, being the world's largest democracy for U.S. to contain China. On the other hand India needs American support too to enhance its national power and play a substantial role on various global and regional issues. China with its world class maritime and infrastructure facilities has built ports such as in Sri Lanka, Morocco as well as Maldives which is referred to as the 'string of pearls strategy' to maximize its influence in the Indo-Pacific region linking land and maritime frontiers stretching across Southern Asia, South West Asia, Persian Gulf and Africa.

China's growing military and economic strength and aggressive strategic culture has made India vulnerable in spite of India's own fast economic growth. U.S. has strategic interests to maintain balance of power in Asia and checking China's growing strength. Both U.S. and India need to engage China on major geopolitical issues. (Ellings, 2005)

According to Jasjit Singh (1999), the rise of Asia centered century with the rise of fast growing economies with China as the top economic and military power is an important reason for US administrations focus towards Asia. The 'Axis of Evil' (Iraq, North Korea and Iran) is also situated in Asia. Asia with its Oceans has a large reserve of hydrocarbons. All these factors have contributed to US interests in Asia.

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October-December, 2016

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India , China and Pakistan

Many experts feel that the 21st century will be the Asian century. The father of realism Hans Morgenthau has long ago envisioned the rise of China as the indomitable power that will change American primacy in his 1968 piece titled, 'The Far East'.

In *Politics among Nations*, published in 1924, Morgenthau defined international politics as the 'struggle for power' and 'power politics'. He identified elements of national power as geography, natural resources, industrial capacity, military preparedness, population, national character, national morale, diplomacy and the quality of government. It is in Asia, he explained, 'that nations with space, natural resource, and great masses of men are just beginning to use political power, modern technology, and modern ideas for their ends. The awakening masses of Asia, wrote, 'will sooner or later come in to full possession of those instrument of modern technology, especially in the nuclear field, which until recently have been a virtual monopoly of the west.' He also said that China, which the US will have to contain in the future, will be 'the most powerful nation on earth'. (Sempa, 2015)

China indeed is driven by great power aspirations with its aggressive military posture, expansive policy and a huge industrial setup backed by strong economy. In the words of Mao Zedong, the founder of Communist China, 'Power grows out of the barrel of the gun'. China has a GDP of U.S.\$7.3 trillion and defence expenditure of 650 billion yuan in 2012. (Parmita, 2016)

Under the leadership of Xi Jinping, China is busy in 'aggressive brinkmanship' in the South China Sea. Again Chinese forces have made deep incursions in the Indian Territory on India northern frontier bordering Tibet.

India's defeat in the 1962 war with China is a constant reminder of China's betrayal. China on the other hand gradually came closer to Pakistan as is now an all weather friend since then.

China's military budget is as much as four times that of India. Not only China's military superior to India quantitatively but also qualitatively. In economic terms also China's \$10 trillions economy has surpassed India long ago.

China claims the whole of Arunachal Pradesh as, 'Southern Tibet'. Tibet was a buffer state between China and India before China launched a military offensive to occupy Tibet in 1950. As Kapila writes, 'China's propensity to use military force to resolve disputed borders has been

the noticeable characteristic of the Communist Chinese regime, ever since its emergence in 1949 and it so persists in the 21st century, as presently manifesting in its South China disputes with Vietnam and the Philippines'. Incidentally China-India confrontation is not confined to Tibet but has also taken the form of a maritime rivalry in the Indian Ocean and the South China Sea. (Kapila, 2015)

India and China have special interests in the waters of Indo-Pacific in securing transit routes, spheres of political influence and points of military vulnerability. Each is trying to expand and modernize its naval power. (Markey,2015). In the words of Subhash Kapila, 'the fact that President Xi Jinping has combined the military forces and assets of the earlier two military regions in to a single integrated Western theatre Battle Command indicates that China's main thrusts in the 21st century is to tie down India with such a pronounced China threat, the Indian military threat to China's concubinage military client Pakistan is that much diluted.'(Kapila, 2016)

China- Pakistan relations in context to India could be summarized in few points:-

- Pakistan's strategic location plays a strategic role for China economically and militarily. A practical example of this is the CPEC (China Pakistan Economic Corridor) The CPEC corridor is all but a manifestation of China's grand strategy towards strategic encirclement of India. It fulfills the larger objective of China's proposed 21st century 'One belt one road' policy. India has already protested against this as it runs through the Pok region. This ambitious project will upgrade major infrastructure links within Pakistan and connect China's Xinjiang with Gwador port in Pakistan.
- While China has emerged as an economic powerhouse it has not yet gained the status of a superpower yet. India's rise as a fast growing economy and military power poses a challenge to China's hegemony in Asia. Alliance with Pakistan which has hostile relations with India does serve China's interest in weakening India.
- China-Pakistan axis has always posed the danger of a Two-Front war against India. Pakistan gets full backing of China on Kashmir issue and tries to corner India to claim it's right on whole of Kashmir.
- After the Uri attacks masterminded by Pakistan which killed 18 Indian BSF jawans, India got sympathy of many Western countries and Russia too. The surgical strike by the Indian army

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later was also supported by many countries notably, Germany, U.S., Russia, EU, Afghanistan, Bhutan and Bangladesh. However China has cautiously asked for restraint on both sides yet at the same time showing support to Pakistan. The Indian government in the aftermath of the Uri attack amongst the many options of retaliatory measure had planned for blocking the waters of Jhelum, Chenab and Beas river to Pakistan albeit, the plan was postponed for the time being. But in its bid to show full support to Pakistan China blocked the water of one of the tributary of Brahmaputra and block water to India and Bangladesh.

- Most importantly China has used its veto powers to block NSG bid in the UNSC (United Nations Security Council). Notably before the arrival of China's Premiere Xi Jinping, for the eighth BRICS summit at Goa, Chinese MEA officially clarified that China would continue to block India's NSG(Nuclear Security Group) bid and continue to block India's effort to ban Pak based militant MasoodAzhar who heads the Jaish-e-Mohammad. Regrettably at the final BRICS declaration, while there was unanimity in fighting terrorism, China successfully prevented any mention of Pak based terrorist groups that was a success of its Pak diplomacy. (Jacob,2016)

The only prudent choice for India is to forge alliances with other likeminded countries like U.S. and Japan and possibly Australia. Russia 'and old friend of India' as quoted by PM Modi in the 2016 BRICS summit in Goa, is also coming closer to China driven by realpolitik, to fend off American intervention in Asia. Russia has many differences with U.S. regarding Russia's annexation of Crimea and war in Syria where these two Cold war foes are at loggerheads, supporting opposing warring sides and blaming each other for the civilian killings and derailing the peace process. Russia has supported China on the South China Sea stance on the South China Sea court dispute and opposed any third party interference. (sputniknews.com)This could be a warning signal for India as both these two countries; Russia and China are the two influential powers in Asia.

It has also signaled India about showing interest in friendship with Pakistan by conducting first ever military exercise with Pakistan despite of Indian government's protests. (Singh,2016)

Russia has not only signed 16 defence agreements with India in the 2016 BRICS summit, has also condemned the Uri attack on the Indian army conclave in strong words in the recently concluded Uri summit(Phukan,2016)

Coming to India-U.S. relations we must first understand the importance of Sino-U.S. rivalry in making the Indo-U.S. relationship more progressive. The Sino-Indian tension and the role of US has been aptly summarized by Twining, 2015 of the Jewish Policy Center, 'India-China rivalry is generated by some of the same dynamics as those fueling the growing strategic competition between Washington and Beijing,' He further explains, 'China's military pressure on America's forward-deployed posture in East Asia, its attempts to drive wedges between the United States and its allies, and its assertive attempts to whittle away at freedom of navigation and over flight in the East and South China Sea are for the United States, the mirror images of China's military pressure on India's northern border, its military and political penetration of India's neighbours, and its naval activity all along the maritime periphery, from Gwador in Pakistan to Hambantota in Sri Lanka to Chittagong in Bangladesh'.(Twining,2015)

Indo-US relations suffered long years of estrangement as India chose not to join any power block and remained nonaligned while tilting towards Soviet Union at the same time. It was in later Clinton years that this relationship was rekindled with the visit of President Clinton.

The visit of President Bill Clinton in 2000 and the subsequent visit of Prime Minister Vajpayee to US brought a much needed breakthrough in this relationship with both sides calling for a 'create a closer and qualitatively new relationship between the United States and India'. During this visit Indo-US Science and Technology forum was established. What remained a bone of contention between these two countries was India's refusal to sign the CTBT.

The Bush administration which came in 2001 provided greater scope for constructive dialogue and engagement between these two countries. Emphasis on Interoperability which meant greater Indo-US joint exercises and strategic consultations was the key area of cooperation. Since 2001 Indo-US joint exercises have been regularly held (Paranjpe, 2013). The Bush administration's ambassador to India, Robert Blackwill said that the war on terrorism has 'transformed' U.S. India relations. (Kux, 2002) United States lifted the sanctions on India.

What could be seen as a breakthrough in this partnership was the enactment of the "Next Steps in Strategic Partnership 2004 agreement" in areas: civilian nuclear activities, space programmes and high technology – trade in addition to missile defence.

The relationship got a major boost during the Bush Junior presidency which redefined this new relationship through the Indo-US strategic

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partnership. Post 9/11, Pakistan's status of a major non NATO by the US was a setback to India; nonetheless India became a major partnership of US in counter terrorism initiatives like the CSI (Container Security Initiative)¹(Footnotes)

The landmark Indo-US atomic deal added yet another glorious chapter in this bilateral relationship which strengthened defence, technological and economic relationship. This nuclear partnership provides India a greater voice in international affairs and access to dual use technology. (Tiwari,2011)

From 2008 President Obama's tenure further enriched this relationship and wholeheartedly embraced India as an important ally. On March 27, 2008, five former US Secretaries of State- Henry Kissinger, James Baker, Warren Christopher, Madeleine Albright and Colin Powell took part in a round table discussion entitled, 'Bipartisan Advice to the Next administration.' On being asked: 'What should a new administration do in dealing with India?' Secretary Kissinger responded: 'The relationship with India is one of the very positive things that is happening. We can cooperate with them both on ideological grounds and on strategic grounds. It's one of the positive legacies that the new administration will inherit.'(Inderfurth, 2008)

Further, Indian PM Modi's visit to US in September 2014 and in September 2015 and also Obama's visit to India as a R -day chief guest on January 26,2015, all added to this blossoming relationship. India and US are now major strategic partner with the 10 year defence agreement. Also what solidified this relationship was the signing of the LEMOA agreement. The signing of the 10 year defence pact (Garamone, 2016) and signing of the LEMOA(Logistics Exchange Memorandum of Agreement) agreement has solidified this partnership. LEMOA agreement facilitates the provision of logistics support, supplies and services including sharing of military bases between the US and Indian militaries. US has supported India's NSG membership and rebuked Pakistan on spreading cross border terrorism. All these factors have brought optimism in Indo-US relationship under the leadership of PM Modi and President Obama.

There is a mutual understanding between India and US on important world issues but the two countries need to develop more mutual trust so much so that each stands naturally for the other on common issues. The term 'partner' should have more operational content with appropriate bureaucratic setup to sustain this strategic partnership. (Tharoor, 2012) According to Ellings(2005), the changes in the distribution of power in world affairs have transformed the Asian

security architecture. India and China have remained natural competitors. China's growing military and economic strength and aggressive strategic culture has made India vulnerable in spite of India's own fast economic growth. US has strategic interests to maintain balance of power in Asia and checking China's growing strength. Both US and India need to engage China on major geopolitical issues. Also US and India have common interests in issues like globalization and energy security. India has border problems with China on the one hand and on the other hand, China is supporting Pakistan's military adventurism against India economically, militarily and strategically. China's claims its historical territorial powers and intends to establish the old Silk Road linking east to west. Russia and China are also coming closer for 'oil Diplomacy' and also to put off US intervention in Asia.

China's defence budget is soaring and other nations are competing to balance of power in Asia like Australia, Japan, Vietnam and Philippines. U.S. should help India to contain China.

It is in U.S. interest that there be a strong India that is prosperous and contributing to a stable Asia and Indian ocean where China is building structures which are destructive of the interests of the region and violate international law. (Singh, 2016) Under Prime Minister Modi, US and China embarked on a long lasting and stable strategic partnership. India has no other option other than balancing China both externally by building strong partnership with U.S. and other likeminded countries and, internally by building its own military strength. Its foreign policy has to be redirected tactfully as to maximize benefits by developing strong partnership with Australia, Japan and especially U.S. If the U.S. does not show interests in the region this would lead to rise of Asia centric Asia which is detrimental to India. Henceforth India should welcome US engagement in the Asia-Pacific region while at the same time not directly offend China by being a part of US-China rivalry as it can harm its border tensions too.

Conclusion

1. While Chinese leaders keep enchanting the mantra of rising peacefully, it is obvious that China has a policy of rising aggressively that may be by military coercive techniques like building of artificial islands on South China Sea or the 'One Belt One Road Initiative.
2. India has many differences with China starting from its claim over the whole of Arunachal, annexation of Tibet, China-Pakistan nexus and Beijing's interference in South Asia and the Indian Ocean.

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3. Beijing also has deep distrust of India because of border disputes and India's rise as a democratic prosperous competitor that can challenge China's dream of playing leadership role in Asia by joining alliance led by U.S. and Japan to contain China.
4. U.S. does not want any single power to dominate Asia Pacific for strategic sea lines of communication passes through Indian Ocean and South China Sea is an important trade route and rich in oil, natural gas, fishing and mineral resources. Beijing's assertive strategy to project its naval and military power worries its small neighbors as well as big powers in this region.
5. In addition to strengthening ties with Australia, Japan, the Republic of Korea, the Philippines and Thailand, U.S. needs a strong and prosperous India to check China. The U.S. India joint Strategic Vision that the President announced with the Indian PM on January 2015, called for expanding and deepening engagement with India to rebalance in the Asia Pacific and the Indian Ocean region. (Factsheet Whitehouse)

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Role of Tourism in Economic Development of India: A Case Study of Bihar

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Abstract

There are various definitions of tourism. Theobald (1994) suggested that etymologically, the word “tour” is derived from the Latin '*tornare*' and the Greek '*tornos*' meaning '*a lathe or circle; the movement around a central point or axis.*' This meaning changed in modern English to represent 'one's turn.' The suffix -ism is defined as 'an action or process; typical behavior or quality' whereas the suffix -ist denotes one that performs a given action. When the word tour and the suffixes -ism and -ist are combined, they suggest the action of movement around a circle. One can argue that a circle represents a starting point, which ultimately returns back to its beginning. Therefore, like a circle, a tour represents a journey that is a round trip, i.e., the act of leaving and then returning to the original starting point, and therefore, one who takes such a journey can be called a tourist. This article is an endeavour to establish linkages between growth of tourism and its impact on the economic development of a region.

Introduction

Over the decades, tourism has experienced continued growth and deepening as well as diversified to become one of the fastest growing economic sectors in the world. Tourism has become a thriving global

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industry with the power to shape developing countries in both positive and negative ways. No doubt it has become the fourth largest industry in the world.

Similarly, in developing countries like India tourism has become one of the major sectors of the economy, contributing to a large proportion of the National Income and generating huge employment opportunities. It has become the fastest growing service industry in the country with great potentials for its further expansion and diversification. However, there are pros and cons involved with the development of tourism industry in the country. Let us discuss the development as well as the negative and positive impacts of tourism industry in India.

Present Situation and Features of Tourism in India

Today tourism is the largest service industry in India, with a contribution of 6.23% to the national GDP and providing 8.78% of the total employment. India witnesses more than 5 million annual foreign tourist arrivals and 562 million domestic tourism visits. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate. The Ministry of Tourism is the nodal agency for the development and promotion of tourism in India and maintains the “*Incredible India*” campaign.

According to World Travel and Tourism Council, India will be a tourism hotspot from 2009-2018, having the highest 10-year growth potential. As per the Travel and Tourism Competitiveness Report 2009 by the World Economic Forum, India is ranked 11th in the Asia Pacific region and 62nd overall, moving up three places on the list of the world’s attractive destinations. It is ranked the 14th best tourist destination for its natural resources and 24th for its cultural resources, with many *World Heritage Sites*, both natural and cultural, rich fauna, and strong creative industries in the country. India also bagged 37th rank for its air transport network. The India travel and tourism industry ranked 5th in the long-term (10-year) growth and is expected to be the second largest employer in the world by 2019. The 2010 Commonwealth Games in Delhi are expected to significantly boost tourism in India further.

India has been ranked the “best country brand for value-for-money” in the Country Brand Index (CBI) survey conducted by *Future Brand*, a leading global brand consultancy. India also claimed the second place

in CBI's "best country brand for history", as well as appears among the top 5 in the best country brand for authenticity and art & culture, and the fourth best new country for business. India made it to the list of "rising stars" or the countries that are likely to become major tourist destinations in the next five years, led by the United Arab Emirates, China, and Vietnam.

Tourist Attractions in India: India is a country known for its lavish treatment to all visitors, no matter where they come from. Its visitor-friendly traditions, varied life styles and cultural heritage and colourful fairs and festivals held abiding attractions for the tourists. The other attractions include beautiful beaches, forests and wild life and landscapes for eco-tourism; snow, river and mountain peaks for adventure tourism; technological parks and science museums for science tourism; centres of pilgrimage for spiritual tourism; heritage, trains and hotels for heritage tourism. Yoga, ayurveda and natural health resorts and hill stations also attract tourists.

The Indian handicrafts particularly, jewellery, carpets, leather goods, ivory and brass work are the main shopping items of foreign tourists. It is estimated through survey that nearly forty per cent of the tourist expenditure on shopping is spent on such items.

Despite the economic slowdown, *medical tourism* in India is the fastest growing segment of tourism industry, according to the market research report "Booming Medical Tourism in India"

The *Travel & Tourism Competitiveness Report 2015* ranks India 52nd out of 141 countries overall. The report ranks the price competitiveness of India's tourism sector 8th out of 141 countries. It mentions that India has quite good air transport (ranked 35th), particularly given the country's stage of development, and reasonable ground transport infrastructure (ranked 50th). The country also scores high on natural and cultural resources (ranked 12th). Some other aspects of its tourism infrastructure remain somewhat underdeveloped however. The nation has very few hotel rooms per capita by international comparison and low ATM penetration. The World Tourism Organization reported that India's receipts from tourism during 2012 ranked 16th in the world, and 7th among Asian and Pacific countries.

India is combination of different states and territories. All these states are having there own tradition , laungage , culture , cusine , art and craft etc. To day we will see how much Bihar has contributed its role in the growth of economic for its country.

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Bihar is one of the oldest inhabited places in the world with history of over 3000 years. The rich culture and heritage of Bihar is evident from the innumerable ancient monuments that are dotted all over this state in eastern India. This is the place of Aryabhata, Great Ashoka, Chanakya, Mahavira, Guru Gobind Singh, Chandragupta Maurya, Vâtsyâyana, Sher Shah Suri and many other great historical figures.

Tourism in India is economically important and is growing rapidly. The World Travel & Tourism Council calculated that tourism generated 8.31 lakh crore (US\$120 billion) or 6.3% of the nation's GDP in 2015 and supported 37.315 million jobs, 8.7% of its total employment. The sector is predicted to grow at an average annual rate of 7.5% to 18.36 lakh crore (US\$270 billion) by 2025 (7.2% of GDP). In October 2015, India's medical tourism sector was estimated to be worth US\$3 billion. It is projected to grow to \$7–8 billion by 2020.^[2] In 2014, 184,298 foreign patients traveled to India to seek medical treatment.

About 8.02 million foreign tourists arrived in India in 2015 recording a growth rate of 4.4%, compared to 7.68 million in 2014 with a growth rate of 10.2% over 2013. Domestic tourist visits to all states and Union Territories numbered 1,036.35 million in 2012, an increase of 16.5% from 2011. In 2014, Tamil Nadu, Maharashtra and Uttar Pradesh were the most popular states for tourists.^[6] Chennai, Delhi, Mumbai and Agra have been the four most visited cities of India by foreign tourists during the year 2011. Worldwide, Chennai is ranked 38 by the number of foreign tourists, while Mumbai is ranked at 50, Delhi at 52 and Agra at 66 and Kolkata at 99.

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On an average, 20 million domestic tourists and 1 million foreign tourists visits Bihar annually.

Foreign and Domestic Tourist Visits in Different States:

*Share of top 10 states/UTs of India in number of
foreign tourist visits in 2014*

<i>Rank</i>	<i>State/Union Territory</i>	<i>Number</i>	<i>Share in %</i>
1	Tamil Nadu	4,657,630	20.6
2	Maharashtra	4,389,098	19.4
3	Uttar Pradesh	2,909,735	12.9
4	Delhi	2,319,046	10.3
5	Rajasthan	1,525,574	6.8
6	West Bengal	1,375,740	6.1
7	Kerala	923,366	4.1
8	Bihar	829,508	3.7
9	Karnataka	561,870	2.5
10	Haryana	547,367	2.4
Total of top 10 states		20,038,934	88.8
Others		2,528,716	11.2
Total		22,567,650	100

Rich in its historical traditions and ancient splendor, the culturally rich Bihar has derived its name from “Vihar”. It was called the land of “Viharas” for its having a good number of recreational sites where people enjoyed activities in serene surroundings by the side of ponds and lakes. Endowed with a rich cultural and religious heritage, Bihar was a seat of power of the vast and powerful Magadh Empire, whose might had checked further onslaught of Alexander the Great. Bihar was cradle of civilization and nerve centre of religious activities of Hindu, Boudh, Jain, Sikh and Islam.

It has seen rise and fall of prosperous empires. This is a land of ancient universities of Nalanda and Vikramshila, the seat of higher learning, which spread knowledge far and wide through its students coming from different countries of the world.

In this backdrop, Bihar has much to offer and showcase for promotion and development of tourism. The remnants of the two ancient universities, Nalanda and Vikramshila, the antiques and artifacts forming a treasure trove of Bihar’s ancient heritage are already attracting tourists.

Bihar promises development of tourism to its optimum level. It has the sacred Ganga river as its lifeline and a huge water mass in form of

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many rivers and rivulets in North Bihar, the Gandak, Kosi and many more and the vitally important Son river which forms the lifeline in South Bihar. Bihar is surrounded by West Bengal in the East, Jharkhand in the South, Uttar Pradesh in the West and it has the international boundary in the North with Nepal.

Bihar was a seat of power of the magnificent Magadh Empire from 6th and 5th century BC when its great ruler, Ajatshatru, reined from its capital at Rajgriha (modern Rajgir). Later, in the Fourth century BC the Mauryan ruler and great warrior Emperor Ashoka wielded a vastly extended Magadh empire from its capital Pataliputra, the modern Patna. Ashoka turned to Buddhism and had woven well the unity and peace in a sublime thread of love, piety, harmony and sacrifice. Ashoka's edicts and pillars across Bihar and other parts of the country are the living examples of Bihar's rich cultural traditions and credentials attracting tourists including scores of Buddhists from across the world.

The great Gupta Empire of Magadh kingdom reined by the Gupta rulers from ancient Pataliputra had enriched art and culture heritage of the country in the 4th and 5th Century AD. The Pal rulers ruled here till 1197 AD. Bihar also mattered in the reins of the Muslim rulers from 12th to 17th centuries. A soil rich with cerebral power of fearless Biharis had much to offer in freedom struggle against British colonial rule. It even figured in the world politics of struggle against colonial powers when Mahatma Gandhi on his return from South Africa experimented Satyagrah first time in Champaran, which is famous as the karmabhoomi of Bapu against the exploitative Neel (Indigo) farmers of British origin. It has also the Ashoka's installed pillar with Lion capital that has braved more than two millennia raising its head in all its splendors.

With its rich heritage of antiques, artifacts, historical facts and figures going into its favour, Bihar is a blend of beautiful and bountiful nature, natural resources, the vital sparkling pure water, important archaeological finds, and rich culture. It has been attracting domestic and foreign tourists from the ancient times. The Travelogues of the Chinese travelers Huen Tsang and Fa-Hien describe historical splendor of Bihar which offers much to tourists irrespective of their age and class.

Herein, lies the history of the young prince of Nepal, Siddharth, transforming into Lord Buddha by getting enlightenment through sheer penance at Bodh Gaya under the sacred Bodhi tree which is attracting

the Buddhists tourists for ages from across the world. Bihar has 22 Nirvan Sthals of 24 Jain Tirthankars attracting the people following the Jain religion. Development of these tourist's sites has been undertaken on a large scale to promote religious tourism.

Tourism has established itself as 'smokeless' industry in the world and its role in the socio-economic development of a country is well established. Bihar government has also given tourism the status of industry and development works in this pursuit have been undertaken.

After division of Bihar many tourist destinations went geographically into the fold of Jharkhand state. Now Bihar needs to develop afresh its remaining tourists destinations. Its new distinct Tourism Policy needs to be planned in a manner so as to promote tourism industry as a vital part of the vibrant economic activities of the state. Here the role of Bihar State Tourism Development Corporation (BSTDC) is note worthy.

- Bihar State Tourism Development Corporation plays an important role in development of tourism. It is currently involved in providing accommodation, transportation, food as well as package tours. It has the facility of online bookings for package tours and travels, which needs to be further augmented.
- Bihar State Tourism Development Corporation, monitored by its parent tourism department, would act as the nodal executing agency of the state government in promotion and development of tourism in the state.
- The private-public partnership for tourism infrastructure development would be managed by the tourism department.

We can safely make an observation here that the role of BSTDC is applaudable in development of tourism in Bihar. However, there is a wide scope of improvement. The state of Bihar has tremendous potentiality in tourism but apart from the reorientation of tourism policy of the state other measures like creation of tourism infrastructure like roads, electricity, water, sanitation etc at the tourist places ; better hotels and accommodation facilities; better security of tourists; better and reliable transport facilities and a tourism friendly environment all needs to be developed systematically. Here the state government needs to promote the private sector as it lacks capital to develop such facilities on a large scale. If these measures are executed and implimented in a coherent way then undoubtedly flow of tourists would increase which will bring in the capital inflow along with it and this would not only boost the development of tourist destinations but the economy of the whole state.

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Stock Exchange Board of India: A Cross Analysis of Journey from Past to Present

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Introduction

Stock Exchange Board of India (SEBI) is the apex institution for safeguarding the interest of investors in the financial markets. In order to root out unfair motives and make the market a safer place for investors, the SEBI has set some norms and guidelines to check 'conflict of interests' in stock markets. Conflict of interest arises where market participants, particularly those claiming to be *independent* financial advisors stand on both sides of the transaction. On one side they may be acting for a company or its promoter while on the other, they have the authority and standing to recommend stocks of that very company to their clients. What follows is a situation where they must necessarily cheat one of the two parties. Often it is the smaller client i.e. the investor who pays the price.

The Securities and Exchange Board of India (SEBI) is the regulator for the securities market in India. It was established in the year 1992 and given statutory powers on 12 April 1992 through the SEBI Act, 1992. Initially SEBI was a non statutory body without any statutory power. However, in 1995, the SEBI was given additional statutory power by the Government of India through an amendment to the

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Securities and Exchange Board of India Act, 1992. In April 1988 the SEBI was constituted as the regulator of capital markets in India under a resolution of the Government of India.

SEBI was set up with the main purpose of keeping a check on malpractices and protect the interest of investors. SEBI promotes orderly and healthy development in the stock market but initially SEBI was not able to exercise complete control over the stock market transactions. It was set up to meet the needs of three groups.

1. Issuers: For issuers it provides a market place in which they can raise finance fairly and easily.
2. Investors: For investors it provides protection and supply of accurate and correct information.
3. Intermediaries: For intermediaries it provides a competitive professional market.

Organization Structure

The SEBI is managed by its members, which consists of following:

1. The chairman who is nominated by Union Government of India.
2. Two members, i.e., Officers from Union Finance Ministry.
3. One member from the Reserve Bank of India.
4. The remaining five members are nominated by Union Government of India, out of them at least three shall be whole-time members.

Functions of SEBI

The SEBI performs functions to meet its objectives. To meet three objectives SEBI has three important functions. These are:

- i. Protective functions
- ii. Developmental functions
- iii. Regulatory functions.

1. Protective Functions:

These functions are performed by SEBI to protect the interest of investor and provide safety of investment.

As protective functions SEBI performs following functions:

- (i) *It Checks Price Rigging:* Price rigging refers to manipulating the prices of securities with the main objective of inflating or depressing the market price of securities. SEBI prohibits such practice because this can defraud and cheat the investors.

- (ii) *It Prohibits Insider trading:* Insider is any person connected with the company such as directors, promoters etc. These insiders have sensitive information which affects the prices of the securities. This information is not available to people at large but the insiders get this privileged information by working inside the company and if they use this information to make profit, then it is known as insider trading, e.g., the directors of a company may know that company will issue Bonus shares to its shareholders at the end of year and they purchase shares from market to make profit with bonus issue. This is known as insider trading. SEBI keeps a strict check when insiders are buying securities of the company and takes strict action on insider trading.
- (iii) *SEBI prohibits fraudulent and Unfair Trade Practices:* SEBI does not allow the companies to make misleading statements which are likely to induce the sale or purchase of securities by any other person.
- (iv) SEBI undertakes steps to educate investors so that they are able to evaluate the securities of various companies and select the most profitable securities.
- (v) SEBI promotes fair practices and code of conduct in security market by taking following steps:
 - (a) SEBI has issued guidelines to protect the interest of debenture-holders wherein companies cannot change terms in midterm.
 - (b) SEBI is empowered to investigate cases of insider trading and has provisions for stiff fine and imprisonment.
 - (c) SEBI has stopped the practice of making preferential allotment of shares unrelated to market prices.

2. Developmental Functions

These functions are performed by the SEBI to promote and develop activities in stock exchange and increase the business in stock exchange. Under developmental categories following functions are performed by SEBI:

SEBI promotes training of intermediaries of the securities market.

- (i) SEBI tries to promote activities of stock exchange by adopting flexible and adoptable approach in following way:

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- (a) SEBI has permitted internet trading through registered stock brokers.
- (b) SEBI has made underwriting optional to reduce the cost of issue.
- (c) Even initial public offer of primary market is permitted through stock exchange.

3. Regulatory Functions

These functions are performed by SEBI to regulate the business in stock exchange. To regulate the activities of stock exchange following functions are performed:

- (i) SEBI has framed rules and regulations and a code of conduct to regulate the intermediaries such as merchant bankers, brokers, underwriters, etc.
- (ii) These intermediaries have been brought under the regulatory purview and private placement has been made more restrictive.
- (iii) SEBI registers and regulates the working of stock brokers, sub-brokers, share transfer agents, trustees, merchant bankers and all those who are associated with stock exchange in any manner.
- (iv) SEBI registers and regulates the working of mutual funds etc.
- (v) SEBI regulates takeover of the companies.
- (vi) SEBI conducts inquiries and audit of stock exchanges:

Powers

For the discharge of its functions efficiently, SEBI has been vested with the following powers:

1. to approve by-laws of stock exchanges.
2. to require the stock exchange to amend their by-laws.
3. inspect the books of accounts and call for periodical returns from recognized stock exchanges.
4. inspect the books of accounts of financial intermediaries.
5. compel certain companies to list their shares in one or more stock exchanges.
6. registration brokers.

SEBI Committees

1. SEBI Committee on Disclosures and Accounting Standards
2. Advisory Committee for SEBI Investor Protection and Education Fund (IPEF)

3. Secondary Market Advisory Committee (SMAC)
4. Alternative Investment Policy Advisory Committee
5. Takeover Regulations Advisory Committee
6. Primary Market Advisory Committee (PMAC)
7. Mutual Fund Advisory Committee
8. Corporate Bonds & Securitization Advisory Committee

Recent Recommendation

Terms of reference of the SEBI Committee on Disclosures and Accounting Standards

1. To advise SEBI on issues related to the disclosure requirements in the Offer Documents/Application Forms/Advertisements and in any other mode of mass communication used by the issuer for protecting the interests of the investors improving the overall efficiency of the market.
2. To advise SEBI on issues related to the continuous disclosure requirements pertaining to listing of equity or debt of an issuer.
3. To advise SEBI on matters related to disclosure requirements of the intermediaries registered with SEBI.
4. To review of continuous disclosure requirements of listed companies and for disclosures, valuation methods and standard norms for Intermediaries operating in the Capital Market.
5. To advise SEBI on issues for addressing the operational and systemic risks, if any

Advisory Committee for SEBI Investor Protection and Education Fund (IPEF)

To recommend investor education and protection activities that may be undertaken directly by the Board, or through any other agency, for utilization of the SEBI Investor Protection and Education Fund for the purposes stated in the SEBI (Investor Protection and Education Fund)

Terms of Reference of the Alternative Investment Policy Advisory Committee

1. To advise SEBI on issues related to the further development of the alternative investment and startup ecosystem in India
2. To advise SEBI on any hurdles that might hinder the development of the alternative investment industry under its purview.

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3. To advise SEBI on any issues which need to be taken up with other regulators for development of the alternative investment industry.
4. Any other item relevant to alternative investment industry and development of the startup ecosystem in

Terms of Reference, Secondary Market Advisory Committee (SMAC)

1. To review the developments in Secondary market;
2. To recommend measures for changes and improvements in market structure in view of the impending changes;
3. To recommend measures for improving market safety, efficiency, transparency and integrity;
4. To suggest measures for reducing transaction costs;
5. To recommend changes if required in the risk management / margin system;
6. To recommend changes if required in the regulatory framework in secondary market;
7. To take note of any new development which may have taken place in the secondary market between two consecutive meetings of the Committee and suggest measures;
8. To review the investor protection measures in the stock exchanges and suggest improvements;
9. Any other matter that Committee considers relevant or incidental thereto

Major Achievements

SEBI has enjoyed success as a regulator by pushing systematic reforms aggressively and successively. SEBI is credited for quick movement towards making the markets electronic and paperless by introducing T+5 rolling cycle from July 2001 and T+3 in April 2002 and further to T+2 in April 2003. The rolling cycle of T+2^[8] means, Settlement is done in 2 days after Trade date. SEBI has been active in setting up the regulations as required under law. SEBI did away with physical certificates that were prone to postal delays, theft and forgery, apart from making the settlement process slow and cumbersome by passing Depositories Act, 1996.^[10]

SEBI has also been instrumental in taking quick and effective steps in light of the global meltdown and the Satyam fiasco. In October 2011, it increased the extent and quantity of disclosures to be made by Indian corporate promoters.^[11] In light of the global meltdown, it liberalised

the takeover code to facilitate investments by removing regulatory structures. In one such move, SEBI has increased the application limit for retail investors to Rs 2 lakh, from Rs 1 lakh at present.

Controversies

Supreme Court of India heard a Public Interest Litigation (PIL) filed by India Rejuvenation Initiative that had challenged the procedure for key appointments adopted by Govt of India. The petition alleged that, “The constitution of the search-cum-selection committee for recommending the name of chairman and every whole-time members of SEBI for appointment has been altered, which directly impacted its balance and could compromise the role of the SEBI as a watchdog.” On 21 November 2011, the court allowed petitioners to withdraw the petition and file a fresh petition pointing out constitutional issues regarding appointments of regulators and their independence. The Chief Justice of India refused the finance ministry’s request to dismiss the PIL and said that the court was well aware of what was going on in SEBI.^{[13][15]} Hearing a similar petition filed by Bengaluru-based advocate Anil Kumar Agarwal, a two judge Supreme Court bench of Justice SS Nijjar and Justice HL Gokhale issued a notice to the Govt of India, SEBI chief UK Sinha and Omita Paul, Secretary to the [President of India.

Further, it came into light that Dr KM Abraham (the then whole time member of SEBI Board) had written to the Prime Minister about malaise in SEBI. He said, “The regulatory institution is under duress and under severe attack from powerful corporate interests operating concertedly to undermine SEBI”. He specifically said that Finance Minister’s office, and especially his advisor Omita Paul, were trying to influence many cases before SEBI, including those relating to Sahara Group, Reliance, Bank of Rajasthan and MCX...

Recent Developments

A little over two years after Jignesh Shah and Financial Technologies promoted National Spot Exchange Limited (NSEL) suspended trading of all its contracts, resulting in a payments crisis amounting to over Rs 5,600 crore that still remains unresolved, the Forwards Market Commission, the commodities market regulator, was merged. The Forward Contracts Regulation Act (FCRA) stands repealed, and the regulation of the commodity derivatives market shifts to Sebi under the Securities Contracts Regulation Act (SCRA), 1956. SCRA is a stronger law, and gives more powers to Sebi than FCRA offered to FMC. Market players

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feel that commodity markets will now be better regulated, with more stringent processes — and will thus evoke greater confidence with the Securities and Exchange Board of India on Monday.

A Securities and Exchange Board of India (Sebi) discussion paper on regulating algorithmic trading released last week has made market participants anxious.

If the measures are implemented, it will hit liquidity, increase cost of trading and traders may shift to using similar products in overseas markets such as Singapore and Dubai, they said.

Algorithmic (or algo) trading (AT) refers to a form of order execution using software programs that automatically place orders based on certain mathematical models. High-frequency trading (HFT) is a subset of algorithmic trading where trading firms primarily compete on speed to profit from arbitrage opportunities.

Sebi recently invited public comments on seven methods to allay the concern that high-frequency traders have unfair access to the trading system of Indian exchanges.

The first proposal from Sebi calls for the introduction of a minimum resting time for orders. Second, Sebi had suggested matching orders under a batch system. Under a batch system, exchanges would accumulate buy and sell orders for a particular length of time, say 100 milliseconds, before matching them, instead of dealing with them individually in real time.

Third, the regulator is considering speed bumps or random delays of a few milliseconds in order processing. Fourth, Sebi proposes to do away with the current system of sending orders to the matching engine-based on-time priority, and instead randomly decide the place of an order in the queue based on an algorithm. Fifth, Sebi has proposed that the order-to-trade ratio be capped.

Sixth, Sebi is considering the idea of having separate queues for orders coming from co-located servers and those from other servers. Lastly, the regulator also wants to review the practice of disseminating tick-by-tick data feed, which is mainly used only by high-frequency traders.

Thus it can safely be concluded that to a large extent SEBI has been successful in safeguarding not only the interest of investors, the basic objective, for which it was established but also in regulating the investment market in India. However there is always some scope of improvement.

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Status of Women in the Rural India

Sanjay Kumar

The status of females and the degree to which they are empowered within families is a major welfare issue in many countries, including India. The Gandhian concept of “Sarvodaya” deals with the stage of empowerment, where each individual becomes an equal partner in every walk of life. In India, women constitutes about half of the total population. In this sense, women are very important segment in the society. The term ‘gender’ describes the socially determined attributes of men and women. This includes male and female roles in economic and non-economic functions, differential access to and control over resources and differences in knowledge and skills. The term ‘sex’ denotes the physical and biological differences between males and females. The sexual division of labour for both agricultural and domestic tasks varies greatly by community and ethnic group and it is difficult to make generalisations about the roles that men, women and children play. However, through a process of gender analysis it is clear that women remain invisible, their presence not counted, their contribution to agriculture remains unaccounted and their priorities and problems remain unattended.

Gender is the most pervasive form of inequality. It operates across all classes, castes and communities. Gender is not a women’s issue; it is a people’s issue. “Femininity” does not exist in isolation from “Masculinity”. Gender equality is considered a critical element in achieving social and institutional change that leads to sustainable development with equity and growth. We know that about 50 percent of the populations of India are engaged in the agriculture, which reflects women’s work status in India’s rural areas. Swaminathan, the famous agricultural scientist describes that it was woman who first domesticated crop plants and thereby initiated the art and science of

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farming. While men went out hunting in search of food, women started gathering seeds from the native flora and began cultivating. Women play a significant and crucial role in agricultural development and allied fields including in the main crop production, livestock production, horticulture, post harvest operations, agro/ social forestry, fisheries, etc. Besides this, Rural women performs numerous labour intensive jobs such as weeding, hoeing, grass cutting, picking, cotton stick collections, separation of seeds from fiber. There are multi-dimension activities like agricultural activities (Sowing, transplanting, weeding, irrigation, fertilizer application, plant protection, harvesting, winnowing, storing etc.), domestic activities (Cooking, child rearing, water collection, fuel wood gathering, household maintenance etc.), allied activities (Cattle management, fodder collection, milking etc.) perform by rural women in India.

Women, as half of the human capital of India, will need to be more efficiently integrated into the economy in order to boost India's long term competitive potential. The census does not accurately identify many activities as work that women actually do. Women enable their families to survive by collecting fuel, fodder or water, keeping poultry, working on family land etc. Women also work in home-based industries, bidi and agarbatti-rolling, bangle-making, weaving, etc. In spite of this, women stand at bottom line of the society.

Boserup (1970) points those women as farmers were disadvantaged in comparison to their male counterparts. The introduction of capital-intensive technologies in the agricultural sector has differential impact on different sections of people and women are negatively affected due to women's lack of access to technology (Boserup, 1970). The green revolution technologies have enhanced class polarisation and deepened gender inequities in many ways (Agarwal, 1984; Bardhan, 1985). According to Suryanarayana; Nagalakshmi (2005) rural women are subjected to some hindrances, which impose limitations on their potential to play their role effectively. Women are said to have equal status in the society, but when it comes to the actual decision making, men have become the final decision maker, while the women have to accept a subservient status. In India, according to Sikka et al. (2007) women play a key role in animal, farm and home management. Livestock is the primary subsistent activity used to meet household food needs as well as supplement farm incomes. Mostly women are engaged in cleaning of animal, sheds, watering and milking the animals. This reveal that more than 8 working hours in a day are spent by women, covering all the buffalo rearing practices. Poultry farming is

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one of the major sources of income in the rural economy. In order to generate more and more income, rural women often sell all eggs and poultry meat and left nothing for personal use. Due to poverty and lack of required level of proteins most of women have got a very poor health. Most of women suffer from malnutrition.

In general, rural women have low literacy level, which in turn affects the attitude of women to be socially mobilized. Inequalities between men and women manifest themselves in all areas of development. Inequalities are mostly visible regarding their health, education, economic development, violence against women, participation in public life and policymaking and social attitudes and gender stereotyping. One-third of agricultural workers are women. Women are forced to accept work in agriculture in their own village under very bad conditions because they cannot migrate as easily as men. The dependence of women's labour on family farms, especially during the peak periods of sowing and harvesting has become very common. They do not get social security benefits and are paid very low wages for this informal work. Similarly, the work of women within family based agriculture is preferred because it is cheaper than hiring labour. Women agricultural workers, although they represent a big proportion of all women workers, continue to receive lower wages than men. On an average, their wages are 30% lower than men's wages. Women find it difficult to get credit from banking institutions because they are often unable to provide collateral. They get much smaller loan amounts even though their repayment record is much better than that of men. Women's right to land and other assets is weak. Rural women are the major contributors in agriculture and its allied fields. Her work ranges from crop production, livestock production to cottage industry. From household and family maintenance activities, to transporting water, fuel and fodder. Despite such a huge involvement, her role and dignity has yet not been recognized. Women's status is low by all social, economic, and political indicators.

On the health issue the condition of rural women is not good. The National Commission on Self-employed Women and Women in the informal Sector (1988) explored a variety of illnesses found amongst women workers in various unorganised production sectors. They found a high incidence of a variety of illnesses including postural problems, problems of contacts with hazardous materials, heavy work, lack of safety measures, lack of rest, and deplorable work environment. In the agricultural sector, it was found that the women suffer from a variety of ailments such as generalised body ache, cough, respiratory

allergies, injuries, toxicity, etc. Occupational health hazard and stress indices were developed to identify the extent of hazard and stress level faced by farm women while performing household, farm and animal rearing activities. Finally it is concluded that the rural women are exploited by land lords for their personal good and enrichment. Women are treated as sub- servant or personal property. The overall picture that emerges in the rural sector is one of greater disadvantage for women workers. The poor status of rural women in terms of their autonomy and control over assets and low level of education and employable skills calls for interventions or suggestions to reduce such gender issues. There are some suggestions to reduce the gender issues of rural women in India.

- Recognition of labour work of working women in the rural economy may be accounted in monetary terms.
- More facilities should be provided to poor rural women for land, agricultural and livestock extension services.
- Priority must be given to women in accessing credit on soft terms from banks and other financial institutions for setting up their business, for buying properties, and for house building. Some activities like formation of Self Help Groups, Credit and Saving Mobilisation, Establishment of Credit Linkage etc may be helpful in this regard.
- Measures should be taken to enhance women's literacy rates. Education is a basic human right. It also is a key driver of economic growth and social change. It is a basis of women's empowerment. It is the education of women, which enable themselves to have a better economic, political and social life. Without education, women can't stand properly in the society, despite having economic and political empowerment. At present, we have a national policy on education which is committed to increase the women literacy rate through various programmes. Mahila Samakhya is known to one of them. Earlier, Mahila Samakhya was a women's awareness programme , which had transformed the life of women in some parts of India. Now it has been working for education, health, human rights and governance. The objective and greatest achievement of the Mahila Samakhya is to create a gender-just society, where women can lead a life of dignity, self-confidence. It has increased women's recognition and visibility both within the family and community. Education no doubt widens the individual's mental horizon and releases him from the clutches of ignorance and superstitions. A separate education policy for women may serve the purpose.

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- Women must be involved in decision-making bodies that have the potential to introduce structural changes. This action will bring some changes in the gender relations in the society. Panchayati Raj Institutions may play a big role in this regard.
- Women must be aware regarding their existing rights, access to judicial relief and redress, removing discrimination through legal reforms, and providing legal aid, assistance and counseling.
- Women labour should be organised in the service through Women's Association, Co-operative societies or Mahila Mandals , Self Help Groups etc.
- Last but not least, we have to discard all the bottlenecks of a society to ensure women's dignity.

Women are very important segment in rural India. But we are still far away from our milestone even though some good efforts taken for the rural women's empowerment. In this regard government must formulate a separate policy to enhance their status and their work should be counted in the economic indicators.

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India Srilanka Relation 2005-2015: An Analytical Study

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India has enjoyed substantial regional influence across South Asia due to its size, comparative economic might, and historical and cultural relevance to the region. China's history of involvement in South Asia is limited in comparison, though its long-standing ties to Pakistan are a notable exception. But over the past decade, China has become a significant economic partner to countries throughout the region, forging particularly strong ties with smaller states through trade, diplomacy, aid, and investment.

India and Sri Lanka signed an agreement allowing for the transfer of criminals serving prison sentences in the other country to be repatriated to serve the balance of their sentences in their home country.

India is Sri Lanka's closest neighbour. The relationship between the two countries is more than 2,500 years old and both sides have built upon a legacy of intellectual, cultural, religious and linguistic intercourse. Relations between the two countries have also matured and diversified with the passage of time, encompassing all areas of contemporary relevance. The shared cultural and civilizational heritage of the two countries and the extensive people to people interaction of their citizens provide the foundation to build a multi-faceted partnership. In recent years, the relationship has been marked by close contacts at the highest political level, growing trade and investment, cooperation in the fields of development, education, culture and defence, as well as a broad understanding on major issues of international interest.

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October-December, 2016

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Commercial Ties

India and Sri Lanka are member nations of several regional and multilateral organisations such as the South Asian Association for Regional Cooperation (SAARC), South Asia Co-operative Environment Programme, South Asian Economic Union and BIMSTEC, working to enhance cultural and commercial ties. Since a bilateral free trade agreement was signed and came into effect in 2000, Indo-Sri Lankan trade rose 128% by 2004 and quadrupled by 2006, reaching USD 2.6 billion. Between 2000 and 2004, India's exports to Sri Lanka in the last four years increased by 113%, from USD 618 million to \$1,319 million while Sri Lankan exports to India increased by 342%, from \$44 million to USD \$194 million. Indian exports account for 14% of Sri Lanka's global imports. India is also the fifth largest export destination for Sri Lankan goods, accounting for 3.6% of its exports. Both nations are also signatories of the South Asia Free Trade Agreement (SAFTA). Negotiations are also underway to expand the free trade agreement to forge stronger commercial relations and increase corporate investment and ventures in various industries. The year 2010 is predicted to be the best year for bilateral trade on record, with Sri Lanka's exports to India increasing by 45% over the first seven months of the year.

India's National Thermal Power Corp (NTPC) is also scheduled to build a 500 MW thermal power plant in Sampoor (Sampur). The NTPC claims that this plan will take the Indo-Sri Lankan relationship to new level.

Development Co-operation

India is active in a number of areas of development activity in Sri Lanka. About one sixth of the total development credit granted by India is made available to Sri Lanka.

In the recent past three lines of credit were extended to Sri Lanka: US\$ 100 million for capital goods, consumer durables, consultancy services and food items, US\$ 31 million for supply of 300,000 MT of wheat and US\$ 150 million for purchase of petroleum products. All of the lines of credit have been fully used. Another line of credit of US\$ 100 million is now being made available for rehabilitation of the Colombo-Matara railway.

A number of development projects are implemented under Aid to Sri Lanka funds. In 2006-07, the budget for Aid to Sri Lanka was Rs 28.2 Crs.

A memorandum of understanding on Cooperation in Small Development Projects has been signed. Projects for providing fishing equipment to the fishermen in the East of Sri Lanka and solar energy aided computer education in 25 rural schools in Eastern Sri Lanka are under consideration.

India have supplied medical equipment to hospitals at Hambantota and Point Pedro, supplied 4 state-of-the-art ambulances to the Central Province, implemented a cataract eye surgery programme for 1500 people in the Central Province and implemented a project of renovation of OT at Dickoya hospital and supplying equipment to it.

The projects under consideration are construction of a 150-bed hospital at Dickoya, upgradation of the hospital at Trincomalee and a US\$ 7.5 million grant for setting up a cancer hospital in Colombo. India also contributes to the Ceylon Workers Education Trust that gives scholarships to the children of estate workers.

A training programme for 465 Sri Lankan Police officers has been commenced in Dec 2005. Another 400 Sri Lankan Police personnel are being trained for the course of Maintenance of Public Order.

Indian governments have also showed interest in collaborating with their Sri Lankan counterparts on building tourism between the two countries based on shared religious heritage.^[30] Madhya Pradesh CM Shivraj Chauhan in June 2013 stated he was working with Sri Lankan authorities to build a temple dedicated to the Hindu queen Sita in Nuwara Eliya.

Conflict Zones

The main factors which have contributed to the strained relations between the two countries are –

Peace Process: India has deep interest in peace and stability in Sri Lanka. Peace in Sri Lanka can only contribute to the further deepening and expansion of Indo-Sri Lankan ties to mutual advantage. The Government of India is committed to the unity, sovereignty and territorial integrity of Sri Lanka and to the restoration of a lasting peace through a peaceful, negotiated settlement that meets the just aspirations of all communities.

The Fishermen issue: Arrest of Indian fishermen on the Sri Lankan side of the International Maritime Boundary Line (IMBL) in the Palk Straits and the Gulf of Mannar by Sri Lankan authorities has been a

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long-standing problem. The catch on the Sri Lankan side is better both in terms of quality (high-value prawns) and quantity.

The Kachativu Issue: Kachativu, meaning of 'barren island' lies about 15 km from Rameswaram and 20 km north of Neduntivu off the Jaffna peninsula and is just 1.5 km from the International Boundary Line in Sri Lankan waters after the 1974 agreement. The windswept, desolate 112 hectares has very little plant or animal life. Its only man-made structure is a church, dedicated to St. Antony. The Island's importance stems from the fact that the sea around it is rich in white and brown prawns and other varieties of fish. After a good catch, fishermen from Rameswaram used to rest and dry their nets there. While Sri Lanka (then Ceylon) claimed that Kachativu belonged to it because the Portuguese and later the British rulers of Sri Lanka exercised jurisdiction over it from Colombo, India argued the island formed part of the zamin of the Raja of Ramanathapuram.

Though the dispute erupted now and then in the late 1960s, it figured for the first time at the highest level when Prime Minister, Kumaratunga's visit to New Delhi on the last week of December, 1998. Negotiating teams had been at work on the pact since the middle of December, without clinching every detail of it. At one stage External Affairs Minister Jaswant Singh urged the teams to go that extra mile to uphold the principle of free trade.

Conclusion

The bi-lateral relations between India and Sri Lanka in the postwar era are based on two important facts. One is India's internal politics and the party interest which have always sought for strengthening their coalition power with the ruling government. The Tamil Nadu politics play an important role in this regard, by influencing to the central government to intervene to the Sri Lanka Tamil issues during the civil war in Sri Lanka. This also further complicated by fishermen issue. It is very clear the ruling Congress coalition seek to protect its popularity with the help of AIDMK in Tamil Nadu for next general election.

The second issue is India's emerging power in the Asian region and its future threats from China who is ready to further strengthen her bi-lateral relations with Sri Lanka. This factor is always influenced to India within her strategic plan in the Indian ocean and security. Growing Sino- Sri Lanka relations are suspected by India and India

shows her dislike to Sri Lanka with pressuring the Sri Lanka government through human rights violations on Tamils not only in regionally but also internationally. The bi-lateral relations India and Sri Lanka in the postwar era are not amicable and trustful. The growing political issues have been spoiled the historical amicable relations of the two countries.

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Some Personality Correlates of Job Satisfaction in Rural and Urban Teachers

Dr. Himbala

Education today is indispensable, yet in dispute. It has become a matter of growing national debate and concern that the need for education continue to grow is evident from the increasing investment in educational programmes and the corresponding demand for it. What schools can do many have been over estimated but it is difficult to imagine that schools do nothing or that one can afford to ignore what they do and not be concerned with the training and functioning of those who do it. National attention has been focused on teachers education programmes but despite much endeavours all students who undergo preparation through education courses and teaching experiences in nearby schools do not acquaint themselves successfully with the job creation. Some perhaps improve with time and exposure to teaching experience while others slip into inefficient ways. The school going population is maintaining a rapid growth trend which points to an over expanding demand for teachers.

If the premise that 'all teachers are not equally effective or ineffective' is an accepted fact, then, to initiate an enquiry into the etiology of this phenomenon becomes imperative.

Along with this, no discussion of the present educational scenario can be complete unless we focus upon the teacher the central figure in the whole field of education. The role of the teacher at present is changing in view of the social, economic, political and other pressures. There is no scope for doubt in the observation that the efficiency of an educational system is primarily determined by the efficiency of teachers. The identification of able and efficient teaching personal constitutes one of the most important of all educational concerns. It is no

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exaggeration to repeat that it is the teacher around whom the whole educational process revolves. His job is gradually becoming more complex.

Job Satisfaction is broadly defined as an individual's general attitude towards his or her job. Job satisfaction is a positive emotional state that occurs when a person's job seems to fulfil important job values provided these values are compatible with one's needs. It is an individual's emotional reaction to the job itself. It is a person's attitude towards the job. People spend a sizeable amount of their time in work environment. Job satisfaction is related to but distinguishable from morale and job involvement. Since job is not an entity or physical thing but a complex of inter-relationships of likes, roles, responsibilities, interactions, incentives and rewards, job satisfaction has to be intimately related to all of them.

Job Satisfaction is the extent to which the individual's needs are satisfied and the extent to which the individual perceives that satisfaction as stemming from his tattletale job situation." Job satisfaction is a crucial factor in improving the quality of instruction, educational and research output and student teacher relationship. In fact the success of an educational institution can to a considerable extent be assessed by the level of job satisfaction of its teachers.

Studies made by Flanders (1970) and Traverse (1973) have also shown concern on the emotional, psychological and personality type of teachers and their teaching success. The whole gamut of research on teacher's effectiveness is based on the analysis of personality types and correlates which promote effective teaching in this direction. Flanders (1970) has established that teachers who are emotionally stable, socially outgoing and work oriented are more successful as compared to those who are unstable and socially closed. Besides, healthy environmental conditions in an institution of learning the personal characteristics of a teacher contribute towards the quality of research and teaching success.

However, a teacher by birth may be genius or creative, he can't apply his endowed talent unless his personal emotional climates are in agreement. It is therefore pertinent that besides the institutional factors, the personal qualities and characteristics of a teacher determine his professional success and research competence.

The teacher is the principal agency for implementing educational programmes at various levels. The teacher is the maker of mankind and the architect of the society. The teacher is the living ideal, the

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foundation head of knowledge and potential guide to provide directive for the growth and development of students of today as worthy citizens of tomorrow.

Teachers determine to a large extent the destiny of a nation. Of all the different factors which influence the quality of education and its contribution to national development. The quality, competence, personality factors attitude and values of a teacher are undoubtedly the most significant. The most important factor in educational reconstruction is the teacher-his personal qualities, his educational qualification, his professional training, his knowledge of subject, communication skill to make complex things easy to understand, adequate practical skills, sincerity, integrity, high level of motivation, taking initiative, having super vision (observation), good listener, ready to learn new things from anybody and devotion are few things required from a teacher.

Need and Importance of the Study

The basic principle of teaching professionals has high teaching aptitude. A person who has high level teaching aptitude is bound to be a successful teacher further. The teaching professionals should have cooperative nature, interest in the profession, scholarly attitude fair mind and impartiality, moral values and descent behavior optimistic attitude, motivational aspect as well as dynamic personality. In intellectual work like teaching and research, the job satisfaction relies the sine – qua – none and plays an important role in attracting and retaining the right type of persons in the profession. If there is any possible to segregate the factors of dissatisfaction, attempts can be made either to change the dissatisfaction levels or reduce their intensity so as to increase the holding power of the profession. The factors, teaching aptitude and job satisfaction may vary over a geographical boundary and especially in rural and urban areas. Therefore, it is very necessary to study these two factors and compare the results for rural and urban areas.

Statement of the Problem and Limitations

The problem which has been undertaken for the present study is as under: A Comparative Study of Teaching Aptitude and Job Satisfaction levels of Rural and Urban School Teachers

This proposed study restricted to teachers presently working under state government sector only.

This study has been carried out in the month of January – April 2015.

Objectives

The main objectives of the present comparative study are as follows.

1. To study the rural and urban teachers on various dimensions of teaching aptitude.
2. To analyze rural and urban teachers on their job satisfaction.

Hypotheses of the Study

In order to carry out the proposed study, based on the objectives the investigator developed the following hypothesis.

1. Rural and urban teachers differ significantly on various dimensions of teaching aptitude.
2. Rural and urban teachers differ significantly on job satisfaction.

Literature Review

In the process of carry out the proposed research work the review summarizes and analyses previous researches and shows how the present study is related to this research. The studies under review have been conducted for teaching aptitude as well as job satisfaction to meet the proposed research.

In his study, Praveen Sharma (2011), used Teaching Aptitude test for carry out his work. Singh's Aptitude Test (SAT) and General Teaching Competency (GTC) by Passi and Lalitha, Professional interest inventory prepared by investigator. As per Praveen Sharma, Academic Achievements played a key role in teacher's career. Marks obtained to study Teaching Aptitude, Academic and Professional Achievement and found that there is no significant effect of sex on Teaching Aptitude. Also, they concluded that there is no significant effect of Discipline on Teaching Aptitude. Dr. K. S. Sajan (2010) conducted a study on teaching aptitude of student teachers and their academic achievements at graduate level. He used Teaching aptitude battery (TATB) by Singh and Sharma (1998). Major findings were that a dimension wise teaching aptitude reveals that the highest scoring dimension is the professional information (75.81%) and the least scoring one is the professional interest (50.21%). Also, the female student teachers are found to score significantly high on teaching aptitude compare to their male counter parts. He also concluded that there exists no substantial correlation between marks obtained in graduate level examination and teaching aptitude of student teachers.

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Sameena Basu (2007) study of teaching aptitude of rural and urban teacher trainees at elementary level used Aptitude Test Battery (TATB) by Shamin Karim and Ashok Kumar Dixit. It has been found that 26 percent of teacher -trainees is above average in teaching aptitude, 49 percent are average and 25 percent of teacher-trainees are blow average in teaching aptitude. Also, it was emerged that there is a significant difference between rural teacher-trainees and urban teacher-trainees on various dimensions of teaching aptitude. In her study, Dushyant Kaur (2007) concluded that Academic achievement of student teacher at +2 level has high correlation with all the indicators of success in the elementary teacher education course expect with school teacher rating. The study contributed 23% in the predicting success of external examination of Elementary Teacher Education (ETE) course. Teaching aptitude of student teacher has high relationship with all the indicators of success in the ETE course. Lastly, personality traits of students have also high correlation with the entire success indicator in ETE course.

In his study Yu-Chu Yeh (2005) summarized that those with a judicial thinking style benefited most from the computer-simulated trading, those with legislative thinking styles closely followed and those with executive thinking styles lagged far behind. The study shows that the teacher traits addressed here are important to pre-service teachers and professional growth. Gurmit Singh (2011) conducted a study on Job Satisfaction of Teacher Educators in Relation to their Attitude Towards Teaching by using Job Satisfaction Scale (JSS) by Amar Singh and T.R. Sharma revised version and Teacher Attitude Inventory by S.P. Ahluwalia (1998) revised version. Study concluded that there is positive and significant relationship between job satisfaction and attitude towards teaching among teachers. Also, there is positive and significant relationship between job satisfaction and attitude towards teaching among male teachers.

Studies Related to Job Satisfaction

In the present research, the investigator has scanned and reported most of the relevant studies done in India and abroad in the field of organizational commitment, job satisfaction and work motivation of the teachers. Therefore, in order to prepare a base for defining the problem precisely, making interpretation of data meaningful and making comparisons among similar studies, the investigator studied the related literature extensively. The review provided an insight into various dimensions of the problem and related issues at different stages.

In this attempt, the investigator was selective and reviewed researches, which had a direct bearing on the present study.

Patel and Rao (2005) examined the determinants of teachers' motivation and performance towards school improvement. The study led to identification of twenty seven factors/sub factors within teachers and school which influenced teachers' motivation and performance in relation to the performance of the schools. The findings revealed that the major contributors to teacher motivation and their performance as preferred by the respondents were: individual ability of teacher (100%), understanding of role and responsibility by teachers (93%), concern of the head of school for administrative efficiency (93%), concern of the head of the school for academic efficiency (90%) and supportive classroom environment (90%). Among these factors individual ability of teachers, concern of head of school for administrative efficiency, internal school environment and supportive classroom environment were found to be significantly correlated with teacher motivation and their performance. Similarly, opportunity for reward and recognition were found to have higher positive correlation with teacher motivation where as the current compensation package for teachers was negatively correlated with the motivation of the teachers.

Gupta and Sahu (2009) studied job satisfaction as related to organizational role stress and locus of control among teachers. The major objective of the study was to find out the relationships of job satisfaction with organizational role stress and locus of control among vocational teachers and to find out the gender differences regarding these relationships. Results indicated that there was significant gender difference regarding job satisfaction only. Job satisfaction and organizational role stress were significantly and negatively correlated and this relationship was found significant for males as well as females. Job satisfaction and locus of control were found to be significantly and negatively correlated. However, a significant and positive relationship was found between locus of control and organizational role stress and this relationship was also found significant for males as well as for females.

Sharma (2010) examined the professional commitment of teachers in relation to their job satisfaction and gender differences. The objectives were to study the relationship between professional commitment and job satisfaction of teachers and to find the difference in the professional commitment due to gender differences. The study reported a positive and significant correlation between job satisfaction and professional

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commitment of the teachers whereas the professional commitment was found to be independent of the gender differences.

Sood (2010) explored the relationship between job satisfaction and role commitment level of teachers as well as certain selected background factors like gender and length of service of secondary school teachers. The findings revealed that the level of job satisfaction level of secondary school teachers had a positive significant effect on their role commitment and teachers with higher job satisfaction level exhibited significantly higher commitment towards teaching profession as compared to the teachers with either moderate or low job satisfaction level. Further, the teachers with an experience of 10 years and less possessed significantly higher commitment towards teaching profession in comparison to highly experienced teachers with total length of service of 15 years and more. Also, gender and teaching experience were found to have a significant combined influence on role commitment of secondary school teachers.

Conclusion and Recommendations

A vast array of research literature related to job satisfaction of teachers revealed that the variable is moderated by numerous contextual and psychological factors such as attitude towards teaching, job involvement, perception of school climate, locus of control, organizational health and life satisfaction. A sizeable number of researches evince that there is a close relationship between job satisfaction and demographic variables such as age, gender, type of institution, locale, experience, educational qualifications and experience. However, the field of work motivation has not been much explored by the educationists so it seems to be a new arena in the context of research.

The review of literature also suggested that variables i.e. organizational commitment, job satisfaction and work motivation have been studied either independently or in combination with other variables or in terms of their interaction with various other factors. Also, studies related the effect of job satisfaction and work motivation on organizational commitment of secondary school teachers have not been undertaken so far. Therefore, the study of effect of job satisfaction and work motivation on organizational commitment of secondary school teachers will provide an insight into aspirations of teachers from their job which in turn will be helpful in boosting their work motivation and commitment towards the school.

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Indian Diaspora and Development: A Case Study of Kenya

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Abstract

The diaspora – development nexus is considered a dyadic relationship of diaspora and their ‘home’ countries and often overlooks the role diaspora in the development of the ‘host’ countries. The study of diaspora focuses a lot on the diaspora as a resource for the country of origin and as assets to policy and foreign policy relations. Therefore this paper attempts to analyse the relation of diaspora led development from the host country’s perspective. Development had been defined with a long-term view and with an emphasis on socio-economic and structural transformation. But with the onset of globalisation, development has come to be defined with short term goals related to policy objectives and performance indicators which help build human capabilities and maximize human choices. Therefore diaspora - development networks can be economic, political, religious, aid/relief, educational, entrepreneurial etc. Since the concept of development implies the above networks, the focus of my paper is how development is induced and to what level it is effective by the presence of Indian diaspora in Kenya. This paper will examine Kenya’s policies, institutional and societal structures, which have helped or hindered diasporic capacity and connection for diaspora led development. It will also examine whether Indian diaspora in Kenya has experienced the necessity to engage in the development beyond the maintenance of familial ties and transmission of remittances, keeping in mind that this sort of development requires a certain level of integration, settlement, success and fluency by the diaspora in the host country.

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Introduction

Diaspora is a descriptive term used as an exploratory model for describing social phenomena. The term diaspora is increasingly used today because of several reasons; i) reduced importance of nation – state borders ii) increasing awareness of indigenous populations iii) wider monitoring of world populations movements iv) expanded responses to refugees v) greater impact of migrant labourers vi) growing role of ethnic and social networks on national and multi – national politics vii) broader concern for oppressed groups and viii) more frequent expressions of ethnic pride. Diaspora is a useful paradigm that provides a sense of history and aids in linking population through time (historically) and space (location wise), also helping in bringing to light a political climate of minority populations within larger (host) populations. The term diaspora as an explanatory model explains political processes and social movements. A diaspora community will also adopt the diaspora label to increase group solidarity and perception of political power. It can be considered to be a fluid, context specific and socially contingent community that is scattered and networked in multiple locations. The strength and weaknesses of a diasporic community will fluctuate in response to political, cultural and economic pressures from the host and homeland societies and governments. Diaspora are often distinguishable from a dominant host culture and retains a sense of attachment and belonging to a remote location of origin; essentially they occupy a space in between their home and host locales and possess varying degrees of fluency to participate in both places. In its classical usage, the concept of diaspora carries an emotional connotation. It carries an enduring sense of want for connectedness and a longing to return to their home countries. Scholars like Robin Cohen, in his *Global Diasporas: An Introduction*, more broadly defined the concept of diaspora in contemporary social science. He identified four types of diasporas, which he labeled categorically as i) victim; which is the “scattering of people away from an ancestral or established homeland after a decisive event”, ii) labour; which is the “movement or migration from a homeland in search of work”, iii) imperial; which is the “migration from a homeland to further expansionist ambitions” and finally iv) trade; which is the “migration from a homeland in pursuit of trade and development” (Cohen 2008). These four types of diaspora are not rigid in structure. A single diaspora may have an overlapping typology, for example in this context the Indian diaspora in Kenya can be clubbed under the *labour diaspora* as in the case of the Indian indentured workers or the *trade diaspora* in

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the later 19th century with the migration of skilled Indian migrants. Diaspora in recent times is being studied further by scholars as an alternative to a nation-statist understanding of immigration and assimilation. The term diaspora was originally used in reference to the forcible expulsion of the Jewish diaspora from Jerusalem (Vertovec 2009). The concept of diaspora has evolved over time and has been used to refer to a group, an identity, a process, a movement across space or border or even a state of mind (Ibid 1997), “Diaspora is now frequently seen as a destiny- a destiny to which previously dormant members (or previously dormant diasporas in their entirety) are now awakening” (Sheffer 2003:11).

The concept of development too has gone through various phases, with the concept definition evolving with the evolution of society or economy, both domestic and international with market and non-market and state and non-state actors playing the role in development. During much of the post World War II phase, development has been defined with a long-term view and with an emphasis on socio-economic structural transformation. But with the onset of the globalisation, development has come to be defined with short-term goals related to policy objectives and performance indicators, which help build human capabilities and maximize human choices. Development has been defined in its broad human, social and economic meaning. Development implies growth, advancement, empowerment and progress. The goal of development is to build human capabilities and enlarge human choices. Equity, sustainability, productivity and empowerment are its essential components.

In the post independence period of most third world countries, the issue of development has become important, that the study of development has now progressed into a school of thought. Charles Gore has conceptualized development as a vision of the liberalization of economies and a goal of spatial integration. He states that the dynamics of long-term transformations of economies and societies has slipped from view. Attention was then placed on short-term growth and re-establishing financial balances (Gore, 2000: 794-5). Since the concept of development has evolved from its initial study, development indicators have also evolved considerably since the 1960s. One of the confusions, common through development literature is between development as immanent and unintentional process... and development as an intentional activity (Cowen and Shenton 1998: 50). If development means good change, questions arise about what is good and what sort of change matters. Since development depends on values

and on alternative conceptions of the good life, there is no uniform or unique answer (Kanbur 2006: 5).

It should be noted that the terms 'host' and 'home' in the diaspora discourse might be indicative of a presupposed lack of acceptance or commitment of diaspora to their destination. But this is neither the case nor the intent of usage in this paper. The term 'home' simply denotes a place of original attachment and the term 'host' denotes the place of arrival and separation from that original attachment.

Overview of Indian Diaspora

The Indian diaspora is estimated to be the second largest diaspora in the world and has a diversified global presence. The Indian diaspora has not only increased in numbers but has been gaining universal recognition for the unique contributions to its host countries, be it in skilled and semi – skilled work force or technocrats and educated professionals of Indian origin. Members of the Indian diaspora also play a significant role in mobilizing political support in their country of residence on issues of vital concerns to Indian history.

The dispersion of people from India and the formation of the Indian diaspora communities was the result of different waves of migration over hundreds of years driven by a variety of reasons: slavery under mercantilism, indentured labour under colonialism and guest work programs post colonialism. Put together these migratory flows have resulted in the diverse communities of people of Indian origin in various parts of the world. These distinct communities of people of Indian origin as well as Indian nationals living abroad constitute the vast Indian diaspora, but note that there is no single homogeneous overseas Indian community, as there exists diversities between them, including in the level and degree of their engagement with India, defined by the lapse of time, caste distinctions, language, religion and regional differences, gender differences and generations and distances that separate them from their country of origin.

Historical Background of Indian Diaspora in Kenya

Diaspora has now become an accepted term for study of any migrant communities with a distinct cultural identity in their host land. The International Organisation for Migration (IOM) defines Diaspora as “members of ethnic and national communities who have left, but maintain links with their homelands”. The report of the High Level Committee on Indian diaspora in 2001 defined diaspora as “...communities of migrants living or settled permanently in other

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countries, aware of its origins and identity and maintaining varying degrees of linkages with mother country.”

Numerically today the Indian Diaspora is the third largest diaspora in the world only after the British Diaspora and the Chinese Diaspora. The Indian diaspora is a generic term to describe the people who migrated from territories that are currently within the borders of the Republic of India. It also refers to their descendants. The Indian diaspora is currently estimated to number at over 25 million, spread across more than 200 countries and composing of Indian citizens not residing in India (NRIs) and Persons of Indian Origin (PIOs) who have acquired the citizenship of some other country.

Historically Indians have been interacting engaging with East Africa from the early 19th century onwards. Although a large number of Indian diaspora went to East Africa mainly as indentured work force to work on the Uganda Railroad the Indian diaspora have played a significant role in enhancing the close cooperation between India and East Africa and have also acted as a catalyst for industrial growth and investment in the region. In the case of Kenya the, recent migration from India took place in the 19th and early 20th centuries initially via Zanzibar and Lamu and then through Mombasa. Indians were brought in as indentured labourers in large numbers to work on the Uganda Railroad. Over the years merchants, artisans and others followed. When the Ugandan Railroad was completed many of these labourers settled in what was then the East Africa Protectorate and eventually brought their families over from India. Most settled in the new town of Nairobi, which had been the capital of the British protectorate since 1905. Unlike black Africans, Indians were permitted to reside legally in Nairobi in what was then a burgeoning white settler town.

The presence of the Indian diaspora in Kenya is not only due to the indentured work force for the railway construction but also in the construction of roads, bridges and other infrastructure to expand the colonial empire’s reach into the interiors of East Africa. The Indian migration and settlement in East Africa was directly linked to the establishment of British supremacy in the region. As early as 1841, the British Empire had established a consulate in Zanzibar and by 1872 they had even introduced a steamer service that used to ply between Zanzibar and Mumbai. There was even a British colonial office in the Bombay Presidency that was the controlling authority in policy matters with regard to East African colonies. All the above developments facilitated trade linkages between the two regions i.e. India and East Africa had led to further migration of people to the

latter region. This migration process consisted of indenture labour as well as free passengers. Free passengers included communities like Bohras, Khojas, Memons, Sindhis and Parsis who migrated to the East African region from the West Indian region. Free migrants increasingly arrived around the 1930s because of the economic crises of 1930 in India which influenced a large number of migrations to East Africa. In 1939, Asian population exceeded to 100,000 in East Africa with over half of them settled in Kenya (Mangat 1979). This trend continued till Kenya's independence and the independence of other countries in East Africa. It was estimated that by 1963 the Asian population in Kenya was around 180,000 and the rate of increase between 1948 and 1963 was growing at an average of 4.2 per cent per annum (Rattansi and Abdulla 1963).

Since the concept of development implies growth, advancement, empowerment and progress the focus of my paper is how development is induced and to what level it is effective by the presence of the Indian diaspora in Kenya.

According to the High Level Committee the Indian Diaspora in Kenya constitutes around 102500 people of Indian origin. This presence might not be numerically a substantial amount in comparison to the whole country's population but yet the Indian diaspora has formed and maintains a firm foothold in many aspects of Kenya's development.

Indian Diasporas' Role in the Political Development of Kenya

In the political sphere we will find that the Indian diaspora played a pioneering role in the political awakening of East Africa and facilitated in the anti-colonial struggle. The Indian diaspora also helped establish the local *Asian Political Associations* in different parts of Kenya like in Mombasa in 1900 and in Nairobi in 1906. In 1900, *Mombasa Indian Association* was established on the initiative of L. M. Salve. He was supported in these initiatives by other eminent personalities of Kenya like Allidina Visaram, Alibhoy and Tayabali Mulla Jeevanjee (Report of the High Level Committee, GOI). Indian diasporas' role in the political development of Kenya became even more pronounced after the establishment of the organised *East African Indian National Congress (EAINC)* in 1914. During the 1940s, the printing press owned by Girdharilal Vidyarthi became the official news centre of the Indian community. His papers, *The Colonial Times* and *Habari Za Dunia* provided a voice for the cause of PIOs as well as indigenous people (Seidenberg 1983).

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As in most African countries, trade unions in the East African territories served political as well as economic ends. They coincided with and reinforced the development of political organisations. In the early colonial years-trade unions became a vital instrument for political organisation and agitation. The Asians also played a key role and in the formulation, popularization and direction of trade unions. They established the first significant trade unions in East Africa and subsequently they were instrumental in training and assisting Africans in union organisation and development (Gupta 1981). Among the Asian trade unionists there were two outstanding leaders- Makhan Singh and Pio Gama Pinto. In this process two leading newspapers were also launched, *The Kenya Worker* and *The East African Kirti* edited by Makhan Singh and Mota Singh (Gregory 1993). By the 1920s, there existed a sizeable Asian population who demanded a role in the developing political life of what became Kenya Colony. Through trade union movements, leaders like Makhan Singh and Pio Gama Pinto, Chanan Singh attempted to unite African and Indian workers. At the forefront of the early pioneers was A.M. Jeevanjee, who established Kenya's first newspaper now, known as *The Standard*.

The British government in December 1945 planned to have a closer union of the three East African territories; namely a settler dominated British East African Dominion. The Indian diaspora in Kenya who mainly comprised of the PIOs acted promptly and extended their support to the local Kenyans. Newspapers like *The Colonial Times* wrote editorials on this behalf fully against the colonial plan and the British government even arrested the staff of the newspaper like G. L. Vidyarthi, W. L. Sohan and Haroon Ahmed for standing against the colonial government policies (Seidenberg 1983).

Jomo Kenyatta who was an important leader at that time and who went on later to become the first President of Kenya asserted that Indians and Africans unite and form a common platform with equal footing. Later, Kenyatta led the *Mau Mau Uprising*, a revolutionary movement for the demand of a free Kenya. When Kenyatta was arrested Indian diaspora personalities like A. R. Kapila and F. R. S. De Souza were part of the team that was defending Jomo Kenyatta. The role of the Indian diaspora in the anti-colonial struggle and the nation-building struggle was nothing short of epic and it is a fact that is acknowledged by many scholars and East African politicians. After independence eminent personalities of the freedom struggle even went on to occupy important posts in the new government such as F. R. S. De Souza who

became the first deputy speaker in the new-formed Kenyan parliament and several others who were elected to the Kenyan parliament.

But soon, everything changed for the growing Indian community. When the first postcolonial government came into power and slowly gained a strong foothold the Indian diaspora were warned to stay out of politics and many Indian business were even taken over. The policies put into force also marginalized the Indian diaspora from Kenyan politics and the members in Kenyan parliament of Indian origin decreased over time. The Indian Diasporas have remained politically irrelevant for decades now. They feed themselves and the economy and help in building Kenya's industrial backbone, creating stable industries and hedging their political bets by working behind the scenes of whomever is politically in charge. Although this is a step back for the Indian diaspora they continue to play small parts in the contribution to political development through press, pressure groups, civil society organisations etc. And though Indian diaspora has not made much political success stories in the elected institutions post independence due to various restrictions, it has undoubtedly led to some form of development as can be seen by the case of the recent national elections in 2013 where a minimal number of individuals of Indian origin sought office. Although it was a minimal number it was the highest number since Kenya's independence.

Indian Diasporas' Role in the Economic Development of Kenya

The economic contribution of Indians to the economic development of Kenya is immense. One of the major contributions in this sector has been the railway that connected Lake Victoria to the Indian Ocean at Mombasa. In the process the railway construction opened up many economic opportunities for Kenya. An equally important contribution of the Indian diaspora was the development of the market system in Kenya. The Indian community pioneered the establishment of shops and local trading centres in various parts of the country. The Indian community were through these shops were responsible for introducing new products into the market and therefore led the transition from barter economy to money based economy. The Indian diaspora have been major stakeholders in the economic development of Kenya. The main economic contribution is the supply of middle level manpower and of capital. After the Second World War, Asians were to be found in all occupations: in business, the police force, bureaucracy and the professions, both in Nairobi and the townships. Excluded from rural

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land ownership, they settled in the towns and cities and engaged in a variety of urban occupations, notable trading. During colonialism (1885-1963) they gradually moved into small and large-scale manufacturing. Their commercial skills contributed to the economic development and prosperity of Kenya and the rest of East Africa. The Kenyan government after independence enforced their Kenyanisation/Africanisation policies, which adversely affected the Indian diaspora in late February 1968. The Kenyan Immigration Act of 1967 required the Indian diaspora and all other outsiders to get work permits whilst a trade-licensing act passed in the same year limited the areas of the country in which non-Kenyans could engage in trade. In short the enforcement of this policy drove out Indians (Asians) out of their key positions in the economy. Work permits were no longer renewable and restriction to only certain sectors of the economy. Some were even sacked from the civil services. Till 1968 the Indians had the ultimate security with the possession of their British passports but after 22nd February 1968 that guarantee collapsed as the British government announced that those passports would no longer be recognized. What followed was an en mass migration of the Indian diaspora to the West, particularly England. While the beginning of independence saw a large decline in their numbers, those who remained increased their hold on urban business, notably as the British presence in the private sector declined or shifted away from manufacturing. Asians had lived in East Africa centuries before the European powers divided the continent amongst themselves, but the majority of the Indian diaspora arrived after the expansion of British hegemony. They had come to Kenya as labourers and traders and after World War II were found in all occupations- in businesses, in the police force, in the bureaucracy and the professions, both in Nairobi and the townships. Their commercial skills contributed to the economic development and prosperity of Kenya and their success bred suspicion and resentment.

By the late 1980s, Asians owned over 80% of Kenya's large scale manufacturing establishments and yet they comprised less than 1% of the Kenyan population (Himbara 1994). How this community has gained and sustained such a heavy presence in urban manufacturing is a key question for understanding the private sector in this and similar developing countries (Moore 1997). The reason for the Indian diaspora holding such high stakes in the economic development of Kenya is that the Indian diaspora have developed strong ethnic networks, which allow for better screening and enforcement of credit and related contracts. The second reason is that due to historical circumstances, the Asian

community has been able to accumulate and reinvest more heavily in urban enterprise. It is speculated that the feelings of insecurity may have encouraged them to seek economic success. This is in contrast with the indigenous groups, that is generally satisfied with government positions and traditional livelihood based on agriculture. Some scholars like Swainson had argued that the Asians would never become a domestic industrial class because they lacked political power (Swainson 1974). However David Himbara argues that the lack of political power has been a blessing in disguise for the Indian diasporas' business class as it has enabled them to survive in an open market without patronage or subsidies.

Although the *kenyanisation* policy tried to prevent the role of the Indian diaspora in the economy of Kenya it is difficult to believe that East Africa would have developed into anything like the levels of development it has achieved today without the full and active participation of the Indian diaspora. It is true that the presence of a large, economically sophisticated community has had the effect of retarding African participation in the commercial sector of the economy, but to argue that the absence of the Indian Diaspora community would have resulted in generally higher levels of income for the indigenous Kenyans is not true.

Indian Diasporas' Role in the Socio-Cultural Development of Kenya

The socio-cultural influence of the Indian diaspora in Kenya can be felt in every pore of the country, be it in the cuisine or the influence of *Bollywood* movies and music. Other forms of socio-cultural development are also taking place as showcased in the South Asian Mosaic of Society and Arts which celebrates 'The Samosa Festival' in November with its emphasis on cultural fusion through a series of exhibitions, discussion forums, concerts and dance performances. Prominent members of the Indian diaspora in organizations like the *Asian Foundation* and the *Chandaria Foundation* who work on the social development in Kenya have also carried out philanthropy work. Social and philanthropic development involves service of humanity as per the capacity of individual or groups. The Indian diaspora in Kenya has been actively involved in philanthropic activities like establishing educational institutions, hospitals and even providing relief in the case of national emergencies. The Indian diaspora had a huge role to play in the establishment of the University of Nairobi as they were the major

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contributors in terms of fund and intellectual resources. Besides these developments the Indian diaspora also helped established various libraries like the Desai Memorial Library, the Asian – African Heritage Trust Library, the Oshwal Library etc. The M. P. Shah Hospital, Aga Khan Hospital, Parkland Nursing Home, Guru Nanak Hospital etc were also built by the Indian diaspora to aid in providing medical facilities. There have also been cases of the Indian diaspora undertaking voluntary services during national emergencies to help victims and providing necessary relief, as was seen by the several unfortunate events of terrorist attacks on the country when people came together to aid in any way during the hard time of national crises.

The Indian diaspora have also been contributing in various intellectual fields, for example a 15 member *Parliamentary Constitutional Review Commission* had been instituted by President H.E. Daniel Arap Moi to review the Kenyan constitution, which was headed by Indian origin Prof. Yash Pal Ghai. The Indian diaspora in Kenya also boasts of prominent lawyers and doctors. But the scene is far from idyllic as the Indian diaspora is looked upon with suspicion in Kenya. The Wahindis, as Indians are locally known are most commonly stereotyped as mean and exploitative business people no matter how long their roots in the country.

The Indian diaspora in Kenya has acquired the necessity to engage in development beyond the maintenance of familial ties and transmission of remittances keeping in mind that this sort of development requires a certain level of settlement, success and fluency whether in the sectors of education, employment, or integration, etc by the diaspora in the host country. Therefore this paper aims to not focus on the potential of remittances and investment but to focus on the impact of diaspora driven development. How can the diasporic capacity and potential in Kenya be realized, Kenya being a unique case where the government policies and practices have helped and also hindered the diasporic capacity and potential.

There have been other forms of diaspora-induced development, which has led to three persons of Indian origin from Kenya, who have been awarded the Pravasi Bharatiya Samman: Mr. Manilal Premchand Chandaria, Mr. Pheroze Nowrojee and Dr. FRS De Souza. The persons of Indian origin own many key businesses in Kenya. These include a wide range of areas covering all sectors: manufacturing, agriculture & food processing including fisheries, transportation and infrastructure

development as well as banking and finance. Indian Diaspora-owned firms also figure prominently in the Kenyan hotel and tourism sectors.

The Kenya-India Friendship Association (KIFA) was also set up in 1981. The current Chairperson is Dr. Kenneth S. Ombongi. There are a large number of associations representing different communities in the Indian Diaspora as well as several places of worship, schools, etc.

Sportspersons of Indian origin have represented Kenya in motor rallying, hockey, cricket, tennis, squash and golf. There are two Asian FM radio channels broadcasting from Nairobi and other cities as well as one weekly newspaper.

An Indian Diaspora Engagement Meet in East Africa was organised in Nairobi on 13-14 April 2012 by Ministry of Overseas Indian Affairs and Overseas Indian Facilitation Centre (OIFC) in association with the High Commission of India. Shri Parvez Dewan, Secretary, Ministry of Overseas Indian Affairs, and the High Commissioner, Mr. Manu Chandaria, Pravasi Bharatiya Samman awardee and business representatives from the Indian Diaspora, addressed the event, which was attended by around 100 representatives from the Indian community. Kenya's Minister for Foreign Affairs Hon. Prof. Sam Ogeri informally spoke to the gathering during the inaugural session. Officials from the Kenyan Ministries of Foreign Affairs and Trade and the Kenyan Investment Agency were also present. High Commissioner addressed an 'Open House' event organised by the Mission for Indian community in Kisumu in December 2012. Two other 'open house' events had been organised by the High Commission in Eldoret (March 2012) and Nairobi (December 2011).

Challenges

A serious challenge came in the early 1960s. In the preceding seventy years, more than a quarter-million of them had been encouraged by Britain to settle in the East African colonies. Most of these Indians were traders, artisans, or lower professionals, occupying the middle position between black and white in the colonial hierarchy. They lived in their own large communities, segregated from both the Africans and the English. They were the essential instrument of British rule over the indigenous population, and had greater contact with the Africans than did the British. As such, they received more privilege than was granted the Africans, but by the same token they earned a lot more of the black resentment than the colonists did. When Kenya received independence in 1963, the Indians were offered the choice of obtaining either British or Kenyan citizenship. Because the painful,

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post-independence experience of the Congo was still fresh then, and because many Indians felt that the growing demand for position and power from the newly educated African middle class would lead inevitably to their exclusion from the job market, only about 10 percent of the Indian population applied for Kenyan citizenship. The rest chose what later turned out to be “devalued” British passports. The crisis began in 1968, when Kenya passed the first of its many laws that largely bar Indians with British passports from holding gainful employment. Almost simultaneously, the Labour government in Britain, expecting an influx of its colored citizens from the East African countries, limited to 1,500 the number of Indian families with British passports who could enter England annually. As a consequence, there were thousands of Indians in Kenya, unable to work there and denied the right to their legal homeland. Because of the great distances these homeless groups traveled, they were termed as *migronauts*, and it was not unusual to meet these *migronauts* in the transit lounges of various world airports. Those Indians that were still left in East Africa felt a rising hostility among the African masses. The people of Indian diaspora that were still engaged in trading were frequently singled out as the exploiters of the native population; the Indian community was also widely blamed and targeted for many misdoings in the local community. Fortunately there were no incidents of overt violence, but unwanted and unclaimed, the Indian diaspora rather easily become the targets of the locals for they are economically more affluent, they do not participate actively in the political development and they refrain from integrating with the local community which ultimately makes them an elite aloof migrant class which is a ground for vulnerability and contention.

Observations indicate that most African countries in the last few decades have directed their attention and consequent cooperation with countries in Asia. This trend has led to a significant increase in the interaction between the two regions and the role of diaspora in this interaction. While this development has been commendable, there are various issues and nuances that have not been covered intricately in the study of diaspora driven development in the host country.

One of the main challenges arises out of the given fact that most Diasporas’ become a minority community in their host country they become more cautious to protect their identity. Therefore a major dilemma arises for the diasporic community between choosing pluralism or assimilation. Should diasporas’ preserve their traditions and culture while living in the host country or should they absorb themselves into the ways and manners of their host? Integration denotes the coexistence

of a minority culture with the majority cultures and assimilation, which means the absorption of minority culture by the majority culture. The main aim of assimilation is a mono-cultural state which is an extreme and almost impossible to achieve in this globalised world and the main aim of integration being a multicultural pluralist society.

Another challenge arises because the Indian diaspora is not a homogeneous group. It comprises of various religious and caste groups and even distinctions between class, gender and generational differences. Attempts should be made therefore to past the assumptions that the Indian diaspora as a unified collective because each group has evolved over time its own diasporic consciousness. But a veritable political minefield exists in bringing out these distinctions that creates tougher challenges when studying the Indian diaspora.

The literature concerning Indian diaspora in East Africa is steadily increasing and may have surpassed at this moment in size if not in quality, publications concerning the Chinese diaspora. Recent studies have been conducted virtually by all social science disciplines that are individually or with collaborative effort publishing more literature on the Indian diaspora in East Africa. But as evident from the available literature that is available on the subject, development led by Indian diaspora in Kenya has been to a large extent based only in the economic sphere, although historically Indian diaspora were engaged at all levels. Attention has been focused on the economies of diasporas' from the demand side perspectives. Consequently, there has been a lack of critical examination of 'role' in the host countries in other spheres such as political and social in these debates. Although most attention has been given to the measurable economic role, diasporic roles in the host countries are much broader and do not necessarily have quantifiable outcomes.

Conclusion

Given the fact that most diasporas' become a minority community in their host country, they become more cautious to protect their identity, therefore a major dilemma arises for the diasporic community in this context between choosing pluralism or assimilation. But the minority community still have the choice to walk the less extreme path of integration. The diaspora is often regarded as the classic other who does not belong, the edifices of this which lie on legal grounds, racial lines, cultural practices, religious differences and class differences or on even any combination of the above elements. These elements are then exploited for discriminatory practices and lead to weaker inter-race and inter-ethnic relations which make the community, city and state in question fragile.

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The Indian community in East Africa is subdued and uncomfortable, and sometimes even fearful. The conundrum in this context is how much the Indian diaspora would score in the *'Bogardus Social Distance Scale'* i.e. how far has the Indian diaspora integrated with the local culture, politics and society of Kenya. The Indian diaspora in Kenya has actively participated in the economic growth of Kenya. Although their contribution cannot be overemphasized, there is a need to examine the apparent dismal role of diaspora in the political and socio-cultural development.

One reality to accept to meet these challenges is that Kenya's Indian population just is not very large to occupy a big enough part of the popular imagination. It is economically significant and has been enormously important in Kenya's history, but it is not a driving cultural or social force at the moment. The Indian diaspora in Kenya have always been a confident group economically, with their looming success in the business sector. They have been able to maintain their identity and have kept themselves aloof from the native populace. The fact that the Indian diaspora has a higher economic status has led to a feeling of antagonism among the natives. This was proven by the laws and discriminatory policies that were put into place after Kenya's independence in 1963 that was termed as the *Kenyanisation* policies or the *Africanisation* policies. These policies halted the Indian diasporas' growing political and economic influence. For example the trade licensing Act of 1967 banned the Indian diaspora or the Asian diaspora from trading in rural areas and non-central areas of major towns. Many Indians as a result left Kenya as the new government revoked non-citizen trade licenses. Many years later, the government itself realized that the repressive measures had backfired as the Africans who acquired the seized businesses sold them back to the previous owners who were people of Indian diaspora. Moreover, the Kenyan government also realized that the move affected the Kenyan economy adversely.

The Indian diaspora in Kenya has gained a strong foothold in the urban manufacturing sector which has led to their higher economic status. The reason behind this rise in status is that the Indian diaspora have developed strong ethnic networks which have allowed them to better screen and enforce credit and related contracts. Another reason is also due to historical circumstances that have allowed the Indian community to accumulate and reinvest more heavily on urban enterprises. Although the *Kenyanisation* policy tried to prevent Indian diaspora from participating in the economy of Kenya, it is difficult to believe that East Africa would have developed into anything like the levels of development it has achieved today without the full and active participation of the Indian diaspora. It is true that the presence of a

large, economically sophisticated community has had the effect of retarding African participation in the commercial sector, but to argue that the absence of the diaspora community would have resulted in generally higher levels of income for the Africans is not true.

In a rapidly globalizing world, developing countries have had to adapt and adopt new ways to gain the ability to integrate with the larger world outside in order to become a 'dynamic nation'. Developing countries like India and Kenya have therefore to acquire this 'dynamism' have recognised and realized the need to explore and establish the important bridge between diaspora and development. As a result, the Indian diaspora has also become an important input in the present government under Prime Minister Narendra Modi and his foreign policy initiatives in several countries. The recent visit of the Prime Minister of India and his address to the Indian Diaspora in Nairobi will hopefully helped in going past the criticisms that the Indian government gives greater importance to the more affluent sections of the diaspora and the NRIs, while the individuals who migrated from India generations ago, known as persons of Indian origin or PIOs who constitute the majority of Indian diaspora in Kenya and who are often keen to establish links are not given much attention. With such a pool of emigrants, India could tap its diaspora for better relations with these countries. A strong relationship with its population abroad is important for India. Remittances and investment towards home countries are but only one element of that relationship. But what of the diaspora induced development within the host country? For it is only when Diasporas have achieved that certain level of development in their country of residence, can the diaspora help develop 'opportunities' for the country of origin's foreign policy.

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Prospects of Crop Insurance in India

Rajeev Gupta

Abstract

Government run crop yield insurance scheme, procurement at minimum support prices and calamity relief funds are the major instruments being used to protect the Indian farmer from agricultural variability. However, crop insurance covers only about 10% of sown area and suffers from an adverse claims to premium. There are problems with both the design and delivery of crop insurance schemes. These problems could be overcome with rainfall insurance with a well-developed rainfall measurement infrastructure. Private and public insurers are currently experimenting with rainfall insurance products. Given the current levels of yield and rainfall variability the actuarially fair premium rates are likely to be high and in many cases unattractive or unaffordable. Instead of adopting the easy and unsustainable route of large subsidies, in the long term the government should consider risk mitigation through improvements in the irrigation and water management infrastructure.

Introduction

Agriculture production and farm incomes in India are frequently affected by natural disasters such as droughts, floods, cyclones, storms, landslides and earthquakes. Susceptibility of agriculture to these disasters is compounded by the outbreak of epidemics and man-made disasters such as fire, sale of spurious seeds, fertilizers and pesticides, price crashes etc. All these events severely affect farmers through loss in production and farm income, and they are beyond the control of the farmers. With the growing commercialization of agriculture, the magnitude of loss due to un-favourable eventualities is increasing. The question is how to protect farmers by minimizing such losses. For a

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section of farming community, the minimum support prices for certain crops provide a measure of income stability. But most of the crops and in most of the states MSP is not implemented. In recent times, mechanisms like contract farming and futures trading have been established which are expected to provide some insurance against price fluctuations directly or indirectly. But, agricultural insurance is considered an important mechanism to effectively address the risk to output and income resulting from various natural and manmade events. Agricultural Insurance is a means of protecting the agriculturist against financial losses due to uncertainties that may arise agricultural losses arising from named or all unforeseen perils beyond their control (AIC, 2008). Unfortunately, agricultural insurance in the country has not made much headway even though the need to protect Indian farmers from agriculture variability has been a continuing concern of agriculture policy. According to the National Agriculture Policy 2000, “Despite technological and economic advancements, the condition of farmers continues to be unstable due to natural calamities and price fluctuations”. In some extreme cases, these unfavorable events become one of the factors leading to farmers suicides which are now assuming serious proportions (Raju and Chand, 2007). Agricultural insurance is one method by which farmers can stabilize farm income and investment and guard against disastrous effect of losses due to natural hazards or low market prices. Crop insurance not only stabilizes the farm income but also helps the farmers to initiate production activity after a bad agricultural year. It cushions the shock of crop losses by providing farmers with a minimum amount of protection. It spreads the crop losses over space and time and helps farmers make more investments in agriculture. It forms an important component of safety-net programmes as is being experienced in many developed countries like USA and Canada as well as in the European Union. However, one need to keep in mind that crop insurance should be part of overall risk management strategy. Insurance comes towards the end of risk management process. Insurance is redistribution of cost of losses of few among many, and cannot prevent economic loss.

There are two major categories of agricultural insurance: single and multi-peril coverage. Single peril coverage offers protection from single hazard while multiple – peril provides protection from several hazards. In India, multi-peril crop insurance programme is being implemented, considering the overwhelming impact of nature on agricultural output and its disastrous consequences on the society, in general, and farmers, in particular. This present study looks at the

genesis of agricultural insurance in India, examines various agricultural insurance schemes launched in the country from time to time and the coverage provided by them. Major issues and problems faced in implementing agricultural insurance in the country are discussed in detail.

Review of Agricultural Insurance Literature

In the absence of formal risk sharing / diffusion mechanisms, farmers rely on traditional modes and methods to deal with production risk in agriculture. Many cropping strategies and farming practices have been adopted in the absence of crop insurance for stabilizing crop revenue. Availability and effectiveness of these risk management strategies or insurance surrogates depend on public policies and demand for crop insurance (Walker and Jodha 1986).

The risk bearing capacity of an average farmer in the semi-arid tropics is very limited. A large farm household or a wealthy farmer is able to spread risk over time and space in several ways; he can use stored grains or savings during bad years, he can diversify his crop production across different plots. At a higher level of income and staying power, the farmer would opt for higher average yields or profits over a period of time even if it is achieved at the cost of high annual variability on output (Rao et al., 1988). Binswanger (1980), after studying the risk in agricultural investments, risk averting tendencies of the farmers and available strategies for shifting risk, concludes that farmers own mechanisms for loss management or risk diffusion are very expensive in arid and semi-arid regions.

The major role played by insurance programmes is the indemnification of riskaverse individuals who might be adversely affected by natural probabilistic phenomenon. The philosophy of insurance market is based on large numbers where the incidence of risk is distributed over individual. Insurance, by offering the possibility of shifting risks, enables individuals to engage in risky activities which they would not undertake otherwise (Ahsan et al., 1982).

Individuals cannot influence the nature and occurrence of the risky event. The insurance agency has fairly good but generalized information about the insurer. However, this does not hold true in the case of agriculture or crop insurance. Unlike most other insurance situations, the incidence of crop risk is not independently or randomly distributed among the insured. Good or bad weather may affect the entire population in the area.

Lack of data on yield levels as well as risk position of the individual farmer puts the insurance company in tight spot. As in the case of general insurance, agricultural insurance market also faces the problem of adverse selection and moral hazard. The higher premium rates discourage majority participation and only high risk clients participate leading to adverse selection. Moreover, in crop insurance the individuals do not have control over the event, but depending on terms of contract, the individuals can affect the amount of indemnity. Tendency of moral hazard tempts an insured individual to take less care in preventing the loss than an uninsured counterpart when expected indemnity payments exceed the value of efforts. The imperfect information (gathering information is costly) discourages participation of private agencies in crop insurance market. Similarly, incidence of random events may not be independent. Natural disasters may severely damage crops over a very large area and the domain of insurance on which it is based crumbles down i.e., working of the law of large number on which premium and indemnity calculations are based breaks down. The private insurance companies of regional nature will go bankrupt while paying indemnity claims unless it spread risk over space.

Farming or crop production being a biological process, converting input into output carries the greatest risk in farming. This, coupled with market risk, impinges on the profits expected from farming. Efficient risk reducing and loss management strategies such as crop insurance would enable the farmers to take substantial risks without being exposed to hardship. Access to formal risk diffusing mechanisms will induce farmers to maximize returns through adoption of riskier options. Investment in development of groundwater, purchase of exotic breeds for dairy will be encouraged due to insurability of the investment. This will help the individual to augment and increase the farm income (micro perspective) and also help to augment aggregate production in the country (macro perspective). The benefits of crop insurance vary depending on the nature and extent of protection provided by the scheme.

It is argued that farmers' own measures to reduce the risk in farming in semi-arid tropical India were costly and relatively ineffective in reducing risk in farming and to adjust to drought and scarcity conditions. Jodha finds that the riskiness of farming impinges upon the investment in agriculture leading to suboptimal allocation of resources. He also finds that official credit institutions are ill equipped to reduce the exposure of Indian farmers to risks because they cannot

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or do not provide consumption loans to drought-affected farmers (Jodha 1981).

Crop insurance is based on the principle of large number. The risk is distributed across space and time. The losses suffered by farmers in a particular locality are borne by farmers in other areas or the reserves accumulated through premiums in good years can be used to pay the indemnities. Thus, a good crop insurance programme combines both self as well as mutual help principle. Crop insurance brings in security and stability in farm income. Crop insurance protects farmers' investment in crop production and thus improves their risk bearing capacity. Crop insurance facilitates adoption of improved technologies, encourages higher investment resulting in higher agricultural production.

Crop credit insurance also reduces the risk of becoming defaulter of institutional credit. The reimbursement of indemnities in the case of crop failure enables the farmer to repay his debts and thus, his credit line with the formal financial institutions is maintained intact (Hazell et al., 1986 ;Pomareda 1986; Mishra 1996;). The farmers do not have to seek loans from private moneylenders. The farmer does not have to go for distress sale of his produce to repay private debts. Credit insurance ensures repayment of credit, which helps in maintaining the viability of formal credit institutions. The government is relieved from large expenditures incurred for writing-off agricultural loans, providing relief and distress loans etc., in the case of crop failure.

A properly designed and implemented crop insurance programme will protect the numerous vulnerable small and marginal farmers from hardship, bring in stability in the farm incomes and increase the farm production (Bhende 2002). The farmer is likely to allocate resources in profit maximizing way if he is sure that he will be compensated when his income is catastrophically low for reasons beyond his control. A farmer may grow more profitable crops even though they are risky. Similarly, farmer may adopt improved but uncertain technology when he is assured of compensation in case of failure (Hazell 1992). This will increase value added from agriculture, and income of the farm family.

Access and availability of insurance, changes the attitude of the farmer and induces him to take decisions which, otherwise, would not have taken due to aversion to risk. For example, rain-fed paddy was cultivated in one of the riskiest districts i.e ., Anuradhapur district, of Sri Lanka, for the first time in 1962, as insurance facility was available to the farmers (Ray 1971).

Bhende (2005) found that income of the farm households from semi-arid tropics engaged predominantly in rain-fed farming was positively associated with the level of risk. Hence, the availability of formal instrument for diffusion of risk like crop insurance will facilitate farmers to adopt risky but remunerative technology and farm activities, resulting in increased income.

Some of the studies confirm the conventional view that moral hazard incentive lead insured farmers to use fewer chemical inputs (Smith and Goodwin 1996). Babcock and Hennessy (1996), find that at reasonable levels of risk aversion, nitrogen fertilizer and insurance are substitutes, suggesting that those who purchase insurance are likely to decrease nitrogen fertilizer applications.

A study by Horowitz and Lichtenberg (1993) find that in the US Midwest, crop insurance exerts considerable influence on maize farmers' chemical use decisions. Those purchasing insurance applies significantly more nitrogen per acre (19 %), spend more on pesticides (21 %), and treats more acreage with both herbicides and insecticides (7 % and 63 %) than those not purchasing insurance. These results suggest that both fertilizer and pesticides may be risk-increasing inputs.

An analysis of data from US agriculture indicates that the producer's first response to risk is to restrict the use of debt. Price support programmes and crop insurance are substitutes in reducing producer risk. The availability of crop insurance in a setting with price supports allows producers to service higher levels of debt with no increase in risk (Atwood et al., 1996).

Mishra (1994) analyzed the impact of a credit-linked Comprehensive Crop Insurance Scheme (CCIS) on crop loans, especially to small farmers in Gujarat. It is observed that CCIS had a collateral effect as reflected through the increased loan amount per borrower and reduction in the proportion of non-borrowers among small farmers. The implications of credit expansion are that increased availability of credit can enhance input use and output and employment that increased share of small farmers in the total loan can have desirable effects on equity and efficiency considerations.

Though crop insurance is based on area yield, it insures the loan amount. This leads to improved access of small and marginal farmers to institutional credit. In the event of crop failure or drought, loan is repaid in the form of indemnity and thus there is reduction in the cost of recovery of loans to lending institutions and reduction in the overdue and defaults.

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It is observed that insured households invest more on agricultural inputs leading to higher output and income per unit of land. Interestingly, percentage increase in output and income is more for small farms. Based on 1991 data, CCIS was found to contribute 23, 15, and 29 per cent increase in income of insured farmers in Gujarat, Orissa and Tamil Nadu, respectively (Mishra 1994)

Many of the risks insured under public insurance programme are essentially uninsurable risks. Moreover, they occur frequently and hence are expensive to insure. The financial performance of most of the public crop insurance has been ruinous in both developed and developing countries. The multi-peril crop insurance thus is very expensive and has to be heavily subsidized (Hazell 1992).

1. Indian Agriculture: Dependence on Rainfall

Indian agriculture is heavily dependent on rainfall which largely occurs during monsoon season of about two and half months. The abnormal behaviour of monsoon may cause natural disasters such as scarcity conditions or drought, floods, cyclones, etc. Nearly two thirds of the cropped acreage is vulnerable to drought in different degrees. On an average 12 million hectares of crop area is affected annually by these calamities severely impacting the yields and total agricultural production (1). About two thirds of the cultivated area has no irrigation. Even large part of irrigated area does not get adequate water supply for intensive cropping (double cropping). In rainfed areas sowing of kharif crops commences with the onset of monsoons and the delay in the onset of monsoons delays sowing with its adverse impact on yield. Further the growth of crops and realization of output are determined by the quantum of rainfall and its distribution during the monsoon season. Even sowing of rabi crops is determined by the soil moisture retained from the rains especially during the later part of the monsoon season. Rainfall pattern affects the irrigated crops also. Rainfall during flowering period washes the pollens adversely affecting the crop yield. Excess rainfall may adversely affect the yield realization. Heavy rains may submerge the growing crops in the early stages and may cause lodging in the later stages of crop growth. In the catchments heavy rains may cause floods in the plains. The floods disrupt the sowing schedule and damage the standing crops resulting in reduced yield or even total loss of crops and farm income in addition to loss of property. Other weather variables that affect yield include sunlight, temperature, wind, hails. In fact since time immemorial weather has been the major adversary that the farmers are not able to control. It has been

established that 50 per cent of the variations in crop yield is due to variations in rainfall (2).

In any climatic zone crop yield among the farms varies with the soil, topography, tillage operations and use of four complementary inputs, namely, seed, fertilizer, pesticides and irrigation (soil moisture). Seed is the index of productivity which may be realized with the proper tillage practices, irrigation and fertilizer use. Pesticides use avoids the loss in yield because of pests and diseases. Not only quantum of these inputs but also their quality, and timings and method of use affect the yield realization. These four dimensions of complementary inputs vary for the individual farms in a year and for a farm over the years. In other words given the soil and topography two sets of factors that effect yield on farms are climatic and managerial. Managerial factors are in the control of farmers climatic factors are not. The loss of crop yield affects the farmer and farming in more than one ways. Their inputs including labour get lost. The low yield of major crops means reduced income and difficulty in arranging the necessities of life as well as inputs for the next season. The repayment of outstanding loans becomes irregular some times resulting in default. Though conversion of loans or their rescheduling helps the farmers for eligibility for fresh loans from formal sources it may not solve their liquidity problems completely. In some cases the farmers are compelled to divest and dispose off some assets created over past years. Some times, they have to resort to costly borrowing from informal sources. The capacity of agriculture to hedge itself from vagaries of nature is considered crucial for development and growth of the sector in particular and economy in general. The natural calamities can slow the pace and process of development by reducing the food supplies and raw materials in the short run. Successive failure of crops results in indebtedness of farmers with its adverse impact on farming and farm economy and consequently the economy in general.

2. Risk and Uncertainty in Agriculture

Uncertainty refers to an event the outcome of which is not certain i.e. the outcome may be one of the many possible outcomes. As such it can not be measured. But certain probability may be attached to individual outcome. Risk on the other hand refers to the impact of the uncertain outcome on the quantity or value of some economic variable. The value of the economic variable may be on either side of the mean value. Repeated events would result different outcomes having a range of values. Thus risk refers to the variations in value of an economic

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variable resulting from the influence of an uncertain event. Since the variations in the value are measurable risk can be measured. Agricultural production is an outcome of biological activity which is highly sensitive to changes in weather. Important weather variables such as temperature, humidity, rainfall, wind etc. influence the biological process directly or indirectly. For instance, low soil moisture due to poor precipitation in the pre-sowing period adversely affects seed germination resulting in reduced plant population. The poor precipitation during growth period results in stunted plant growth. Heavy rainfall during early growth period causes submersion of plants. Similarly hailstorms, wind and cyclones damage the standing crops by lodging and uprooting especially the perennials (trees and shrubs). High humidity may cause outbreak of pests and diseases. All these result in partial loss in yield and sometimes complete crop failure and hence reduced income to farmers. In other words, deviations in the weather variables from the normal adversely affect the crop yields and hence production and income on individual farms. As variations in weather are more a regular phenomenon crop yields are not stable. As if all this is not enough the sword of uncertain agricultural prices always hangs on the farmers' fate. As a consequence farm incomes fluctuate violently from year to year. These variations in income are referred to as risk. The variations in income due to changes in yield are production risk and due to changes in price marketing risk. As such risk (variations) may be measured in terms of standard deviation or coefficient of variations for yield, prices and income. In business risk is treated as a cost. Once in the business one has to bear this cost. Since, risk is associated with the activity it cannot be eliminated so long the activity is carried out. It, however, can be managed i.e., can be reduced or minimized but at a certain cost. Risk management, therefore, implies minimization of income loss either by reducing variations in output or ensuring certain minimum price or guaranteeing certain level of income. It is a process of appraising and reducing risk. The ways devised to do so are referred to as risk management alternatives. These are discussed under the following heads.

a. Avoiding Risk

Some of the production risks can simply be avoided. For instance, eliminating more risky enterprises would minimize risk but at the cost of decreased total production (returns). Laggards always try to avoid risk. They opt for assured though low income enterprises.

b. Preventing Risk

Many a time some risks could be prevented by taking advance action. For instance, risk of loss in crop yield due to pest attack could be prevented by following preventive pest control. The cost of this risk management alternative is the cost of preventive pest control.

c. Sharing Risk

This alternative of risk management is quite common in India. Important example of risk sharing is the share lease of land to tenants. The production risks are shared between the landlord and the tenant in the ratio they share some inputs and the output. The cost of this alternative to the landowner would be equal to the difference between the net income tenant earns less the cash rent he would have paid for rental lease.

d. Transferring Risk

Risk may be transferred from one entity to another. For instance, marketing risk could be transferred to buyers by way of forward contract. It guarantees to pay an agreed price for the produce to be realized in future. The cost of this alternative is the difference in value of output at post harvest/market price less the value realized at the agreed price. Crop insurance is another example of transferring production risk to another entity i.e., insurance company. In case the crop prospects are reduced below certain minimum, proportionate indemnity is paid for the expenditure incurred. The cost of this alternative is the premium paid by the farmer.

e. Spreading Risk

Risk may be spread over a number of enterprises with varying degree of risk and of course with varying level of net income. This is known as diversification. Diversification could be in terms of mixed farming, diversified farming or even mixed cropping. The idea is not to put all eggs in one basket. It would ensure some income realization from enterprises/crops even in the event of adverse weather conditions etc. As net returns from combination of different enterprises/crops would be less than the net returns from the most paying crop (pure) the difference between the two would be the cost of this alternative.

f. Taking Risk

Taking risk could be one of the alternatives to manage risk where the management cost is nil because no attempt is made to reduce risk. The idea is to plan for maximum returns even at high risk. Innovators

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and early adopters are the two categories of people who always are willing to take risk. They go for high return enterprises exposing themselves to high risk.

3. Need for Crop Insurance

Crop insurance is one alternative to manage risk in yield loss by the farmers. It is the mechanism to reduce the impact of income loss on the farmer (family and farming). Crop insurance is a means of protecting farmers against the variations in yield resulting from uncertainty of practically all natural factors beyond their control such as rainfall (drought or excess rainfall), flood, hails, other weather variables (temperature, sunlight, wind), pest infestation, etc. (1 & 3). Crop insurance is a financial mechanism to minimize the impact of loss in farm income by factoring in a large number of uncertainties which affect the crop yields. As such it is a risk management alternative where production risk is transferred to another party at a cost called premium. The weather based crop insurance uses weather parameters as proxy for crop yield in compensating the cultivators for deemed crop losses. It provides a good alternative both to farmers and government. Farmers get on actuarially fair insurance with swift payments at little administrative costs to the government. Rainfall insurance is a specific form of weather insurance. As such weather insurance is not yield insurance while crop insurance is. In both the cases cultivators pass risk in yield to another party for a premium. The insurance need for agriculture, therefore, cannot be over emphasized as it is a highly risky economic activity because of its dependence on weather conditions. To design and implement an appropriate insurance programme for agriculture is therefore very complex and challenging task. There are two approaches to crop insurance, namely, individual approach where yield loss on individual farms forms the basis for indemnity payment, and homogeneous area approach where a homogeneous crop area is taken as a unit for assessment of yield and payment of indemnity. In both the cases reliable and dependable yield data for past 8-10 years are needed for fixing premium on actuarially sound basis. Homogeneous area approach has the advantage of availability of data on yield variations.

4. Crop Insurance

Insurance is a technique where losses suffered by few are met from funds accumulated through small contributions made by many who are exposed to similar risk. Crop insurance is a means to protecting

the cultivators against financial loss on account of anticipated crop-loss arising out of practically all natural factors beyond their control such as natural fire, weather, floods, pests, diseases etc. The sum insured could be the total expenditure or a multiple of it or a proportion of expected income from crop(s) for which premium is paid. The indemnity (claims payable against the paid out of pocket expenses) is payable on the basis of shortfall in average yield from the guaranteed yield (threshold yield). The claims are paid after the loss in yield is ascertained. Weather based crop insurance is another avenue for transferring production risk to the insurer. It aims to mitigate the hardship of the insured farmer against the likelihood of financial loss on account of anticipated crop loss resulting from incidence of adverse conditions of weather parameters like rainfall, temperature, frost, humidity etc. While crop insurance specifically indemnifies the cultivator against shortfall in crop yield, weather insurance is based on the fact that weather conditions affect crop yield even when a cultivator has taken all the care to ensure good harvest. Studies of historical correlation of crop yield with weather parameters help us in developing weather thresholds (triggers) beyond which crop starts getting affected adversely. Payout structure may be developed using the weather triggers to compensate cultivators to the extent of losses deemed to have been suffered by them. Actual loss in yield or income is not ascertained for eligibility for claims. In other words, weather insurance uses weather parameters as 'proxy' for crop yields in compensating the cultivators for deemed crop losses due to reduction in yield.

5. Evolution of Crop Insurance in India

The question of introduction of crop insurance in India was taken up for examination soon after independence in 1947. A special study to work out modalities of crop insurance was commissioned in 1947-48 following an assurance given by the Ministry of Food and Agriculture to introduce crop and cattle insurance in the country. The first aspect regarding the modalities of crop insurance considered was whether it should be on Individual Approach or Homogenous Area Approach. The individual approach seeks to indemnify the farmer to the full extent of the losses and the premium to be paid by him is determined with reference to his own past yield and loss experience. As such it necessitates reliable and accurate data of crop yields of individual farmers for a sufficiently long period for fixation of premium on actuarially sound basis. The homogenous area approach envisages that

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in the absence of reliable data of individual farmers and in view of the moral hazards involved in the individual approach, a homogenous area would form the basic unit, instead of an individual farmer. The homogeneous area would comprise of villages that are homogenous from the point of view of crop production and whose annual variability of crop productivity would be similar. The study favoured homogenous area approach. Various agro-climatically homogenous areas to be treated as units and the individual farmers in those area units would pay the same rate of premium and receive the same benefits, irrespective of differential loss in individual yields.

The ministry circulated the scheme for adoption by the state governments but the states did not accept. In 1965, the Central Government introduced a Crop Insurance Bill and circulated a model scheme of crop insurance on compulsory basis to constituent state governments for their views. The bill provided for the Central Government framing a reinsurance scheme to cover indemnity obligations of the states. However because of very high financial obligations none of the states accepted the scheme. On receiving the responses of state governments, the subject was considered in detail by an Expert Committee headed by the then Chairman.

Agricultural Price Commission set up in July 1970 for full examination of the economic, administrative, financial and actuarial implications of the subject. Different experiments on crop insurance on a limited, ad hoc and scattered scale started in 1972-73. By now we have the experience of a number of products including some of weather insurance. In what follows is a brief on the past experience and availability of different products at present. Though, agricultural insurance is largely in the public domain some private efforts especially in weather insurance have also been there for some time. Their experience is not all that discouraging. The real challenge is to scale up the distribution and ensure fast claim settlement (10). India, thus, has a publicly administered crop insurance scheme since 1972. All the variants of the scheme introduced from time to time had flaws. Nevertheless India is not alone where public crop insurance has not been successful. In both developed and developing countries such insurance schemes have incurred losses without offering an effective product (11). Public crop insurance schemes are available to cultivators as means of reducing the cost associated with crop failure. The schemes, however, suffers from moral hazards and adverse selection and are very costly as payment eligibility is determined by crop damage

assessment for each individual farmer. There is a feeling that it is not profitable proposition at all (12).

6. Past Experience in Crop Insurance

6.1 First Ever-Individual Approach Scheme

In 1972-73, the General Insurance Department of Life Insurance Corporation of India introduced a Crop Insurance Scheme on H-4 cotton. Later in 1972, general insurance business was nationalized by an Act of Parliament, and the General Insurance Corporation of India (GIC) was set up. The new corporation took over the experimental scheme in respect of H-4 cotton in Gujarat. The Scheme was based on "Individual Approach". Subsequently the scheme included groundnut, wheat, potato and gram and was implemented in the states of Gujarat, Maharashtra, Tamilnadu, Andhra Pradesh, Karnataka and West Bengal. The scheme continued till 1978-79. However, it covered only 3110 farmers for a premium of Rs.4.54 lakhs against claims of Rs.37.88 lakhs indicating its non-viability and non-popularity.

6.2 Pilot Crop Insurance Scheme (PCIS) – 1979

In the background and experience of the aforesaid experimental schemes for crop insurance, a study was commissioned by GIC and entrusted to eminent agricultural economist, Prof. V.M. Dandekar. Based on the recommendations of Prof.Dandekar, a Pilot Crop Insurance Scheme was introduced by GIC in 1979. The important features of the scheme were:

- i. The scheme was based on "Area Approach".
- ii. The scheme covered cereals, millets, oilseeds, cotton, potato and gram.
- iii. The scheme was available to loanee farmers only and on voluntary basis.
- iv. The risk was shared between General Insurance Corporation of India and State Governments in the ratio of 2:1.
- v. The maximum sum insured was 100 per cent of the crop loan, which was later increased to 150 per cent.
- vi. A 50 per cent subsidy was provided for insurance charges payable by small and marginal farmers by the State Government and the Government of India on 50:50 basis.

The PCIS launched in 1979 continued till 1984-85 and was implemented in 13 states. During this period it covered 6.27 lakh farmers for total premium of Rs.196.95 lakhs against claims of Rs.157.05 lakhs.

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Prehistoric and Animist Periods

Vidya Bharti

Prehistoric Sites

As infrequent archaeological excavations have slowly revealed pieces of Burma's past, a better but still incomplete understanding of Burma's prehistory has slowly emerged. Scant archaeological evidence suggests that cultures existed in Burma as early as 11,000 BC, long before the more recent Burmese migrations that occurred after the 8th century AD. The conventional western divisions of prehistory into the Old Stone Age, New Stone Age and the Iron or Metal Age are difficult to apply in Burma because there is considerable overlap between these periods. In Burma, most indications of early settlement have been found in the central dry zone, where scattered sites appear in close proximity to the Irrawaddy River. Surprisingly, the artifacts from these early cultures resemble those from neighboring areas in Southeast Asia as well as India. Although these sites are situated in fertile areas, archaeological evidence indicates that these early people were not yet familiar with agricultural methods.

The Anyathian, Burma's Stone Age, existed at a time thought to parallel the lower and middle Paleolithic in Europe. At least six kinds of stone hand tools have been discovered in the fourteen sites associated with this period. This assemblage of stone tools in conjunction with additional archaeological evidence indicates that these people lived by hunting animals and gathering wild fruits, vegetables and root crops. The Neolithic or New Stone Age, when plants and animals were first domesticated and polished stone tools appeared, is evidenced in Burma by three caves located near Taunggyi at the edge of the Shan plateau that are dated to 10000 to 6000 BC.

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The most complex of these, the Padhalin cave, contains wall paintings of animals, not unlike those found in the Neolithic caves at Altamira, Spain or Lascaux, France. These paintings may be interpreted as an indication that the cave was used as a site for religious ritual.

Thus, caves were among the earliest sites used for Buddhist worship in Burma. This is of importance because the use of caves for religious purposes continued into later periods and may be seen as a “bridge” between the earlier non-Burmese, Animist period and the later Buddhist period. Numerous caves around the ancient city of Pagan have been outfitted with Buddha images or have been incorporated into early temples such as Kyauk Ku Umin or Thamiwhet and Hmyatha Umin.

A Buddhist temple is referred to as a cave, whether it is naturally formed or, as is most often the case, architecturally constructed. The Burmese word for cave is “gu” and has been continually used to refer to Buddhist temples. It is frequently incorporated into the name of a temple, for example Shwe Gu Kyi or Penatha Gu. Also, until the twelfth century, temple interiors were intentionally dimly lit. This effect was achieved by installing permanent stone or brick lattices in all the relatively small windows. (The Burmese ethnic group has been credited with building their temples with larger, unobstructed windows and thereby creating more brightly-lit interiors - a transition that is seen in the temples of the Pagan Period).

By the second half of the first millennium BC a new developmental phase began in the dry zone of Burma. Referred to as the early Bronze - Iron Age, these cultures shared practices and methods of production with various neighboring areas. Burial methods resemble those of Thailand and Cambodia. Iron working technology most likely came from India or other parts of Southeast Asia, and ceramic forms and decoration correspond to those of the bronze - iron Age levels at Ban Chiang in northern Thailand and at Samrong Sen in Cambodia. Numerous beads have been recovered that stylistically resemble those imported from Andhra Pradesh and Tamil Nadu in India.

Animism and the Arts

Animism

Animism is a generic term used to describe the myriad religious beliefs and practices that have been utilized in small-scale human societies since the beginning of the prehistoric era and is the earliest identifiable form of religion found in Burma. This is not an unexpected

occurrence because animist beliefs and practices have been found among early human societies in almost every country of the world. Animism is a belief that spirits exist and may live in all things, sentient and non-sentient.

The world is thought to be animated by all sorts of spirits that may intervene negatively or positively in the affairs of men. Although spirits may live in all things, every object does not harbor a spirit. If there were a spirit in everything, the daily activities of mankind would be seriously disrupted because a spirit would have to be addressed or placated at every step in a day's activities. Spirits by their very nature are thought to be normally invisible and to assume visible form only on rare occasion. Therefore, it is a challenge for anyone to contact a specific spirit and be absolutely sure that the correct spirit was contacted and was present.

Therefore, throughout the world, spirits are often assigned a contact point where they may be enticed for consultation. Salient features of the landscape often become the "home" of a spirit by assignment. Spirits are thought to live, for example, on the highest peak in a mountain range or at the odd bend in the creek but not in every stone or drop of water. If a landscape is devoid of a salient feature, such as is the case with a flat rice field, one is created by assignment such as building a simple shrine in the northeast corner of the field. That the spirits have a recognized "home" is important since the relevant spirit or spirits must be located and consulted before important decisions are made or an activity undertaken. Location as well as "presence" is of vital importance in animism because the spirit must be agreeably enticed to the location so that the request will meet with a positive response. A home or locus for consulting ancestor spirits is often created in animist societies by carving a generic but gendered human image and wrapping it in a garment or with possessions identified with the deceased. Gifts of all kinds, often of luxury goods, are ritually presented to the image when it may be wrapped in any of the deceased individual's possessions.

In virtually all societies that practice animism, there are three broad categories of spirits: Spirits of the Ancestors, Spirits of the Locale or Environment (often referred to as genie of the soil) and Spirits of Nature or Natural Phenomenon. Those individuals who were important in this life, such as patriarchs, matriarchs, clan leaders, political leaders, or chiefs, are honored after their death because it is believed that if they were powerful in this life then they will be powerful in the afterlife and consequently they should be consulted. Security for the living is achieved and maintained by consulting these important ancestor spirits

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to receive advice on major decisions and assistance to bring them to fruition.

Spirits of the locale or environment include, for example, the spirit of the mountain, the waterfall, the great tree or of each plot of land. In inhabited areas in Burma and especially within villages or towns, almost every large tree has a spirit shelf on which food and drink is placed to please the spirit and thus assure its blessings. The small wayside shrines, typically containing no images that are found along thoroughfares as well as in remote locations throughout Burma are dedicated to the spirit(s) of that area, that tract of land or that city plot.

The Spirits of Natural Phenomenon are consulted as needed. These include the sun, moon, storms, hurricanes, typhoons, winds and earthquakes. These spirits represent the uncertainty of the world; that which is beyond the understanding and complete control of the living.

Animism is typically practiced through rituals that are performed by a specially trained practitioner who serves as an intermediary between a person or group and the spirit to be consulted. The term shaman - the word used for such an individual in tribes living along the American Northwest Coast - is today widely employed by academics to identify such individuals wherever they appear in the world. This practitioner is called to perform a ritual at an auspicious location in which he entices the appropriate spirit or spirits to appear and cooperate by flatteringly calling them by name, performing their favorite music or songs, recounting their good deeds and offering them the things that they enjoyed when alive, such as food, drink (frequently alcohol), or things that have an appealing fragrance such as flowers or incense. These "objects of enticement" are considered by outsiders to be the Arts of Animism. Since animist rituals often do not require an image, these arts frequently consist of the objects used for enticement such as fine textiles, fine basketry or fine ceramics. Typically these items are the best available, expensive, newly made for the ceremony, or at least refurbished since it would be offensive to offer old clothing or stale food to a respected individual. Once the shaman is convinced the desired spirit is present and in an agreeable mood, he goes into trance and consults with the spirit concerning the critical matter at hand. He then comes out of trance and shares the wishes of the spirit(s) with his client(s).

There are typically three categories of questions that are asked: those that involve the security of the group or person; the fertility of

humans, livestock and crops; and the health of the group or the individual. All three categories of questions have to do with everyday life, the here and now, and unlike the “Great Religions”, little attention is focused on the afterlife.

The practitioners of animism, the shaman or mediums, do not belong to an organized clergy but, instead, learn the rituals and the practices of animism by having been an apprentice or an acolyte to another shaman. The specialized task of the shaman requires them to communicate with spirits, whether male or female, while in a trance. Consequently, an individual of ambiguous gender is well suited to speak intimately with spirits of either gender. Therefore, shaman tends to be either effeminate males or masculine females who at their will are capable of going into trance.

In Burma, animism has developed into the cult of the Thirty-Seven Nats or spirits. Its spirit practitioners, known as nat ka daws, are almost always of ambiguous gender, and are thought to be married to a particular spirit or nat. Despite their physical appearance and costume, however, they may be heterosexual with a wife and family, heterosexual transvestites, or homosexual. Being a shaman is most often a well-respected profession because the shaman performs the functions of both a doctor and a minister, is often paid in gold or cash, and is often unmarried with the time and money to care for their aging parents. Shamans who combine their profession with prostitution lose the respect of their clients - a universal conflict and outcome. The reputation of Burmese nat-ka-daws has been generally damaged by this conflict.

Animism, a generic term for the Small Religions, is a substratum of beliefs out of which the Great Religions have developed. It is a useful term to describe all of the small religions that vary greatly in the specifics of their practice. However, there are general characteristics that are easily recognized. Since animism is based upon the worship of individuals who once lived in addition to spirits that dwell in specific environmental locations, there are a myriad number of spirits. These spirits change in name and function in different physical environments. Consequently, the names of the spirits change from valley to valley, from one village to another or from one small group to the next. The worship of numerous spirits differs markedly from the great religions, which usually have one all encompassing god or a limited pantheon of gods. By comparison, in Burma and Thailand there is a spirit attached to every parcel of land.

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Since Animism is typically practiced by non-literate groups of people, a written record of their theology or literature doesn't exist. Practices or beliefs are passed down orally from shaman to apprentice. Since it is important for the shaman to preserve the correct order in which chants and genealogies must be recited, shaman in several societies have independently invented what scholars have come to refer to as "memory boards". These are boards on which there are a series of symbols or marks that assist in proper recollection and recitation. These boards have been found in many small-scale societies including those in Southeast Asia, particularly in Borneo and as far away as Easter Island. These boards, although often undecipherable to the uninitiated, are important because they are examples of the first form of writing.

Art objects used in animism are typically made of perishable materials. The images are often of wood, cane, feathers, leather, and other materials such as unfired clay that easily disintegrate. Due to humidity, bacteria, and the foraging of animals and insects, these art forms do not last for long periods. Art forms made of perishable materials are suitable for animist ritual since the animist aesthetic places importance on the new and beautiful because the end goal is to please and attract the spirits. The sentiment here is that attractive gifts should be new and not secondhand. Therefore, old images that have been used previously are frequently repainted, re-dressed or made anew. At times, the "art objects" are discarded after a ritual since the objects have served their purpose of attracting the spirit and the spirit by its very nature of being a spirit can not take the objects away.

Animist art objects are created in almost any form. The images may be anthropomorphic, or just an uncut slab of rock. The object may be adorned or unadorned.

In Burma, the major Animist spirits were transformed into the Pantheon of the 37 Nats during the Pagan Period. The earliest known images of the brother and sister nats, Min Mahagiri and his Sister, who lead the pantheon, were painted on two planks hewn from a their sacred tree that had been thrown into the Irrawaddy and had floated down the Irrawaddy to Pagan.

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Geographical Distribution and Characteristics of Pastoral and Farming Communities

Kanchan Kumari

The region falls into three major areas: the stretch between Peshawar and Taxila comprising the Peshawar valley and the Potwar plateau, the area between Swat and Chitral and finally the valley of Kashmir. The Neolithic levels of Saraikhola in the Potwar plateau gave way to Kot Diji related horizon and in some way this region as a whole was within the trading network of the contemporary Indus plains. In the Swat Chitral region the large number of sites that have been excavated show the use of different metals, stone and other objects among which are shell, coral and ivory which must have reached this region from the Indus plains. The rock shelter site of Ghaligai which perhaps goes back to 3000 BC provides the baseline in Swat -Chitral. The proto-historic graveyards of the region are dated between the second quarter of the second millennium BC and the late centuries BC. The evidence of such graveyards and associated settlements has been categorised as the Gandhara Grave Culture.

These Copper Age graves are marked by in-flexed burials and urn burials after cremation. Grave sites and associated settlements have been investigated at a large number of sites including Loebanr, Aligrama, Birkot Ghundai, Kherari, Lalbatai, Timargarha, Balambat, Kalako-Deray and Zarif Karuna located in the valleys of Chitral, Swat, Dir and Buner etc. In Kashmir more than 30 Neolithic sites have been found scattered but most of them are in the Baramula, Anantnag and Srinagar regions. This distribution points out that this was not a culture

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isolated from the plains. Handmade grey pottery with a mat impressed base is a distinguishing feature of the ceramic phase of the Kashmir Neolithic at both its excavated sites - Gufkral and Burzahom. The Neolithic phase in Kashmir merged into a megalithic phase around the middle of the second millennium BC. Handmade grey pottery with a mat impressed base is a distinguishing feature of the ceramic phase of the Kashmir Neolithic at both its excavated sites- Gufkral and Burzahom. The Neolithic phase in Kashmir merged into a megalithic phase around the middle of the second millennium BC.

1. Ladakh and Almora
2. Northeast Rajasthan
3. South India
4. Eastern India
5. Malwa.

Prehistoric Human Colonization of India

Human colonization in India encompasses a span of at least half-a-million years and is divided into two broad periods, namely the prehistoric (before the emergence of writing) and the historic (after writing). The prehistoric period is divided into stone, bronze and iron ages. The stone age is further divided into palaeolithic, mesolithic and neolithic periods. As the name suggests, the technology in these periods was primarily based on stone. Economically, the palaeolithic and mesolithic periods represented a nomadic, hunting-gathering way of life, while the neolithic period represented a settled, food-producing way of life. Subsequently copper was introduced as a new material and this period was designated as the chalcolithic period.

The invention of agriculture, which took place about 8000 years ago, brought about dramatic changes in the economy, technology and demography of human societies. Human habitat in the hunting-gathering stage was essentially on hilly, rocky and forested regions, which had ample wild plant and animal food resources. The introduction of agriculture saw it shifting to the alluvial plains which had fertile soil and perennial availability of water. Hills and forests, which had so far been areas of attraction, now turned into areas of isolation. Agriculture led to the emergence of villages and towns and brought with it the division of society into occupational groups. The first urbanization took place during the bronze age in the arid and semi-arid region of northwest India in the valleys of the Indus and the

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Saraswati rivers, the latter represented by the now dry Ghaggar–Hakra bed. This urbanization is known as the Indus or Harappan civilization which flourished during 3500–1500 B.C. The rest of India during this period was inhabited by neolithic and chalcolithic farmers and mesolithic hunter-gatherers.

With the introduction of iron technology about 3000 years ago, the focus of development shifted eastward into the Indo-Gangetic divide and the Ganga valley. The location of the *Mahabharata* epic, which is set in the beginning of the first millennium B.C., is the Indo-Gangetic divide and the upper Ganga-Yamuna doab (land between two rivers). Iron technology enabled pioneering farmers to clear the dense and tangled forests of the middle and lower Ganga plains. The focus of development now shifted further eastward to eastern Uttar Pradesh and western Bihar which witnessed the events of the *Ramayana* epic and rise of the first political entities known as *Mahajanapadas* as also of Buddhism and Jainism.

The second phase of urbanization of India, marked by trade, coinage, script and birth of the first Indian empire, namely Magadha, with its capital at Pataliputra (modern Patna) also took place in this region in the sixth century B.C. The imposition by Brahmin priests of the concepts of racial and ritual purity, pollution, restrictions on sharing of food, endogamy, *anuloma* (male of upper caste eligible to marry a female of lower caste) and *pratiloma* (female of upper caste ineligible to marry a male of lower caste) forms of marriage, *karma* (reaping the fruits of the actions of previous life in the present life), rebirth, *varnashrama dharma* (four stages of the expected hundred-year life span) and the sixteen *sanskaras* (ceremonies) on traditional occupational groups led to the birth of the caste system – a unique Indian phenomenon.

As a consequence of the expansion of agriculture and loss of forests and wildlife, stone age hunter-gatherers were forced to assimilate themselves into larger agriculture-based rural and urban societies. However, some of them resisted this new economic mode. To this day they have persisted with their atavistic lifestyle, but have had to supplement their resources by producing craft items or providing entertainment to the rural population.

Introduction

Humankind's past is divided into two broad periods: the prehistoric and the historic. The prehistoric period belongs to the time before the

emergence of writing and the historic period to the time following this event. Modern humans, evolved in Africa and have lived on our planet for about 150,000 years. However, they learnt writing only about 5000 years ago. This means that only about 0.1% of humankind's past is known through the written word. In fact, knowledge of writing diffused very slowly and even today a large section of humanity remains illiterate. Further, before the invention of printing technology in the medieval period, written documents were few and far between, and many of them have been lost due to being written on perishable materials like tree bark, palm leaf, papyrus and cloth. This means that the story of humankind has to be reconstructed largely with the help of non-literary or archaeological sources. These sources comprise objects – tools, weapons, ornaments, structures and artistic creations which were produced and used by humans and which have survived the ravages of time.

Man differs from other creatures in his ability to learn, accumulate knowledge and pass it on to future generations. He has learnt to use various raw materials available in nature – stone, wood, bone, clay, metal, etc. – for shaping them into useful objects for satisfying his needs. Objects made of comparatively durable materials survive for varying lengths of time and constitute the main source of information for knowledge of the human past.

Like other creatures, humans too have had to adapt themselves to the environment in which they live. However, unlike other beings, they have done so with the aid of technology and material culture (material objects like tools, weapons, utensils, houses, clothes, ornaments, etc.). Moreover, since the environment – landscape, climate, flora and fauna – tends to change over time, archaeologists have to reconstruct past environments as well. The biological remains of men have contributed to the understanding of not only his biological evolution but also cultural evolution. Archaeology, thus, is a multi-disciplinary study involving disciplines like geology, palaeontology, palaeobotany, biological anthropology and archaeological chemistry. Further, since cultural changes take place at an uneven pace in different regions, in many parts of the world, particularly in India, prehistoric ways of life have survived more or less unchanged into modern times. The study of non-industrialized societies, especially those practising hunting-gathering, fishing, primitive cultivation and pastoralism, known as ethnoarchaeology, contributes to interpreting the archaeological record.

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The story of man began in the Miocene period, around twenty million years ago, when the great apes, from whom the humans evolved, flourished in large areas of the Old World. Proto humans appeared in the Pliocene period, around five million years ago, and their cultural evolution largely took place during the Pleistocene period, which began about two million years ago. While biologically humans differ from the other apes in their upright posture, ability to walk on two feet or hind limbs, extremely versatile hand, and an unusually powerful brain, culturally they differ in their ability to manufacture and use tools.

The prehistoric period is divided into three ages, namely the stone, bronze and iron ages. These ages, besides being technological stages, also have economic and social implications. The Stone Age is divided into three periods, namely palaeolithic, mesolithic and neolithic. As the name suggests, the technology in these periods was primarily based on stone. Economically the palaeolithic and mesolithic periods represent the hunting-gathering stage while the neolithic represents the stage of food production, i.e. plant cultivation and animal husbandry. The palaeolithic period is further divided into three sub-periods, namely lower, middle and upper.

A point which needs to be emphasised is about chronology. Chronology is of two types, relative and absolute. Relative chronology dates prehistoric events in relation to other events and geological deposits. It only tells us if a particular event is earlier or later than another event. Absolute chronology, on the other hand, dates events and phenomena in solar calendar years. This chronology is based on physical techniques and methods like radiocarbon, K/Ar, fission tracks, thermoluminescence, TH230/U234 and dendrochronology. While dendrochronology is applicable only to a period of a few thousand years and only in the few areas where old wood samples have been preserved, radiocarbon dating can date events up to sixty thousand years old. The other methods can, however, date events belonging to the entire prehistoric period. However, their application is dependent on the availability of suitable materials like volcanic ash and rock at archaeological sites.

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Introduction of Iron Technology and Expansion of Settled Life

Archana Kumari

The introduction of iron technology was of crucial importance to the expansion of agriculture-based settled life, particularly in the subhumid region of the Ganga valley. Compared to scanty copper deposits, iron deposits are abundant in India, particularly in Chota Nagpur region and central India. So long as copper was the only metal known to people, tools, weapons, vessels and ornaments of this metal and bronze were scarce and precious and they were accessible only to the rich and influential members of the society. The common people had to depend only on stone tools for their needs. Even in the highly sophisticated Indus civilization, urban families had to use stone blades for their domestic chores. Also, copper being brittle, could not be used for clearing dense and tangled forests of subhumid regions. Therefore, copperbronze using cultures were largely confined to arid and semi-arid regions.

However, once iron technology was mastered, tools, weapons and vessels of this metal became available to common people and slowly the stone tools went out of use. The effective end of stone age came only after the introduction of iron technology. With the help of iron tools enterprising farmers cleared the dense forests of the subhumid plains of the middle and lower Ganga valley and brought about effective human colonization of this vast fertile region. In the hilly and rocky peninsular India iron tools helped in quarrying stone for erecting megalithic sepulchral and memorial monuments and subsequently in digging wells and irrigation tanks in hard rock. The agricultural surplus generated by the combination of iron technology, fertile soil, perennial availability of water from rivers, lakes and wells, and human enterprise

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led to the emergence of second urbanization in the country. While the first urbanization took place during the bronze age and was confined to arid and semi-arid northwestern part of the subcontinent, the second urbanization took place in the Ganga valley (Roy 1983) and slowly spread to peninsular India.

After the introduction of iron technology the geographical focus of cultural development shifted to the Ganga plains. The events of the two great Indian epics, namely the *Mahabharata* and the *Ramayana* took place in the upper and middle Ganga valley, respectively. Subsequent to the epic periods, the focus of cultural development shifted further east to eastern Uttar Pradesh and Bihar. It is in this region that Buddha and Mahavira started the revolt against the ritual and animal sacrificeridden brahmanical religion and preached their message of non-violence and righteous conduct. It is also in this region that the first political entities, the *Mahajanapadas* and the first Indian empire, that of Magadha, developed.

Black-and-red Ware Culture

Although black-and-red ware as a ceramic is found almost all over the country from the Harappan culture in Gujarat to Megalithic culture in south India, it is found in a distinct stratigraphical context above the OCP and below the painted grey ware (PGW) at Noh in Bharatpur district of Rajasthan and Atranjikhhera (Gaur 1983) in Etah district of Uttar Pradesh. Because of its distinct stratigraphic horizon this ware and the associated material has been given the status of an independent culture. The earliest occurrence of iron has been reported from the horizon of this culture at Noh.

The black-and-red ware is made of fine material and is well baked but unlike its Harappan and Chalcolithic counterparts, it is not painted. The pottery has been found in limited quantities and the shapes represented are bowls and dishes. Other wares associated with it are blackslipped ware and red ware. Other objects of this culture are copper beads and ring, domestic stone objects, beads of semi-precious stones and stone blades found at Atranjikhhera. A few burnt bricks have also been reported from the same site. On the basis of TL dating of pottery, this culture has been ascribed to ca. 1450–1200 B.C.

Painted Grey Ware Culture

The PGW culture is named after the pottery of the same name. This ware was first found at Ahicchatra in Bareilly district of Uttar Pradesh. during excavations in 1944 (Ghosh and Panigrahi 1946) but

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its importance was fully realized only after its discovery by Lal in the excavations at Hastinapura during 1950–1951 (Lal 1955). The first large-scale and effective use of iron in India is associated with this culture.

The PGW culture is found in the Indo- Gangetic Divide and the upper Ganga-Yamuna Doab (ancient *Aryavarta* and *Madhyadesa*). Some of the major sites of this culture are Sardargarh in Ganganagar district, Bairat (capital of *Virata*, one of the kings of the *Mahabharata* period) in Jaipur district, and Noh in Bharatpur district, Rajasthan; Panipat and Varnava (ancient *Varnavat*) in Panipat district, and Ropar in Ambala district, Haryana; Purana Qila identified with *Indraprastha*, a *Mahabharata* period city (modern Delhi); Allahpur in Ghaziabad district, Lal Qila in Bulandshahr district, Hastinapura (capital of the *Kauravas*, one of the two feuding families in the *Mahabharata*) and Alamgirpur in Meerut district, Atranjikhera in Etah district, Ahicchhatra in Bareilly district (capital of the eastern *Panchalas*), Kampil, ancient *Kampilya* (capital of the western *Panchalas*) and Kannauj in Farrukhabad district, and Jajmau in Kanpur district, all in Uttar Pradesh.

Stray finds of the ware are reported from Lakhyopir in Sindh, Pakistan; Gondi and Chosla in Bundi district, and Gilund in Rajsamand district in Rajasthan; Kausambi in Allahabad district, and Sravasti in Bahraich district Uttar Pradesh; Vaisali in Vaisali district, Bihar; and Ujjain in Ujjain district, Madhya Pradesh (Tripathi 1976). A number of sites yielding this ware like Bairat, Panipat, Purana Qila, Hastinapura, Ahicchhatra and Kampil figure prominently in the story of the *Mahabharata* epic and it is therefore, believed that the people of the *Mahabharata* were the same as the PGW people, and they represent the second wave of the Aryans. The PGW was produced from well levigated clay and manufactured on a fast wheel. A thin slip was applied on both surfaces and the ware was baked at a temperature of 600°C under reducing conditions which produced the smooth ashy surface and core (Hegde 1975). The distinctive shapes are dishes with curved sides and sagger (a pottery shape, meaning dish with curved base as opposed to flat base) base and bowls with straight sides. The vessels are painted in black pigment on both surfaces with geometric patterns like dots, groups of vertical lines, concentric circles, bands, strokes of vertical and slanting lines, dashes, chains, loops, spirals, sigmas and *swastikas*. Naturalistic patterns like lotuses, leaves, bunches of flowers and the sun are also occasionally found.

The PGW people cultivated rice and wheat and lived in wattle-and-daub houses. They were the first people to have definitely used the

domesticated horse. The archaeological picture of the culture is far more modest than that depicted in the epics, the *Puranas* and later literature. The culture is dated by radiocarbon to 1000–600 B.C. which again is in sharp contrast to the Hindu belief of the *Mahabharata* battle having ended before 3000 B.C.

Northern Black Polished Ware Culture and The Second Urbanization

Iron technology accelerated colonization of the middle and lower Ganga valley by farmers from around seventh century B.C. The characteristic pottery of this period is northern black polished ware (NBPW). The NBPW period saw the emergence of cities and first political entities known as *Mahajanapadas* in the Ganga plains in the sixth century B.C. The NBPW region is also the location of the second major Hindu epic, the *Ramayana*, and of the rise of Buddhism and Jainism. This period witnessed the second urbanization of India (Ghosh 1973). By sixth century B.C. a number of these *Mahajanapadas* had been assimilated into the first Indian empire known as the Magadhan empire with its capital at Pataliputra (modern Patna in Bihar). The Magadhan empire was succeeded by the Mauryan empire in the fourth century B.C. The best known Mauryan emperor – Ashoka – expanded the empire up to Karnataka in the south, Bangladesh in the east and Afghanistan in the northwest. He also patronized Buddhism and was responsible for spreading the religion within the country as well as outside to Sri Lanka and other countries of Asia. After the long gap between the first and the second urbanizations, lasting about 1500 years, writing appeared again during this period. The script is known as Brahmi, and the Buddhist and Jaina literatures in Pali language as also the pillar and rock edicts of emperor Ashoka were written in this script. Coinage in the form of silver punch-marked coins also appeared in this period.

The NBP is made on a fast wheel from well levigated clay, free from impurities. It is well baked, with a blackish-grey and occasionally reddish core, and is thin and sturdy. Its most distinctive feature is its strikingly glossy surface with mirror effect. The normal surface colour of the vessels is light to jet black or steel-blue but it occasionally tends to be silvery, golden, brown or chocolate. The most common shapes in the NBP comprise a dish with convex or straight sides and bowl with straight, convex, carinated or tapering sides. The shapes are similar to those of the PGW and the ware itself is an evolved version of the PGW. Only rarely the ware is decorated with painted designs which include horizontal bands, vertical strokes, transverse bands or strokes

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or simple circular bands or arches in dark steel-blue, grey, light and deep red, black and dark brown colours. Its extraordinary high technical quality, limited occurrence and examples of broken vessels being joined together with copper rivets, fillets or pins are tell-tale signs that the NBP was 'deluxe' ware meant for the elite of the society. This pottery is found throughout north India but its main occurrence is in the Ganga plains in Uttar Pradesh and Bihar. Small quantities of NBP have been found at sites in central India, eastern India, south India and even in Bangladesh and Sri Lanka. It is believed that this pottery was carried to far off places by Buddhist monks and high administrative officials. The high technological excellence associated with the manufacture of NBP is also seen in the production of steel during this period. The NBP period is dated from 600 B.C. to 100 B.C.

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Exploring Resident's Perception towards Support for Tourism over the Past Decades: A Review of Literature

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Manoj Edward**

Abstract

Tourism all over the world is experiencing an unprecedented surge like never before, and has in turn affected the way the resident population considers this. Thus this paper proposes a framework to increase researchers' understanding about the attitude of local community towards support for tourism. The objective of this study is to develop a framework that links community residents' perceptions towards support for tourism development using latent variables of community attachment, community involvement, perceived benefits, perceived costs and spatial factors. Several implications of this study are introduced, and recommendations for future research are presented.

Introduction

Researches regarding the attitude of local community began to gain significance since 70s, and this is evident from the enhancement in the number of studies, the research objectives set and methods used in studying the local community's support for tourism (Jurowsky, Uysal,

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& Williams, 1997; Andereck and Vogt 2000; Lepp, 2007; Mc Gehee & Andereck, 2004; Ryan & Cave, 2005; Schoroeder, 1996; Zhang, Inbakaran, & Jackson, 2006; Akis, Peristianis, & Warner, 1996; Ap, 1992; Belisle & Hoy, 1980; Chen,2000; Getz, 1994; Hernandez, Cohen & Garcia, 1996).

Over the past one decade tourism has dramatically acted as a growth engine in most of the developing nations. Community leaders and economic development specialists have increasingly treated tourism as an important industry that can enhance local employment opportunities, revenue through tax and foreign exchange and economic diversity

As and when tourism develops in a destination, the life of the people in the vicinity which includes, the local community or the resident population, gets affected by tourism activities (Jurowski, Uysal & Williams, 1997). Understanding resident community's rejoinder towards tourism development and the factors that may influence their reaction is crucial in accomplishing a local resident's support for tourism development. Therefore community's reaction towards tourism has been extensively studied by researchers.

Understanding the model of support by local residents for tourism development can help to uphold and promote tourism because communities can assess these precedents to predict the level of support by their residents. A number of studies in recent years have examined host residents' perceptions of the impact of tourism development on their community. Residents' perceptions have been shown to be influenced by a number of factors, including personal economic reliance on the tourism industry; the importance of the industry to the locality; the type and extent of resident-visitor interaction; and the overall level of tourism development in the community (Murphy 1985). More specifically, research has shown that heavy tourism concentration (Madrigal 1993; Pizam 1978), greater length of residency in the community (Liu and Var 1986; Madrigal 1993; Pizam1978; Um and Crompton 1987), and native-born status (Canan andHennessy 1989; Davis, Allen and Cosenza 1988; Um and Crompton 1987) have been linked to greater negative perceptions of tourism.

The purpose of this investigation was to investigate the literatures of the past on the residents' perceptions of its impacts and test the relationship between these perceptions and several predictor variables, including perceptions of the benefits and costs of tourism , community attachment, stage at which the tourism is and spatial factors of the local community. In this study we build up such a framework based on previous research on local resident's support for tourism. This research

suggests that resident's attitude towards tourism first depends on direct effects of benefits and costs as perceived by the local community. The community attachment, an antecedent to local support for tourism, is measured by three factors, and the perceived costs and perceived benefits mediates the relation between community attachment and community involvement with the local people's attitude towards tourism. Spatial dimensions are also considered in the model developed, where in the geographical distance of the tourism zone from local community is taken into account, apart from this the tourism concentration, which is an account of the magnitude of the local tourist interaction, resource sharing etc. is also taken into consideration.

Framework for Local Attitude and Perception towards Tourism

For developing an in-depth understanding of local's attitude towards support for tourism, a framework has been build up here (Figure 1), based on previous research on attitude of local resident's support for tourism. For tourism development to be sustainable, local resident's support is critical, sustainable tourism development has widely been discussed in literatures because advance in such a direction can provide opportunities to enhance economic growth, improve quality of living of the locals and preserve the locale, and thereby enhancing the opportunities for future through coexistence of tourism development and environmental quality (Eagles, Mc Cool & Haynes, 2002).

Thus antecedents analyzed for support for tourism in previous studies were adopted, the cultural, economic and social benefits and costs as perceived by the locals (Tsung Hung Lee,2012 ;Choi & Murray, 2010;Dyer et al., 2007;Ko &Stewart, 2002; Nunkoo & Ramkissoon, 2011;Oviedo García, Castellano-Verdugo, & Martín-Ruiz, 2008; Yoon et al., 2001; Gursoy, Chi, &Dyer, 2009; Gursoy& Rutherford, 2004), effect of distance of respondent's home from tourism center (John Williams & Rob Lawson ,2001; Belisle & Hoy,1980; Pearce 1980; Sheldon & Var,1984; Tyrell & Spaulding,1984), tourism concentration (Madrigal1993; Pizam 1978) has also been considered. The distance of respondent's home from the tourism zone and the tourism density of the region make up the spatial factors.

In our framework, the community attachment attribute has been indicated by factors such as place dependence, place identity, affection attachment and social bonding, which in turn depend on length of residency in the community (Liuand Var 1986; Madrigal 1993; Pizam 1978; Um and Crompton 1987), native-born status (Canan and Hennessy 1989; Davis, Allen and Cosenza 1988; Um and Crompton

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1987) and Ethnicity (Var, Kendall and Tarakcioglu 1985) etc. Another antecedent considered has been the stage at which the destination is in the Community Involvement which can be measured by the participation of the community in management and decision making.

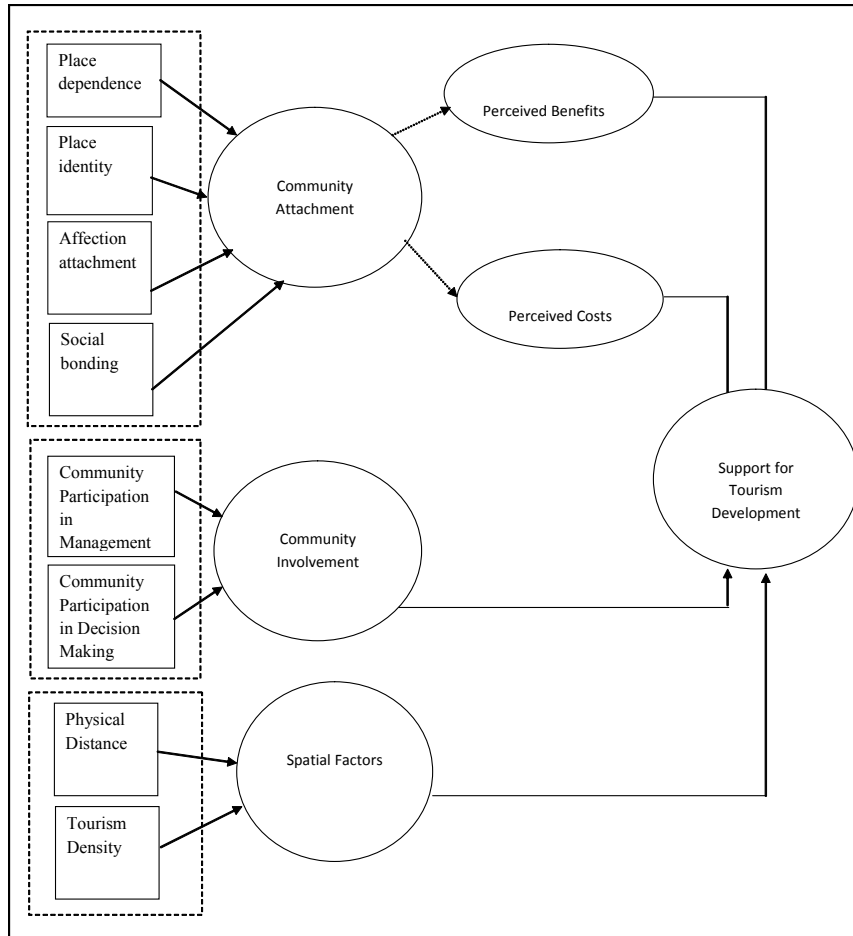


Fig.1. Framework for support of tourism

Community Attachment

“Community Attachment” can be defined as an individual’s social participation and integration into community life and reflects an affective bond or emotional link between an individual and a specific community (McCool & Martin, 1994). It echoes a person’s rootedness and sense of belonging to a community (Kasarda & Janowitz, 1974).

Several studies have examined the relationship between community attachment and attitudes towards tourism development (Jurowski 1994; McCool and Martin 1994; Pennington-Gray 2005; Um and Crompton 1987). The underlying basis for this relationship is that the extent and nature of one's attachment to a community and its surrounding landscapes may influence residents' perceptions of tourism development in that area.

Since Community attachment is a complex intermediate construct, distinct modalities has been adopted in various studies, it has been measured using two different modalities, "tourism attachment" and "general attachment" (Bachleitner & Zins, 1999); Tsun Hung Lee's study employed a multi-dimensional approach (i.e., community identity, community dependence, community affection, and social bonding) to assess community attachment however, it is generally measured using one single dimension obtained from indicators with an insignificant cross correlation like community dependence, community identity, affective responses to feelings towards the community, and social bonding within a community (Kyle et al., 2004); and other indicators traditionally employed in other studies are the place of birth or the period of residence in the locality (Gursoy & Rutherford, 2004; Nicholas, Thapa, & Ko, 2009).

In our framework, community attachment was composed of place dependence, place identity, affection attachment, and social bonding and the items included in this scale were based on the findings of Kyle et al. (2004) and Yüksel, Yüksel, and Bilim (2010) which were adopted by Tsung Hung Lee (2013).

There has been much diversity in the literature, both in terms of the operationalization of community attachment and also in its relation towards tourism development. The resident's backing for tourism in the community is indirectly affected by community attachment; in literatures a mediating effect has been established with perceived benefits and perceived costs to host community due to tourism. There has been a conflict in the findings on this aspect; there has been several literatures stating the more attached residents were to their community, the less positive were their perceptions of tourism development (Allen, Long, Perdue and Kieselbach 1988; Liu and Var 1986; Sheldon and Var 1984; Um and Crompton 1987), certain studies revealed a significant impact that community attachment bears on perceived benefits (Tsun Hung Lee, 2013), whereas Jurowski (1994) indicates that whilst residents who were more attached evaluated economic and social impacts positively, they tended to evaluate

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environmental impacts negatively. These contradict with the finding of previous studies and this variance has been explained by differences pertaining to the stage of development of the studied community and also due to the attitude of the host residents (Gursoy et al., 2002 ; Gursoy & Kendall, 2006; Gursoy & Rutherford, 2004; Nicholas et al., 2009). McCool and Martin failed to find a clear relationship between community attachment and perception of impacts, indicating other mediating factors affecting community attachment. Their findings were more in line with the notion, as discussed by Williams Patterson, Roggenbuck and Watson (1992), that community attachment is less about friendship networks than about residents selecting a place on the basis of certain desirable attributes and which contributes to them becoming “place dependent”.

Many of the previous literature reveal that a significant mediating effect does not exist between community attachment and perceived costs. Thus many authors came to a conclusion that community attachment is not an effective predictor of the perceived costs of sustainable tourism (Tsung Hung Lee, 2013; Gursoy et al., 2002;Gursoy & Rutherford, 2004;Jurowski et al.,1997) but conflicts with the results of other studies (Gursoy& Kendall, 2006;Gursoy & Rutherford, 2004;Nicholas et al., 2009). . Gursoy, Jurowski and Uysal (2002) denote the hypotheses that a direct relationship exists between the level of community attachment and perceived benefits of tourism and a negative relationship exists between the level of community attachment and the perceived costs of tourism are rejected. The diversity in findings and lack of consensus in the relation bone by community attachment and support for tourism makes it necessary to check the relation and confirm the same.

Community Involvement

Community involvement in tourism can be defined as the extent to which locals are involved in tourism activities taking place in their vicinity. Several studies have addressed the support of host residents to tourism development with a focus on the extent to which these residents are involved in tourism (Gursoy et al., 2002; Gursoy & Kendall, 2006; Gursoy & Rutherford, 2004; Kaltenborn et al., 2008; Nicholas et al., 2009). Community involvement plays a significant role in enhancing the sustainability of tourism development and also increases the positive effect and reduces the negative effects (Jamal & Getz, 1995). Studies indicate that tourism can become an integral part of the local economy if the residents are involved in management and decision making processes thus ensuring more benefits for the

community (Aas, Ladkin, & Fletcher, 2005; Simmons, 1994; Wager, 1995). Based on previous studies, we have identified two independent variables for measuring community involvement they are role played by the community in tourism planning and the role played in decision making process associated to tourism. It has been proved earlier that unless and until the community has a role to play in tourism planning and decision making process the community involvement will not have a significant role in host residents' support for tourism development.

Perceived Benefits and Perceived Costs

The researches on Resident's support to tourism are mostly based on social exchange theory; social exchange theory assumes that individuals select exchanges after having assessed the costs and benefits (Homans 1961). Most of the studies of support for tourism uses this theoretical base to examine the relation between benefits, costs and impacts of tourism from the perception of the residents and their support for tourism development (Ap 1990; Gursoy et al 2002; Jurowski et al 1997; Lindberg and Johnson 1997).

The principles proposed by most researchers suggests that residents with a view that tourism is a potentially beneficial activity and that the benefits outweigh costs will favor exchange and will support development efforts (Pizam 1978; Milman and Pizam 1987; Perdue, Long and Allen 1990; Tsung Hung Lee, 2012; Ap, 1992; Gursoy, Chi, & Dyer, 2010; Gursoy & Rutherford, 2004; Nunkoo & Ramkissoon, 2011; Yoon et al., 2001), on the contrary the findings of the study performed by Smith and Krannich (1998) is exactly the opposite; they concluded that resident communities that depend on tourism prefer less tourism development and perceived the impacts of tourism as more negative than the host communities which depended less on tourism (Teye, Sönmez, and Sirakaya 2002; McGehee and Andereck 2004).

In this framework perceived benefits of sustainable tourism consisted of perceived economic benefits, social benefits, and cultural benefits and the perceived costs of tourism consisted of perceived social costs, environmental costs and cultural costs.

The attitude towards tourism are influenced by resident's perception of social, economic and environmental impacts, such as tax and traffic congestion and these perceptions are influenced by perceived economic gain, the level of resource sharing and eco-centrism (Jurowski 1994; Gursoy et al 2002).

Previous studies revealed that a direct and significant relationship exists between economic benefits and resident's support for tourism (Akis, Peristianis and Warner 1996; Perdue, Long and Allen 1990;

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Ritchie 1988), similarly a direct and positive relationship exists between evaluation of social and cultural impacts and support for tourism (Besculides, Lee and McCormick 2002; Brunt and Courtney 1999; Lankford and Howard 1994; Madrigal 1993). Residents who perceive a negative effect of tourism to environment oppose tourism development, on the contrary those who perceive it positive support tourism (Butler 1980; Hillery, Nancarrow, Griffin and Syme 2001; Martin and Uysal 1990; Liu and Var 1986).

The perceived costs associated with tourism dependence has been recorded as such as lack of economic diversification (de Kadt 1979; Murphy 1985; Richter 1989), secondly the strain it extends on available resources (Richter 1989), then inflation (*Archer 1973; Jonston 1990*), damaging ecological impacts (Mathieson and Wall 1982), negative social effects, including envy (Nettekoven 1979), begging, prostitution, crime (Farrell 1979; Hoy and Belisle 1984; Richter 1989), resentment due to lack of access to certain areas (Jonston 1990), and loss of community (Farrell 1979). Ascher (1985) found that, in general, large, multinational hotels result in fewer economic benefits flowing into the community than other types of tourism industries.

Based on this principle, it was seen that the residents develop a positive attitude towards tourism and support it, if they perceive that they are likely to benefit from such exchanges, on the other hand if they perceive costs to be greater than the benefits then they were seen to oppose tourism development (Ap, 1992; Gursoy et al., 2002; Jurowski, Uysal, & Williams, 1997).

Individuals who personally benefited from the industry perceived beneficial effects with higher intensity (Pizam 1978; Getz 1994; Faulkner and Tideswell 1997; Vesey and Dimanche 2000; Harrill 2004; Ko and Stewart 2002 and Vargas-Sainchez et al. 2009). Many studies reported that local residents of a society tends to negatively perceive social and cultural impacts of tourism (Johnson et al., 1994 ; Jurowski et al., 1997; Perdue, Long, & Allen, 1987 ; Tosun, 2002), on the other hand certain studies argue that host residents view tourism as providing social and cultural benefits to the society (Gursoy & Rutherford, 2004 ; Yoon, Gursoy & Chen, 2001 , Besculides, Lee, & McCormick, 2002 ; Gursoy & Rutherford, 2004; Sirakaya et al., 2002).

In our framework the perceived benefits and perceived costs play a mediating role between community attachment and community involvement.

Spatial Factors

The spatial factors are those factors that are analyzed to find the influence degree of physical contact on the attitude of host's towards

tourism. The spatial factors in this framework is measured by two means as it was seen in previous studies, first being the physical distance between the resident's home locality and the principal tourist zones (Belisle and Hoy 1980; Mansfeld 1992; Weaver and Lawton 2001; Jurowski and Gursoy 2004) and second is the concentration of tourists in a particular region (Sheldon and Var 1984; Williams and Lawson 2001).

Distance from tourist centre has given contradictory results regarding its relationship with the support for tourism, some studies claim that as the distance decreases, the tourist density increases and more favorable the perceptions of the effect of tourism and attitude towards tourism development is displayed by the host community. The major reason cited for this inverse relation is that, closer the host community to the tourism zone, usually they become economically more dependent on it (Belisle and Hoy 1980; Sheldon and Var 1984; Mansfeld 1992). On the other hand, there are studies that prove exactly the opposite, the argument they draw to support their point is the negative attitude derived from proximity due to the threat host community is facing in loosing access to the tourism resource, the facilities that attract tourists and other associated problems of saturation of traffic, rubbish, noise, etc. (Tyrell and Spaulding 1984; Jurowski and Gursoy 2004).

Liu, Sheldon, and Var (1987) had concluded that the host community's perception of negative tourism impacts are directly associated with the ratio between tourism density and number of residents. As the tourism activities increases the increasing pressure from tourism amplifies negative perceptions like environmental issues that tourism causes, traffic congestion, waste generation , noise pollution, destruction of local flora and fauna, and urban pressure. Whereas the results of Sheldon and Var (1984) deduced that the residents who lived in higher density areas are more likely to have a positive attitude towards tourism since they preferred it over other industries. This is in tune with Keogh's findings that, the local residents living closest to the development area, strongly supported tourism at the proposal stage of small scale development, but other studies have also contradicted this finding, William and Lawson (2001) concluded that this holds true only if the proposed development is on a small scale, and concluded that the community living closest to the tourism zone had less favorable perceptions about tourism.

On the other hand Harrill (2004, p. 262) compared the relation between spatial factors and economic dependence on tourism and found out that residents of neighborhood, who are not economically dependent on tourism develops a greater negative attitude than other residents,

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while Faulkner and Tideswell (1997) concluded that those people whose employment is directly or indirectly associated to tourism displays a greater tolerance to its impact and does not depend on spatial factor.

Implications

In this conceptual paper the factors that alter local community support for tourism is being discussed, and the manner in which the effect of each independent variable on the support for tourism is found out by a through literature survey. The community's involvement in tourism is essential as it produces economic benefits to the resident community as well as the nation as such that results from the conservation of natural and cultural resources (Lewis, 2001). The first factor that was considered was Community Attachment, and perceived benefit and perceived cost was treated as mediating variables. Though there were variations in the literature, based on the findings of majority of studies, I suggest that the local authorities responsible in developing an inclusive approach in tourism development need to develop programs that promote community attachment in local residents'. Increased levels of community attachment will cause increases in the perceived benefits and support for sustainable tourism development among host residents (Filo, Funk, & O'Brien, 2008). It is also suggested that more community based programs are put into practice can foster a better bond and association between members of resident community.

The programs designed should take into consideration the spatial factors such as the distance between the tourism zone and local community residence, and also the level of tourism activity in these areas. Since it has been revealed that a negative perception towards tourism is developed as the tourism activities exceed a threshold, it is always advisable for the tourism developers to keep the tourism density below the tourism carrying capacity of a place.

Simultaneously, design more tourism programs that increase the level of involvement of local community, for example, the Village Life Experience packages designed by destinations catering responsible tourism, where in tourist will be take tour into the interiors of the destination and have hands on experience on the local customs and practices. The increased involvement of host residents in sustainable tourism decision-making processes is critical for the support of sustainable tourism development. Thus, the findings of this study offer important insights for managers of community initiatives in developing sustainable tourism.

Recommendations for Future Studies

Despite its contributions, this study has several limitations that should be addressed in future research. Firstly, this study is only a conceptual study and needs to be accessed empirically at a practical level. Most of the studies discussed in this paper has been conducted in west, thus there is a dearth in such studies in eastern parts of the globe. Again the findings of the studies may differ based on the variations in locale as well as the community inspected, different communities such as agricultural communities, tribal communities, fishing communities and wetland communities, each may hold different opinion on their support for sustainable tourism. There could be diverse opinion based on the type of tourism experienced in each region, such as eco tourism, adventure tourism, religious tourism etc, thus future studies should carefully inspect these aspects, and the difference of opinion of the local community based on types of tourism should be studied in future.

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Twenty Point Programmes and Bihar

Md. Naushad

The Twenty Point Programme (TPP) was launched by the Government of India in the year 1975 and restructured in 1982, 1986. Over the years, the need for restructuring the Programme has been felt in the light of achievements and experiences, as well as the introduction of several new policies and programmes by the Government of India. The restructured programme, known as Twenty Point Programme (TPP) – 2006, became operational with effect from 1st April, 2007. The programmes and schemes under the TPP-2006 are in harmony with the priorities contained in the National Common Minimum Programme (NCMP), the Millennium Development Goals (MDGs) of the United Nations and SAARC Social Charter. It renews the nation's commitment to eradicating poverty, raising productivity, reducing income inequalities and removing social and economic disparities.

Twenty Point Program 2006

A system of monthly progress reporting has been established in term of selected items under TPP-2006 to assess the progress of achievements as per format prescribed by the Govt. of India and is being sent to the Ministry of Statistics and Programme Implementation, Government of India. Out of twenty points nine points are exclusively intended for the development of the rural sector but all the twenty points are equally important and should not be considered as meant for one sector or other.

The programme has four major objectives: -

- Stepping of capacity, utilization to raise production and productivity in the farm and factory.
- Spread the benefit of the development evenly with a view to

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promote socio-economic justice by measuring that the basic requirements in regard to food, clothing and shelter medical care and education and reasonably met.

- Promote socially desirable programme like family planning forestry, development of alternative energy resources and
- Curb antisocial tendencies.

Twenty Point Programme (TPP) – 2006 originally consisted of 20 Points and 66 items being monitored individually by Central Nodal Ministries concerned. Up to 2007-08, out of 66 items, 22 items were monitored on monthly basis. From 1st April, 2008 *Sampoorna Grameen Rojgar Yojana* (SGRY) has been merged with another item namely “*National Rural Employment Guarantee Act*” which has now termed as *Mahatma Gandhi National Rural Employment Guarantee Act from 31st December, 2009* therefore, SGRY has been dropped from the list of 66 items and only 65 items are now monitored under TPP-2006 since 2008-09.

List of 20 Points:

1. Poverty Eradication
2. Power to People
3. Support to Farmers
4. Labour Welfare
5. Food Security
6. Housing for All
7. Clean Drinking Water
8. Health for All
9. Education for All
10. Welfare of Scheduled Castes, Scheduled Tribes, Minorities and OBCs
11. Women Welfare
12. Child Welfare
13. Youth Development
14. Improvement of Slums
15. Environment Protection and Afforestation
16. Social Security
17. Rural Roads
18. Energisation of Rural Area
19. Development of backward Areas
20. IT Enabled e-Governance

This Programme actually is meant to give a thrust to schemes relating to poverty alleviation, employment generation in rural areas, housing, education, family welfare & health, protection of environment and many other schemes having a bearing on the quality of life, especially in the rural areas.

The call for people's participation should be emphasized to achieve all available knowledge that is relevant to make our economy on the move. While giving an agenda for the people for development the Government should specify a time bound plan a systematic proposal for monitoring the progress and evaluation. The government should provide for fool proof machinery for constant monitoring execution and assessment of the results accruing from the implementation of the each point. It is necessary to spell out the mechanics of operation so that the voluntary agencies and the people's institution can play a very vital role in complementing and supplementing the national agenda.

The twenty programme has a creative opportunity for both the political and economic development. Economic development and politics are very much intertwined and it is always the latter determines the choice of development model. Hence, the success of twenty point programme depends on the political awareness of the party and the people to establish a truly democratic, socialistic and sovereign republic.

The monitoring of the programme at the centre has been assigned to the Ministry of Statistics and Programme Implementation, Government of India. The management information system relating to Twenty Point developed by the Ministry consists of a monthly Progress Report (MPR) and yearly Review of the Programme, Point-wise, Item-wise and State-wise. The monthly report covers progress on the implementation of the programme for 20 crucial points for which there is pre-set physical targets and the Yearly Review presents an analytical review of the performance of all the items under the programme.

The Development Experience of Bihar

The present state of Bihar, comprising about 3 per cent of the total geographical area of India and about 9 per cent of its total population (102 million as per the 2011 Census), is the most densely populated state of the country. However, with an urban population of just 11 per cent, it is the least urbanized among the major states of India.

Till recently, it was also among the slowest growing regions of the country.

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Although the growth rate of state's GDP has considerably accelerated during the last six years, with the state economy growing at over 10 per cent per annum, the state continues to be among the economically most backward ones with one of the lowest per capita incomes and highest incidence of poverty in the country.

After Independence, like most other parts of India, the state inherited a largely agrarian, backward economy. While the abolition of the zamindari system liberated a large number of peasants from the most glaring exploitative agrarian system, it also led to mass eviction of peasants, and while the nature of land relations changed to some extent, the system was still semi-feudal.

The economic stagnation and widespread poverty, along with the existence of 'semi-feudal' production relations, on the one hand led to the heavy out-migration of agricultural labourers and poor peasants, mainly from north Bihar, to the developed north-west regions of the country; and, on the other, gave rise to the militant peasant movement in the southern plains of the state.

An important development since the 1980s, which accelerated from the early 1990s, was the rise of the middle castes. Over the years the middle castes ascended in power. This political empowerment without economic development was somewhat disjointed but played an important role in breaking the semi-feudal relations and changing the rural landscape.

Over the last five to six years the image of the state has changed for the better, thanks to a turnaround in the growth rate and significant improvement in law and order. The improvement in economic growth of the state can primarily be attributed to the considerable rise in the growth rates of sectors such as transport and communication, trade and construction.

Due to the higher growth rates achieved by the secondary and tertiary sectors, there have been significant shifts in the sectoral distribution of the state's output.

Agriculture contributes only to about a fifth of the total GSDP, while it employs more than 62 per cent of the total workers in the state. Industry and services comprised the remaining 80 per cent (20 and 60 per cent, respectively) of the GSDP, and employ 16.6 per cent and 21.6 per cent of the workforce, respectively.

The state has a very low work participation rate (WPR) according to the National Sample Survey, primarily because of the lower work participation rate of women. Our survey shows that this female WPR

is grossly underestimated but there remain considerable social and institutional barriers against women's work in Bihar in some sections of the society.

The per capita development expenditure in the state is about half of the all India average, though the state's Plan expenditure has considerably increased in recent years. The low per capita income and non-diversification of the economy have led to extremely low labour productivity in the state, making it one of the lowest in the country. The per worker productivity of workers in Bihar was just half of the all-India figure, while in agriculture, it was two-thirds of the all-India average.

The incidence of poverty, as per the estimates by the Expert Group Methodology, declined from 62.2 per cent in 1983 to 55.0 per cent in 1993-94 and further to 41.4 percent in 2004-05. The tentative estimates from the recent NSSO 66th Round survey of 2009-10 show that in spite of the high growth achieved during the last five years or so, the level of poverty (using the Tendulkar methodology) continues to be about 54 per cent as against 32 per cent for India as a whole. Apart from the very high level of poverty, the state also performs poorly in terms of most of the other social and human development indicators.

Bihar has witnessed significant social, economic and political transformation during the last three decades or so. While progress has been uneven, there has been some social and political empowerment of the poor, more so among those belonging to middle castes, and considerable decline in poverty as well, although still more than half of the population continues to be poor.

The recent spurt in growth along with improved law and order and move towards strengthening governance and institutions has generated a great deal of optimism in the state and among other stakeholders. The challenge is to sustain this high growth led by a select few, rendering it more diversified and inclusive by overcoming the massive development, infrastructure, resource and institutional deficits. The state, centre and other stakeholders have to work with a clear vision and a well-crafted strategy, based on objective analysis and hard facts, for achieving this goal.

Finally, more satisfactory and convincing research into policy effectiveness is needed. Too much policy analysis neglects the influence of underlying social and economic relationships. Among specific issues, policies to improve health and nutrition need much more research

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attention from medical, economic, social, anthropological and anthropometric perspectives.

Underlying the analysis of policy is the question of governance, and the design of institutions for policy implementation. Weak state and non-state institutions are an important cause of poor governance and poor delivery of government programmes. How can they be strengthened?

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Famine and Drought in Modern India

Vipendra Vikram

Famine had been a recurrent feature of life in the Indian sub-continental countries of India, Pakistan and Bangladesh, and reached its numerically deadliest peak in the late 18th and early 19th centuries. Historical and legendary evidences names some 90 famines in 2,500 years of history in South Asia alone. There are 14 recorded famines in India between the 11th and 17th centuries. Famines in India resulted in more than 60 million deaths over the course of the 18th, 19th, and early 20th centuries. The last major famine was the Bengal famine of 1943. A famine occurred in the state of Bihar in December 1966 on a much smaller scale and in which “Happily, aid was at hand and there were relatively fewer deaths”. The drought of Maharashtra in 1970–1973 is often cited as an example in which successful famine prevention processes were employed. Famines in British India were severe enough to have a substantial impact on the long term population growth of the country in the 19th and early 20th centuries.

Indian agriculture is heavily dependent on climate: a favourable southwest summer monsoon is critical in securing water for irrigating crops.

Since the Bengal famine of 1943, there has been a declining number of famines which have had limited effects and have been of short durations. Sen attributes this trend of decline or disappearance of famines after independence to a democratic system of governance and a free press—not to increased food production. Later famine threats of 1984, 1988 and 1998 were successfully contained by the Indian government and there has been no major famine in India since 1943. Indian Independence in 1947 did not stop damage to crops nor lack of rain. As such, the threat of famines did not go away. India faced a number of threats of severe famines in 1967, 1973, 1979 and 1987 in

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Bihar, Maharashtra, West Bengal, and Gujarat respectively. However these did not materialise into famines due to government intervention. The loss of life did not meet the scale of the 1943 Bengal or earlier famines but continued to be a problem. Jean Drèze finds that the post-Independence Indian government “largely remedied” the causes of the three major failures of 1880–1948 British famine policy, “an event which must count as marking the second great turning point in the history of famine relief in India over the past two centuries”.

Infrastructure development

Deaths from starvation were reduced by improvements to famine relief mechanisms after the British left. In independent India, policy changes aimed to make people self-reliant to earn their livelihood and by providing food through the public distribution system at discounted rates. Between 1947–64 the initial agricultural infrastructure was laid by the founding of organisations such as the Central Rice Institute in Cuttack, the Central Potato Research Institute in Shimla, and universities such as the Pant Nagar University. The population of India was growing at 3% per year, and food imports were required despite the improvements from the new infrastructure. At its peak, 10 million tonnes of food were imported from the United States.

In the twenty-year period between 1965–1985 gaps in infrastructure were bridged by the establishment of The National Bank for Agriculture and Rural Development (NABARD). During times of famines, droughts and other natural calamities, NABARD provides loan rescheduling and loan conversion facilities to eligible institutions such as State Cooperative banks and Regional Rural Banks for periods up to seven years. In the same period, high-yielding varieties of wheat and rice were introduced. Steps taken in this phase resulted in the Green Revolution which led to a mood of self-confidence in India’s agricultural capability. The Green Revolution in India was initially hailed as a success, but has recently been ‘downgraded’ to a ‘qualified success’—not because of a lack of increased food production, but because the increase in food production has slowed down and has not been able to keep pace with population growth. Between 1985 and 2000, emphasis was laid on production of pulses and oilseed, as well as vegetables, fruits, and milk. A wasteland development board was set up, and rain-fed areas were given more attention. Public investment in irrigation and infrastructure, however, declined. The period also saw a gradual collapse of the cooperative credit system. In 1998–99, NABARD introduced a credit scheme to allow banks to issue short-term and timely

credit to farmers in need via the Kisan Credit Card scheme. The scheme has become popular among issuing bankers and the recipient farmers with a total credit of Rs.339.94 billion (US\$5.1 billion) made available via the issuing of 23,200,000 credit cards as of November 2002. Between 2000 and present day, land use for food or fuel has become a competing issue due to a demand for ethanol.

Local Beliefs

Since the time of Mahabharata, people in several regions of India have associated spikes in rat populations and famine with bamboo flowering. The northeastern state of Mizoram has bamboo as a dominant species over much of the state which experiences a cyclical phenomenon of bamboo flowering followed by bamboo death. The bamboo plants are known to undergo gregarious flowering once in their life cycle which can happen anywhere in a range of 7 to 120 years. A common local belief and observation is that bamboo flowering is followed by an increase in rats, famine and unrest amongst the people. The first such event in the Republic of India was reported in 1958 when the local Mizo District Council cautioned the Assam government of an impending famine which the government rejected on the grounds that it was not scientific. A famine did occur in the region in 1961.

Major Droughts in India after Independence

The following table provides details about some of the major droughts India has suffered in the 69 years after Independence:

<i>Year of drought</i>	<i>Places affected</i>	<i>Number of people affected</i>
1966	Bihar and Orissa	50 million
1969	Rajasthan, Gujarat, Tamil Nadu, Uttar Pradesh, Andhra Pradesh, Haryana, Karnataka, and Madhya Pradesh	15 million
1970	Bihar and Rajasthan	17.2 million
1972	Rajasthan, Himachal Pradesh, and Uttar Pradesh	50 million
1979	Eastern Rajasthan, Punjab, Himachal Pradesh, and Uttar Pradesh	200 million
1982	Rajasthan, Punjab, and Himachal Pradesh	100 million
1983	Tamil Nadu, West Bengal, Kerala Rajasthan, Karnataka, Bihar and Orissa	100 million
1987	Whole of eastern and northwestern India	300 million
1992	Rajasthan, Orissa, Gujarat, Bihar, and Madhya Pradesh	No figures
2000	Rajasthan, Gujarat, Orissa, Andhra Pradesh, and Madhya Pradesh	More than 100 million

Maharashtra Drought of 2013

The 2013 drought of Maharashtra happened primarily owing to low rainfall during June to September, the previous year. It is regarded as one of the worst of its kind to have hit the state in the last 40 years.

In 2001 the Government of India began working on an emergency plan to address regional food shortages after reports that bamboo flowering and bamboo death would occur again in the near future. According to Forest Department Special Secretary K.D.R. Jayakumar, the relationship between famine and bamboo flowering, while widely believed to be true by the tribal locals, has not been scientifically proven. John and Nadgauda, however, strongly feel that such a scientific connexion exists, and that it may not simply be local myth. They describe a detailed mechanism demonstrating the relationship between the flowering and the famine. According to them, the flowering is followed by a large quantity of bamboo seeds on the forest floor which causes a spike in the population of the *Rattus* and *Mus* genus of rats who feed of these seeds. With the changing weather and onset of rains, the seeds germinate and force the mice to migrate to land farms in search of food. On the land farms, the mice feed on crops and grains stored in granaries which causes a decline in food availability. In 2001, the local administration tried to prevent the impending famine by offering local villagers the equivalent of \$2.50 for every 100 rats killed. The botanist H. Y. Mohan Ram of the University of Delhi, who is one of the country's foremost authorities on bamboo, considered these techniques outlandish. He suggested that a better way of solving the problem was to teach the local farmers to switch to cultivating different varieties of crops such as ginger and turmeric during periods of bamboo flowering since these crops are not consumed by the rats.

Similar beliefs have been observed thousands of kilometres away in south India in the people of Cherthala in the Alappuzha district of Kerala who associate flowering bamboo with an impending explosion in the rat population.

Bihar Frought

The Bihar drought of 1966–7 was a minor drought with relatively very few deaths from starvation as compared to earlier famines . The drought demonstrated the ability of the Indian government to deal with the worst of drought related circumstances. The official death toll from starvation in the Bihar drought was 2353, roughly half of

which occurred in the state of Bihar. No significant increase in the number of infant deaths from famine was found in the Bihar drought.

The annual production of food grains had dropped in Bihar from 7.5 million tonnes in 1965–66 to 7.2 million tonnes in 1966–1967 during the Bihar drought. There was an even sharper drop in 1966–67 to 4.3 million tonnes. The national grain production dropped from 89.4 million tonnes in 1964–65 to 72.3 in 1965–66 — a 19% drop. Rise in prices of food grains caused migration and starvation, but the public distribution system, relief measures by the government, and voluntary organisations limited the impact. On a number of occasions, the Indian-government sought food and grain from the United States to provide replacement for damaged crops. The government also set up more than 20,000 fair-price stores to provide food at regulated prices for the poor or those with limited incomes. A large scale drought in Bihar was averted due to this import, although livestock and crops were destroyed. Other reasons for successfully averting a large scale drought were the employing various drought prevention measures such as improving communication abilities, issuing drought bulletins over the radio and offering employment to those affected by drought in government public works projects.

The Bihar drought of 1966–67 gave impetus to further changes in agricultural policy and this resulted in the Green Revolution.

1972 Maharashtra Drought

After several years of good monsoons and a good crop in the early 1970s, India considered exporting food and being self-sufficient. Earlier in 1963, the government of the state of Maharashtra asserted that the agricultural situation in the state was constantly being watched and relief measures were taken as soon as any scarcity was detected. On the basis of this, and asserting that the word famine had now become obsolete in this context, the government passed the “The Maharashtra Deletion of the Term ‘Famine’ Act, 1963”. They were unable to foresee the drought in 1972 when 25 million people needed help. The relief measures undertaken by the Government of Maharashtra included employment, programmes aimed at creating productive assets such as tree plantation, conservation of soil, excavation of canals, and building artificial lentic water bodies. The public distribution system distributed food through fair-price shops. No deaths from starvation were reported.

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Large scale employment to the deprived sections of Maharashtrian society which attracted considerable amounts of food to Maharashtra. The implementation of the Scarcity Manuals in the Bihar and Maharashtra famines prevented the mortality arising from severe food shortages. While the relief programme in Bihar was poor, Drèze calls the one in Maharashtra a model programme.

The relief works initiated by the government helped employ over 5 million people at the height of the drought in Maharashtra leading to effective famine prevention. The effectiveness of the Maharashtra was also attributable to the direct pressure on the government of Maharashtra by the public who perceived that employment via the relief works programme was their right. The public protested by marching, picketing, and even rioting. Drèze reports a labourer saying “they would let us die if they thought we would not make a noise about it.”

The Maharashtra drought drought in which there were zero deaths and one which is known for the successful employment of famine prevention policies, unlike during British rule.

West Bengal Drought

The drought of 1979–80 in West Bengal was the next major drought and caused a 17% decline in food production with a shortfall of 13.5 million tonnes of food grain. Stored food stocks were leveraged by the government, and there was no net import of food grains. The drought was relatively unknown outside of India.

The lessons learnt from the Maharashtra and West Bengal droughts led to the Desert Development Programme and the Drought Prone Area Programme. The intent of these programmes was to reduce the negative effects of droughts by applying eco-friendly land use practices and conserving water. Major schemes in improving rural infrastructure, extending irrigation to additional areas, and diversifying agriculture were also launched. The lessons from the 1987 drought brought to light the need for employment generation, watershed planning, and ecologically integrated development.

2013 Maharashtra Drought

In March 2013, according to Union Agriculture Ministry, over 11,801 villages in Maharashtra were declared drought affected. red worst, next to the another one in Maharashtra in 1972.

Drought-affected Regions in India

After two consecutive years of weak monsoons, a quarter of India's population, spread across 10 states, has been reeling from severe water shortage. With summers hitting the country, a noticeable number of families and farmers in remote villages walk long distances to spot water as their wells get dried up. Souring temperature in parts of central, eastern and southern India has made the matter worse.

Here's a look at the 10 drought-hit states in India:

1. *Maharashtra*: Out of 36 districts in Maharashtra, 21 are facing drought. The Maharashtra government is mulling a law that would make it mandatory for the industries to use recycled water. The government decided to run water trains to provide water to drought-hit regions, especially Marathwada.
2. *Odisha*: Though the state initially had 12 districts hit by drought, four new districts are facing water shortage. The names of these districts are: Balasore, Boudh, Jajpur, Kalahandi, Kandhamal, Keonjhar, Khurda, Mayurbhanj, Nayagarh, Nabarangpur, Puri, Subarnapur, Balangir, Jharsuguda, Nuapada and Bargarh.
3. *Telangana*: In Telangana, all districts except Adilabad and Kamam have been hit by drought. The heat wave has claimed 66 lives with the highest number of casualties being reported from Mahbubnagar (28 deaths). Districts including Medak, Nizamabad, Karimnagar and Warangal have also witnessed several heat-related deaths.
4. *Rajasthan*: At least 19 out of 33 districts in Rajasthan are drought-affected.
5. *Madhya Pradesh*: Out of 51 districts in Madhya Pradesh, 46 are hit by drought.
6. *Jharkhand*: At least 22 of 24 districts in Jharkhand are facing drought.
7. *Uttar Pradesh*: Out of 75 districts in Uttar Pradesh, 50 have been affected by drought. Worst hit among all is the Bundelkhand region.
8. *Karnataka*: Out of a total of 30 districts in Karnataka, 27 are facing acute water shortage. Karnataka government is reaching out to private borewells to augment drinking water supply to drought-hit villages via multiple tankers.

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9. *Andhra Pradesh*: 45 heat-related deaths have been reported from Andhra Pradesh till date.
10. *Chhattisgarh*: Most parts of Chhattisgarh reeling under drought.

Apart from the above list, Indian states nearing drought include Gujarat, West Bengal, Haryana and Bihar.

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Entrepreneurship and Economic Well-being

Dr. Pramod Kumar

Entrepreneurship is the act of being an entrepreneur, which can be defined as “one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods”. This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity. The most obvious form of entrepreneurship is that of starting new businesses (referred as Startup Company); however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity. When entrepreneurship is describing activities within a firm or large organization it is referred to as intra-preneurship and may include corporate venturing, when large entities spin-off organizations. According to Paul Reynolds, entrepreneurship scholar and creator of the Global Entrepreneurship Monitor, “by the time they reach their retirement years, half of all working men in the United States probably have a period of self-employment of one or more years; one in four may have engaged in self-employment for six or more years.

Participating in a new business creation is a common activity among U.S. workers over the course of their careers.” And in recent years has been documented by scholars such as David Audretsch to be a major driver of economic growth in both the United States and Western Europe. Entrepreneurial activities are substantially different depending on the type of organization and creativity involved. Entrepreneurship ranges in scale from solo projects (even involving the entrepreneur only part-time) to major undertakings creating many job opportunities. Many “high value” entrepreneurial ventures seek venture capital or angel funding (seed money) in order to raise capital

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to build the business. Angel investors generally seek annualized returns of 20-30% and more, as well as extensive involvement in the business. Many kinds of organizations now exist to support would-be entrepreneurs including specialized government agencies, business incubators, science parks, and some NGOs.

In more recent times, the term entrepreneurship has been extended to include elements not related necessarily to business formation activity such as conceptualizations of entrepreneurship as a specific mindset resulting in entrepreneurial initiatives e.g. in the form of social entrepreneurship, political entrepreneurship, or knowledge entrepreneurship have emerged.

The entrepreneur is a factor in microeconomics, and the study of entrepreneurship reaches back to the work of Richard Cantillon and Adam Smith in the late 17th and early 18th centuries, but was largely ignored theoretically until the late 19th and early 20th centuries and empirically until a profound resurgence in business and economics in the last 40 years.

In the 20th century, the understanding of entrepreneurship owes much to the work of economist Joseph Schumpeter in the 1930s and other Austrian economists such as Carl Menger, Ludwig von Mises and Friedrich von Hayek. In Schumpeter, an entrepreneur is a person who is willing and able to convert a new idea or invention into a successful innovation.

Entrepreneurship employs what Schumpeter called “the gale of creative destruction” to replace in whole or in part inferior innovations across markets and industries, simultaneously creating new products including new business models. In this way, creative destruction is largely responsible for the dynamism of industries and long-run economic growth. The supposition that entrepreneurship leads to economic growth is an interpretation of the residual in endogenous growth theory and as such is hotly debated in academic economics. An alternate description posited by Israel Kirzner suggests that the majority of innovations may be much more incremental improvements such as the replacement of paper with plastic in the construction of a drinking straw.

For Schumpeter, entrepreneurship resulted in new industries but also in new combinations of currently existing inputs. Schumpeter’s initial example of this was the combination of a steam engine and then

current wagon making technologies to produce the horseless carriage. In this case the innovation, the car, was transformational but did not require the development of a new technology, merely the application of existing technologies in a novel manner.

It did not immediately replace the horsedrawn carriage, but in time, incremental improvements which reduced the cost and improved the technology led to the complete practical replacement of beast drawn vehicles in modern transportation.

Despite Schumpeter's early 20th-century contributions, traditional microeconomic theory did not formally consider the entrepreneur in its theoretical frameworks (instead assuming that resources would find each other through a price system). In this treatment the entrepreneur was an implied but unspecified actor, but it is consistent with the concept of the entrepreneur being the agent of x-efficiency.

Different scholars have described entrepreneurs as, among other things, bearing risk. For Schumpeter, the entrepreneur did not bear risk: the capitalist did.

For Frank H. Knight (1921) and Peter Drucker (1970) entrepreneurship is about taking risk. The behaviour of the entrepreneur reflects a kind of person willing to put his or her career and financial security on the line and take risks in the name of an idea, spending much time as well as capital on an uncertain venture. Knight classified three types of uncertainty.

- Risk, which is measurable statistically (such as the probability of drawing a red color ball from a jar containing 5 red balls and 5 white balls).
- Ambiguity, which is hard to measure statistically (such as the probability of drawing a red ball from a jar containing 5 red balls but with an unknown number of white balls).
- True Uncertainty or Knightian Uncertainty, which is impossible to estimate or predict statistically (such as the probability of drawing a red ball from a jar whose number of red balls is unknown as well as the number of other colored balls).

The acts of entrepreneurship are often associated with true uncertainty, particularly when it involves bringing something really novel to the world, whose market never exists. However, even if a market already exists, there is no guarantee that a market exists for a

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particular new player in the cola category. The place of the disharmony-creating and idiosyncratic entrepreneur in traditional economic theory (which describes many efficiency-based ratios assuming uniform outputs) presents theoretic quandaries.

William Baumol has added greatly to this area of economic theory and was recently honored for it at the 2006 annual meeting of the American Economic Association.

The entrepreneur is widely regarded as an integral player in the business culture of American life, and particularly as an engine for job creation and economic growth. Robert Sobel published *The Entrepreneurs: Explorations Within the American Business Tradition* in 1974. Zoltan Acs and David Audretsch have produced an edited volume surveying Entrepreneurship as an academic field of research, and more than a hundred scholars around the world track entrepreneurial activity, policy and social influences as part of the Global Entrepreneurship Monitor (GEM) and its associated reports.

Though Entrepreneurs are thought to have many of the same character traits as leaders,, involve particular psychological dispositions, or operate in purely business spheres of life, recent European theorising on the subject has suggested that, come the era of neo-liberalism and 'big society' politics that promote conceptualising humans as economic agents per se, normal, everyday people usually marginalised from the term 'entrepreneur' are too involved in the very same kind of processes that 'big business', proper entrepreneurs are involved with.

Entrepreneurs, and entrepreneurship, as such, might be enacted by anybody, encountering as they do economic uncertainty on an everyday basis.

Concept of Entrepreneurship

It has assumed super importance for accelerating economic growth both in developed and developing countries. It promotes capital formation and creates wealth in country. It is hope and dreams of millions of individuals around the world. It reduces unemployment and poverty and its a pathway to prosper.

Entrepreneurship is the process of searching out opportunities in the market place and arranging resources required to exploit these opportunities for long term gains. It is the process of planning,

organising, opportunities and assuming. Thus it is a risk of business enterprise. It may be distinguished as an ability to take risk independently to make utmost earnings in the market. It is a creative and innovative skill and adapting response to environment of what is real. The concept of entrepreneurship has a wide range of meanings. On the one extreme an entrepreneur is a person of very high aptitude who pioneers change, possessing characteristics found in only a very small fraction of the population. On the other extreme of definitions, anyone who wants to work for himself or herself is considered to be an entrepreneur.

Promotion of Entrepreneurship

Given entrepreneurship's potential to support economic growth, it is the policy goal of many governments to develop a culture of entrepreneurial thinking. This can be done in a number of ways: by integrating entrepreneurship into education systems, legislating to encourage risk-taking, and national campaigns. An example of the latter is the United Kingdom's Enterprise Week, which launched in 2004. Outside of the political world, research has been conducted on the presence of entrepreneurial theories in doctoral economics programs. Dan Johansson, fellow at the Ratio Institute in Sweden, finds such content to be sparse. He fears this will dilute doctoral programs and fail to train young economists to analyse problems in a relevant way. Many of these initiatives have been brought together under the umbrella of Global Entrepreneurship Week, a worldwide celebration and promotion of youth entrepreneurship, which started in 2008. The charity The Aldridge Foundation sponsors Academies specialising in entrepreneurship, teaching core entrepreneurial attributes to young people with the aim of improving their life skills. The Collegiate Entrepreneurs' Organization was started in 1983 and its mission is to support and inspire college students to be entrepreneurial and seek opportunity through enterprise creation.

Financial Bootstrapping

Financial bootstrapping is a term used to cover different methods for avoiding using the financial resources of external investors. Bootstrapping can be defined as "a collection of methods used to minimize the amount of outside debt and equity financing needed from banks and investors". The use of private credit card debt is the most

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known form of bootstrapping, but a wide variety of methods are available for entrepreneurs.

While bootstrapping involves a risk for the founders, the absence of any other stakeholder gives the founders more freedom to develop the company. Many successful companies including Dell Computers and Facebook were founded this way.

There are different types of bootstrapping:

- Owner financing
- Sweat equity
- Minimization of the accounts receivable
- Joint utilization
- Delaying payment
- Minimizing inventory
- Subsidy finance
- Personal Debt.

Traditional Financing

Having outside investors is not necessarily beyond the realm of entrepreneurship. In many cases, leveraging the owners' credit cards and personal assets, such as mortgages, may not be sufficient. Inadequate investment can also kill a start up. And bringing in outsiders can be beneficial.

Outsiders can provide financial oversight, accountability for carrying out tasks and meeting milestones, and many can even bring valuable business contacts and experience to the table.

- Angel Investors
- Venture capital investors
- Crowd funding
- Hedge Funds
- Alternative Asset Management.

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International Financial Management and the Multinational Firm

Vaibhav Kardam

There are as many definitions of supply chain management as there are supply chain managers, but a basic definition would involve three main components: getting information to run the business, delivering products to customers, and getting the cash to generate profits. The cash can be in the form of rubles, Deutsche marks, Japanese yen, and U.S. dollars. In a global economy, however, the task is not complete until the currency is in the correct form. Under the “old” organizational structure, production and inventory managers left that responsibility to finance managers. Today, supply chain managers look at the business of the firm in aggregate, and cross-disciplinary decision making is replacing functional silos.

Supply chain management requires that a holistic approach be used when business decisions are being made. Organizations can build strong links between their trading partners by applying sound international financial management concepts. If the goal is to create a competitive advantage from the network of trading partners, decisions must be made at the chain level, not strictly at the firm level.

The issues involved when international finance and supply chain management intersect are explored in this article. First, a real-world supply chain model is presented to communicate international financial management concepts. Second, a view of the international supply chain is given from the finance perspective. Finally, three areas significant to multinational firms are covered.

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All firms in the global supply chain must pay special attention to currency exchange, capital financing, and synergy. By addressing the process of currency exchange and the types of risk involved for each link in the supply chain, the total chain costs can be reduced. Opportunities can be found to leverage the global supply chain to create capital financing for all the links. The objective of maximizing shareholder's current and future wealth has not changed; however, firms look internally and externally at all the links in the chain to find the competitive advantage that supports the objectives.

The internationalization of finance and commerce has been brought about by the great advances in transportation, communications, and information-processing technology. This development introduces a dramatic new commercial reality—the global market for standardized consumer and industrial products on a previously unimagined scale. It places primary emphasis on the one great thing all markets have in common—the overwhelming desire for dependable, world-class products at aggressively low prices. The international integration of markets also introduces the global competitor, making firms insecure even in their home markets.

The transformation of the world economy has dramatic implications for business. American management, for example, is learning that the United States can no longer be viewed as a huge economy that does a bit of business with secondary economies around the world. Rather, the United States is merely one economy, albeit a very large one, that is part of an extremely competitive, integrated world economic system. To succeed, U.S. Companies need great flexibility; they must be able to change corporate policies quickly as the world market creates new opportunities and challenges. Big Steel, which was virtually the antithesis of this modern model of business practice, paid the price for failing to adjust to the transformation of the world economy. Similarly, non-U.S. companies are finding that they must increasingly turn to foreign markets to source capital and technology and sell their products. Today's financial reality is that money knows no national boundary. The dollar has become the world's central currency, with billions switched at the flick of an electronic blip from one global corporation to another, from one central bank to another. The international mobility of capital has benefited firms by giving them more financial options,

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while at the same time complicating the job of the chief financial officer by increasing its complexity. Because we operate in an integrated world economy, all students of finance should have an international orientation. Indeed, it is the rare company today, in any country, that does not have a supplier, competitor, or customer located abroad. Moreover, its domestic suppliers, competitors, and customers likely have their own

foreign choices as well. Thus, a key aim of this book is to help you bring to bear on key business decisions a global perspective, manifested by questions such as, Where in the *world* should we locate our plants?; Which *global* market segments should we seek to penetrate?; and Where in the *world* should we raise our financing? This international perspective is best captured in the following quotation from an ad for J.P. Morgan, the large, successful New York bank (known as J.P. Morgan Chase & Co. since its December 2000 merger with Chase Manhattan): “J.P. Morgan is an international firm with a very important American business.”

The Rise of the Multinational Corporation

Despite its increasing importance today, international business activity is not new. The transfer of goods and services across national borders has been taking place for thousands of years, antedating even Joseph’s advice to the rulers of Egypt to establish that nation as the granary of the Middle East. Since the end of World War II, however, international business has undergone a revolution out of which has emerged one of the most important economic phenomena of the latter half of the twentieth century: the multinational corporation.

A multinational corporation (MNC) is a company engaged in producing and selling goods or services in more than one country. It ordinarily consists of a parent company located in the home country and at least five or six foreign subsidiaries, typically with a high degree of strategic interaction among the units. Some MNCs have upward of 100 foreign subsidiaries scattered around the world. The United Nations estimates that at least 35,000 companies around the world can be classified as multinational.

Based in part on the development of modern communications and transportation technologies, the rise of the multinational corporation

was unanticipated by the classical theory of international trade as first developed by Adam Smith and David Ricardo. According to this theory, which rests on the doctrine of comparative advantage, each nation should specialize in the production and export of those goods that it can produce with highest relative efficiency and import those goods that other nations can produce relatively more efficiently. Underlying this theory is the assumption that goods and services can move internationally but factors of production, such as capital, labour, and land, are relatively immobile.

Furthermore, the theory deals only with trade in commodities—that is, undifferentiated products; it ignores the roles of uncertainty, economies of scale, transportation costs, and technology in international trade; and it is static rather than dynamic. For all these defects, however, it is a valuable theory, and it still provides a well-reasoned theoretical foundation for free-trade arguments. But the growth of the MNC can be understood only by relaxing the traditional assumptions of classical trade theory.

Classical trade theory implicitly assumes that countries differ enough in terms of resource endowments and economic skills for those differences to be at the centre of any analysis of corporate competitiveness. Differences among individual corporate strategies are considered to be of only secondary importance; a company's citizenship is the key determinant of international success in the world of Adam Smith and David Ricardo.

This theory, however, is increasingly irrelevant to the analysis of businesses in the countries currently at the core of the world economy—the United States, Japan, the nations of Western Europe, and, to an increasing extent, the most successful East Asian countries. Within this advanced and highly integrated core economy, differences among corporations are becoming more important than aggregate differences among countries. Furthermore, the increasing capacity of even small companies to operate in a global perspective makes the old analytical framework even more obsolete. Not only are the “core nations” more homogeneous than before in terms of living standards, lifestyles, and economic organization, but their factors of production tend to move more rapidly in search of higher returns. Natural resources have lost much of their previous role in national specialization as advanced,

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knowledge-intensive societies move rapidly into the age of artificial materials and genetic engineering. Capital moves around the world in massive amounts at the speed of light; increasingly, corporations raise capital simultaneously in several major markets. Labour skills in these countries no longer can be considered fundamentally different; many of the students enrolled in American graduate schools are foreign, while training has become a key dimension of many joint ventures between international corporations. Technology and know-how are also rapidly becoming a global pool, with companies like General Electric, Morgan Stanley, Electronic Data Systems, Cisco Systems, McKinsey & Co, and IBM shifting software writing, accounting, engineering, and other skilled services to countries like India and China.

Against this background, the ability of corporations of all sizes to use these globally available factors of production is a far bigger factor in international competitiveness than broad macroeconomic differences among countries. Contrary to the postulates of Smith and Ricardo, the very existence of the multinational enterprise is based on the international mobility of certain factors of production. Capital raised in London on the Eurodollar market may be used by a Swiss-based pharmaceutical firm to finance the acquisition of German equipment by a subsidiary in Brazil. A single Barbie doll is made in 10 countries—designed in California, with parts and clothing from Japan, China, Hong Kong, Malaysia, Indonesia, Korea, Italy, and Taiwan, and assembled in Mexico—and sold in 144 countries. Information technology also makes it possible for worker skills to flow with little regard to borders. In the semiconductor industry, the leading companies typically locate their design facilities in high-tech corridors in the United States, Japan, and Europe. Finished designs are transported quickly by computer networks to manufacturing plants in countries with more advantageous cost structures. In effect, the traditional world economy in which products are exported has been replaced by one in which value is added in several different countries.

The value added in a particular country—product development, design, production, assembly, or marketing—depends on differences in labour costs and unique national attributes or skills. Although trade in goods, capital, and services and the ability to shift production act to limit these differences in costs and skills among nations, differences

nonetheless remain based on cultural predilections, historical accidents, and government policies. Each of these factors can affect the nature of the competitive advantages enjoyed by different nations and their companies. For example, at the moment, the United States has some significant competitive advantages. For one thing, individualism and entrepreneurship—characteristics that are deeply ingrained in the American spirit—are increasingly a source of competitive advantage as the creation of value becomes more knowledge-intensive. When inventiveness and entrepreneurship are combined with abundant risk capital, superior graduate education, and an inflow of foreign brainpower, it is not surprising that U.S. Companies—from Boston to Austin, from Silicon Alley to Silicon Valley—dominate world markets in software, biotechnology, Internet-related business, microprocessors, aerospace, and entertainment. Also, U.S. firms are moving rapidly forward to construct an information superhighway and related multimedia technology, whereas their European and Japanese rivals face continued regulatory and bureaucratic roadblocks. Recent experiences also have given the United States a significant competitive advantage. During the 1980s and 1990s, fundamental political, technological, regulatory, and economic forces radically changed the global competitive environment. A brief listing of some of these forces would include the following:

- Massive deregulation.
- The collapse of Communism.
- The sale of hundreds of billions of dollars of state-owned firms around the world in massive privatizations designed to shrink the public sector.
- The revolution in information technologies.
- The rise in the market for corporate control with its waves of takeovers, mergers, and leveraged buyouts.
- The jettisoning of statist policies and their replacement by free-market policies in Third World nations.
- The unprecedented number of nations submitting themselves to the exacting rigours and standards of the global market place.

These forces have combined to usher in an era of brutal price and service competition. The United States is further along than other nations in adapting to this new world economic order, largely because

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its more open economy has forced its firms to confront rather than hide from competitors. Facing vicious competition at home and abroad, U.S. companies—including such corporate landmarks as IBM, General Motors, Walt Disney, Xerox, American Express, Coca-Cola, and Kodak—have been restructuring and investing heavily in new technologies and marketing strategies to boost productivity and expand their markets. In addition, the United States has gone further than any other industrialized country in deregulating its financial services, telecommunications, airlines, and trucking industries.

The result: Even traditionally sheltered U.S. industries have become far more competitive in recent years, and so has the U.S. work force. The heightened competitiveness of U.S. firms has in turn compelled European and Japanese rivals to undergo a similar process of restructuring and renewal. Perhaps the most dramatic change in the international economy over the past decade is the rise of China as a global competitor. From 1978, when Deng Xiaoping launched his country's economic reform program, to 2003, China's gross domestic product rose by over 700 percent, the most rapid growth rate of any country in the world during this 25-year period. Since 1991, China has attracted the largest amount of foreign investment among developing countries each year, with annual foreign investment by the late 1990s exceeding \$50 billion. In 2002, China became the world's number-one destination for foreign direct investment (FDI), which is the acquisition abroad of companies, property, or physical assets such as plant and equipment, attracting \$52.7 billion in FDI flows. About 400 out of the world's 500 largest companies have now invested in China. The transformation of China from an insular nation to the world's low-cost site for labour-intensive manufacturing has had enormous effects on everything from Mexico's competitiveness as an export platform to the cost of furniture and computers in the United States to the value of the dollar to the number of U.S. manufacturing jobs. The prime transmitter of competitive forces in this global economy is the multinational corporation. For example, 84% of China's exports in the year ending June 2003 were by foreign companies manufacturing in China. What differentiates the multinational enterprise from other firms engaged in international business is the globally coordinated allocation of resources by a single centralized management. Multinational corporations make decisions about market-entry

strategy; ownership of foreign operations; and design, production, marketing, and financial activities with an eye to what is best for the corporation as a whole. The true multinational corporation emphasizes group performance rather than the performance of its individual parts.

For example, in 2003, Whirlpool Corporation launched what it billed as the world's cheapest washing machine, with an eye on low-income consumers who never thought they could afford one. Whirlpool designed and developed the Ideale washing machine in Brazil but it manufactures the Ideale in China and India, as well as Brazil, for sale in those and other developing countries.

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Marketing Research and Marketing Information System

Sonam Tomar

Two Types of Market Research

Secondary Research

Secondary research involves going to already published surveys, books, magazines, etc. and analysing the information in them in terms of your proposed business. It is called secondary research because you are using information others have developed, but it is usually performed before a primary research project. There are many sources of secondary research material. You can find it in libraries, universities and colleges, trade and general business publications and newspapers. Trade associations and government agencies are rich sources of information. The more localized the sources are, the more pertinent they will be to your marketing plan and strategy.

At this point, you should begin a fact book. Keeping a fact book helps organize the information you discover and provides a solid basis for making predictions and business decisions. Market research is an ongoing process and so is keeping a fact book. If you make a fact book out of the results of your market research, the time it takes to write a marketing plan will be decreased appreciably. Moreover, the fact book will be useful in the day-to-day operation of your new business. You should be adding information to your fact book on a continuing basis.

The fact book should contain at least four sections:

- 1) the industry,
- 2) the competition,

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- 3) your products and/or services, and
- 4) your customers.

After your business has been in operation for a while, you will want to review the information gathered for the fact book. You can use this information and any current information to update your marketing plan.

Primary Research

Primary research is original and direct, as opposed to secondary research, which is reviewing other researchers' and writers' work. Primary research can be as simple as asking for various peoples' reactions to your business idea, or as complex as the surveys done by sophisticated professional marketing research firms. Primary research includes such tools as direct mail questionnaires, telephone or "sidewalk" surveys, experiments, panel studies, focus teams, test marketing, behavior observation, etc. The complexity of the study will determine whether or not you need professionals to implement and analyse it.

You might be surprised at how inexpensively primary research can be carried out, especially if you give the marketing professional maximum dollar limit. Often colleges, universities and business schools are looking for opportunities for their students to do primary marketing research.

Summary-Market Research

In many cases marketing research is limited only by your willingness to put the time and effort needed into doing it. Much of it you can do yourself at very little cost. The key to effective marketing research is useful information. To be useful, information needs to be timely, as comprehensive as possible, and accessible.

Developing a Marketing Plan

Because the marketing plan is a section of the overall business plan, some of the information you need in it duplicates information presented in other sections. For example, your marketing plan needs to have a mission statement that not only states the purpose of the marketing plan, but also explains why you are in business, giving both personal and business goals. Your marketing plan's mission statement will review your business goals and objectives and identify marketing strategies that will attain them.

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Mission Statement

The mission statement specifies the business goals and objectives, and it outlines what strategies will be employed to reach them.

Identify Products and/or Services

In the marketing plan you will identify each product or service in terms of:

- Name
- Trademark
- Colour
- Shape or,
- Other characteristics, including packaging and labelling.

You also will differentiate products/services in terms of exclusive processes or superior ingredients and other features. You may identify product weaknesses, with the knowledge that your marketing strategy will need to create a demand that overrides the specific weakness.

Pricing is another essential of your marketing strategy. You have to price each product/service in relation to its cost and the percent of annual sales and total dollar amounts it represents.

The Market

In the business plan chapter, you learned, you need to identify your market quite specifically. You must determine its size, who your competitors are, and what features of your product or service will better satisfy customers. This information enables you to determine your market share and your most likely potential customers. A customer-oriented marketing style will capture a greater market share than one centred on just the product or service.

The purpose of customer-oriented marketing is to satisfy customers by identifying potential customers' needs and turning them into customers' desires for specific products/services, thus, creating demand. Translating customers' needs into demand for specific products or services is a fundamental goal of marketing.

Once you have identified your target customers. Include the following information about them:

- All demographic, lifestyle and purchasing power information.
- Location (local, regional, national or international).

- Factors in their selection of products/services and brands, including resistances.
- The size of the total target market.
- Target market trends-include information about market studies and test marketing.

You catalog potential customers by their needs and wants. Customers can be identified according to their social demo-graphics and geographic location. This information is basic for your research. Understanding the difference between wants and needs will help you prepare a focused plan. For example, if the need is transportation, the want-the specific vehicle desired-may be affected by the person's cultural, economic, and geographic environment.

Competition-Direct and Indirect

In order to be successful in your new business, you need to know your competition. With your direct competition, you need to determine who and how strong they are. By researching your competition, you will learn a great deal about managing your own business. Areas you need to research are listed below:

- Identify the top five competitors in your market.
- Determine their similarities and differences to the business you are planning.
- Identify and compare your company's and your competitors' strengths and weaknesses.
- Identify methods for making your operation better than theirs.
- Determine whether their business is increasing, decreasing or level.
- Compare your marketing techniques with those of your competitors.

Indirect competition is comprised of the cultural, legal, educational, and socio-economic barriers to marketing your product/service. For example, an educational product/service might be targeted at a specific group based on an educational need, but a cultural bias or economic situation might keep them from purchasing it.

Pricing

Pricing a product or service begins with an understanding of the total cost of the product or service, and includes other issues. Markup

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percentage is based on the cost of the product multiplied by one plus the percent of markup desired (cost x 1.50 is a 50% markup). Gross margin percentage is based upon the gross margin divided by the retail price ($\$5.00/\$15.00 = 33\%$). Understanding the total cost allows you to look at the margin or profit that you want to obtain. This is limited by the retail price of the competition.

Both internal and external factors influence the process of pricing a product or service. Internal variables include total cost and the overall goals of the company. External pricing determinants are more related to the market situation and the competition. Both internal and external factors must be considered by business owners when initially developing a comprehensive pricing strategy.

Internal Pricing Variables

Before pricing a new product or service, business owners must have a thorough understanding of the total cost of production and distribution. Total cost is all encompassing. It includes expenses for research and development, manufacturing, distribution, capital, labour and overhead.

All expenses involved with initially creating the product or service fall under research and development. Costs directly associated with raw materials used in production of the manufacturing costs. Distribution costs include everything related to direct distribution and marketing, specifically sales commissions, advertising, packaging, promotional materials, trade shows, business travel, etc. All long-term or fixed assets are capital expenses.

Labour costs are those costs associated with the time spent making the product. A business owner must include his or her time as part of the labour costs.

Overhead expenses that are not directly related to production also need to be included. Examples of these costs are rent, utilities, telephone, insurance, supplies, etc.

Pricing strategies must complement the business's overall goals and strategies. Price strategies will differ based on the owner's business objectives. For example, to achieve market penetration, a business owner may decide to price the product or service below the competition. This approach is used to gain market share and to establish entry into a new market.

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Environmental Challenges in Small Towns: A Case Study of Sitamarhi Municipality

Kuntal Kishor

Introduction

Environment is composite of all the physical and cultural components of the region and the interaction between these components. Good environmental condition in any region is necessary to maintain the health and hygiene. The domains of urban environment are quality of air, water and soil, sanitation and waste management, condition of drainage and green space, and overall condition of environment. It also incorporates the function of urban local bodies and government regarding urban environment management. India has been growing at an average GDP growth rate of 8.025 per cent for the last eight years (Ministry of Finance, 2013). The cities have grown at rapid rate and the urban population increased from 286.1 million in 2001 to 377.1 million in 2011, at an average annual growth rate of 2.76 per cent. Rapid urbanization has resulted in environmental degradation caused by increased pressures on the limited services and land available, leading to reduce open spaces, increased air and water pollution, and problems of waste disposal and its management. "In poor urban areas, serious environmental problems arise in and around people's homes, often creating health hazards. Inadequate sanitation, insufficient or contaminated water, smoky cooking fuels, uncollected solid waste, and insect infestation are all correlated with urban poverty and a lack of environmental services." The large urban centers accommodate most of the urban population in India. Though these towns are facing pressure on infrastructure and services but urban

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local bodies (ULBs) have enough managerial and technical knowhow. On the other hand small towns do not have enough infrastructure and trained municipal workers. So, the environmental concerns are different for small towns and large cities. Further there is incomplete devolution of power and function in ULBs as per 74th constitutional amendment. So, these ULBs can't function according to the local needs. Large cities draw most of the attention and fund but small towns are not given proper attention. The Eleventh Five Year Plan had looked into the linkages between urbanization and economic growth and aimed to expand economic opportunities in Indian cities. To make ensure sustainability of growth, the Plan had suggested strategies related to urban management systems with emphasis on energy, water resources and waste management.

Still there is a lot of work to be done for sustainable management of towns in general and for small towns in particular.

Objective

Objective of the present study is to give complete description of the environmental condition in the town Sitamarhi. The study also includes the spatial variation in environmental condition and the role of urban local bodies in environmental management. The study incorporates all aspects of environment i.e. air, water, sound, soil, sanitation and waste management, traffic congestion e.t.c. The author has given due attention to the problem related to environment and sanitation and also suggested some measures for its solution. The author has incorporated some comparative analysis of the environmental condition from other towns where needed. The study is useful for the further research and for planning.

Methodology

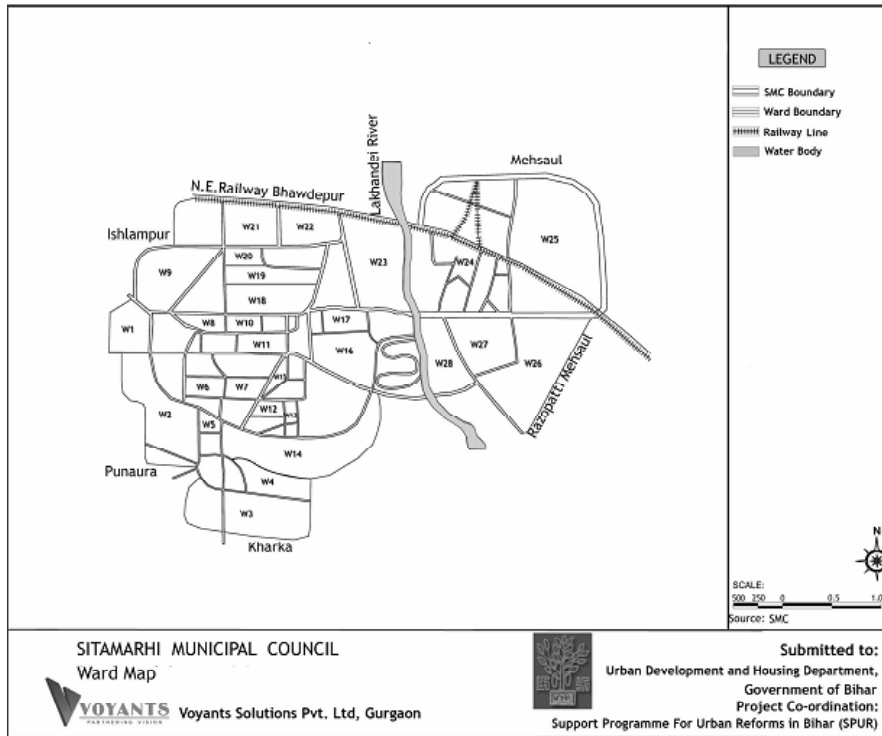
Primary data has been collected through questionnaire and interview method. Stratified random method has been used for sampling. Secondary data has been collected from municipal office and some other government agencies. The quantitative and qualitative analysis of the data has been done.

Study Area

This paper is based on the study of a small town Sitamarhi. It is located in north Ganga plain (northern bihar). The district of Sitamarhi was carved out of Muzaffarpur district on 11th December 1972. Sitamarhi is located at

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26°36'2 N-26.6°N latitude 85°29'2 E- 85.48°E longitude. The town sitamarhi occupies an area of 4.95 square kilometer and is divided into 28 wards. Sitamarhi is a sacred place in Hindu mythology. It's history goes back to Treta Yug. Sita, the wife of Lord Rama sprang to life out of an earthen pot, when Raja Janak was ploughing the field somewhere near Sitamarhi to impress upon Lord Indra for rain. It is said that Raja Janak excavated a tank at the place where Sita emerged and after her marriage set up the stone figures of Rama, Sita and Lakshman to mark the site. This tank is known as Janaki-kund and is south of the Janaki Mandir. In course of time, the land lapsed into a jungle until about 500 years ago, when a Hindu ascetic, named Birbal Das came to know the site by divine inspiration where Sita was born. He came down from Ayodhya and cleared the jungle. He found the images set up by Raja Janak, built temple over there and commenced the worship of Janaki or Sita. The Janaki Mandir is apparently modern and is about 100 years old only. The town however contains no relics of archaeological interest. The town is also famous for punaura dham temple. People from different states and countries visit this sacred place.



Sitamarhi is one of the small towns of Bihar. The town has seen an organic and unplanned growth primarily on either side of the Lakhandei River and along NH 104. The direction of the city growth is to the east i.e. Rajopatti area; to the south towards Dumra along the NH 104 and south-west in the Punaura Dham area. Some areas of the city to the north and south are low lying and therefore have little scope for growth. The city has seen most growth to the south towards the town of Dumra. Slums have developed along the bank of river Lakhanei.

Governance of the Town Sitamarhi

The 74th amendment of Indian constitution 1991 has provided a local governing body at town level. The Local Government's jurisdiction is limited to a specific area and its functions are related to the provision of civic amenities to the population being within its jurisdiction. It is subordinate to the state or provincial government which exercises control and supervision over it. Local Government provides public amenities and services which are necessary for the convenience, healthful living and welfare of the individual and the community. Today, work of urban local body is very important because it affects the daily life of people. Sitamarhi has its own municipal body and is responsible for all the environmental services in the area i.e. collection and disposal of solid waste, maintenance of drainage and parks, supply of water and other sanitation works.

The main problems of municipality are financial gap, lack of planning suitable for the town. On paper, urban local bodies with powers granted under 74th amendment exist. In reality, the people elected to them have little knowledge of their powers or responsibilities. Even when more political autonomy has been granted nominally, it has not translated into financial autonomy. Urban local bodies in the town are usually unable to collect the few taxes that they are entitled to collect such as property tax, water tax, commercial tax and vehicle tax. The ULB do not have manpower to collect the taxes and so it depends on the fund provided by centre and state government. Lack of fund for the municipal work affect the function of municipality. The 74th amendment has devolved powers to urban local bodies to undertake planning for their respective urban settlements. But they face several constraints. They do not possess the institutional capacity to undertake local planning so state and central planning body is responsible for all the plans for development of the town. The plan made at top level does not fit for the local conditions. Further, urban poverty leads to less affordability for amenities and services in the town. Kundu and Bhatia

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rightly remarks that “it is evident that along with poverty, the percentage of households without adequate access to basic amenities such as drinking water, toilets and electricity increases in proportion to the population as the size of the town decreases.” Due to poorly managed finance and inefficiency of urban local body the delivery of basic civic services in the town is not sufficient.

Problem of Small Towns

The small towns are specific as it has; low population, undeveloped infrastructure, low investment in different sectors of economy, lower rate of immigration and relatively high percentage of area under green belt. These towns are gradually increasing in terms of not only the economical and commercial activity but also in terms of population and area. The problems associated with these towns are unique due to the factors aforesaid. These problems are structural as well as institutional. The structural problems associated with these towns are; high pressure on civic services not due to pressure of population but due to undeveloped services and infrastructure, lack of proper technology to serve the population. Undeveloped transport facility, poor sanitation facility and poor overall environment due to undeveloped civic sense of urbanites are some of the other structural problem of small towns. The institutional problem of these small towns are; lack of managerial and technical know how to handle the increasing demand for different services, and lack of appropriate amount of fund to have different type of facilities and technologies to serve the population, though small but increasing due to increasing commerce and industry. These institutional and structural problems of small towns may lead to a complete chaos if the infrastructure, technology is not updated and the funds for municipal works are not increased with the increase in population of the town.

Result and Findings

The detailed description of the environmental challenges in the town has been put in the research paper. The study of different domains of environment in the town sitamarhi has been discussed under following headings.

Quality of Air

The quality of air in the town is average to good depending on the quality of sanitation services and traffic. The air is polluted in the area along the main road and some colonies where sanitation facility is poor such as Mehsaul Got, Chak Mahila, Rajopatti. On the other hand air

quality is good in shanti nagar, adarsh nagar, raghunath puri etc. The main causes of bad environmental condition in the town are poor sanitation facility and high pressure of vehicles on the road at certain time interval. Among 125 people selected for the sample 52 accepted that the quality of air is not good.

Quality of Water

Lakhandei River crosses the town and cut it in two halves. Most of the solid and liquid wastes are disposed in the river making river water unsuitable for human and animal use. Very little area is covered under municipal water supply and most of the people have their own hand pump and boring. The underground water is safe and pure but the drainage is not pure due to disposal of domestic and industrial waste in the drains. With the change in municipal administrators there has been increase in attempt of better sanitation facilities. In rainy season the drainage along the roads overflows and makes the situation difficult for the locals. Sometimes flood water come in the town through the drainage especially in Nahar Chauk, Pratap Nagar, Talkapuri, Adarsh Nagar, Shanti Nagar.

Quality of Soil

Quality of soil is good in localities where sanitation facility is good but in the slum area and along the ring road where most of the solid waste is disposed quality of soil is deteriorated. The area surrounding the town has good fertile soil but in the town proper most of the area is covered with concrete, coal tar and houses.

Condition of Sanitation and Drainage

The condition of drainage in the town is good but in some areas like in gudari bazar and chak mahila drainage is chucked due to domestic waste of the local households. Drains are cleaned regularly except in gudari bazaar, chak mahila and rajopatti. Work of municipal workers is praiseworthy in this regard. The condition of sanitation in the town is not good except in some area like adarsh nagar, shanti nagar. Although the dustbin is placed in almost all colonies but the size of dustbin is too small to accommodate the whole waste of all houses in the colony. Some of the household scatter the waste on road and in drains causing pollution of environment. The places where waste is disposed i.e along the ring road and river Lakhandei environmental condition is very bad. Along the main roads in the town shopkeepers dispose their solid wastes creating unbeautiful scene. Regarding drainage and sanitation, problem of infrastructure and fund is less important than the absence of civic sense in the population. The people

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are unaware of the possible ways to clean their surroundings and lazy to perform their duty to keep their roads and drains clean. The per capita sewage production in the town is 115 liter per day. The town produces 6.5 MLD sewage and there is a sewage plant installed near Mathura high school.

Condition of Pest an Fly

The town is full of pests, fly and mosquitoes. The entire 125 person asked, accepted that cockroaches, mosquitoes and fly is found in their house and evening is horrible due to mosquitoes. The town sitamarhi is one of the areas in the world, highly infected by malaria. The main reason behind this is not only the local environmental condition but also the nearness to terai region of Nepal which is the hot spot for growth of mosquitoes. The municipal authority is neglecting the issue and DDT is not sprinkled regularly, and the fogging technology for mosquito control is unavailable in the town.

Condition of Green Belt

The town Sitamarhi has about 28% green belt area. Most of the green areas are in outer part of the town around the CBD, Bus stand and Railway station. The central part of the town lacks green belt. There are only 2 parks in the town and only one i.e. central park is functioning. So, it can be said that there is sufficient green space in the town.

Attempts and Capacity of Municipality for Environmental Management

The town Sitamarhi has a municipality and its office is situated at. The work of municipality to counter environmental challenges in the town is praiseworthy if we consider the limited resource of the institution. The municipality is responsible for cleaning of drainage, solid waste collection and disposal, sewage treatment, regulating the function of other responsible bodies for providing civic services. The town produces about 60 ton solid wastes every day which is collected and disposed by municipal workers with the help of 7 tractors and 35 petrolium vehicle. The waste is disposed along Ring road. The treatment of waste is not performed due to lack of resources and fund for solid waste treatment plant. The drains are cleaned regularly with the interval of 3-4 days except some areas. Potable water is supplied with the help of 2 water tanks of which one is currently not functioning. The water is cleaned regularly and transported through the pipes which are cut at many places. These cuts are the places from where contaminated water inters into the main pipes. The facility of supply

water is available for limited area mainly CBD. In other areas hand pump and boring is source of potable water.

Problems Faced by Municipality

Though the municipality has been given administrative and financial power to accomplish its tasks but in reality the institution lacks skillful authority at the top. Further the municipality does not have sufficient fund, technology and municipal workers. In spite of these problems the municipality has done a great job.

Conclusion

The study conducted by the researcher is based on empirical findings and the secondary data. The author has come to the conclusion that the town Sitamarhi has many environmental challenges specially related to sanitation and drainage, presence of pest and fly, and haphazard and unplanned organic growth of settlement leading to complexity of the urban system. With the change in authority the town has noticed many changes especially the facility of dustbin in almost all the colonies and regular cleaning of drains. Spatial variation in quality of environment can be seen in the town. The pattern of good environmental condition follows the pattern of richness of the population i.e. poor areas have poor environment and rich areas have good environmental condition. This correlation between richness of population and environmental condition is only due to the fact that municipal civic facilities are provided regularly in rich areas. The town has enough green cover to counter the heat and carbon emission due to industry and vehicle. So, overall environmental condition of the town is not good but it can be changed by little more effort if municipality is given more fund and technology.

Suggestion

The town Sitamarhi is one of the poorest towns of India. Sitamarhi municipality has not enough resources to tackle the challenges related to environment. The pressure of population on infrastructure and civic services is increasing. With the changing dynamics of urban space and function there is need of different approach to tackle the problems related to environment. The environmental challenges in town can be countered well if following suggestions are implemented:

1. The elected municipal authority should be trained about their function and their power.
2. Municipality should have their own fee collection points to get fee for the services they provide.

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3. The municipality should generate fund for the solid waste treatment plant and install it as soon as possible.
4. The roads should be widened or more roads should be constructed in the town to decrease the pressure of vehicles and traffic congestion.
5. The vegetable and fruit mundis should be concreted.
6. Pest and mosquito control measures should be implemented at regular time interval.
7. The roadside dustbin installed in the colonies should be bigger.

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Tax Planning and Financial Management Decisions

Dr. Saad Bin Hamid

Tax planning is vital for every company's major decisions. This article enlists and discusses few of the important decisions taken by management and its relation with tax planning under Indian Income Tax Act perspective.

Management Decision

Capital Structuring

One should understand the basis of arriving at the decision about capital structure, i.e. debt, equity or preference shares. The factors like risk, cost and control are relevant. In addition one must understand the tax implication and should also consider this while deciding the best mix to optimize shareholder's return. Dividend on share is not allowable deduction in the hand of the company; however, interest on debt paid is allowable deduction. The cost of raising equity is a capital expenditure which can only be capitalized and amortized in certain conditions (may not be amortized in all cases). However, the cost of raising debt is allowed as deduction. This has direct implication in calculating corporate tax liability. On dividend from Indian company, the company is liable to pay DWT and then such dividend is exempt in the hand of the shareholders.

Make or Buy

In Financial management course, students are taught to understand the basis of arriving at the make or buy decision considering capacity utilization, inadequacy of fund, cost of fund, latest technology, variable cost of manufacturing etc. While arriving at this decision due consideration must also be given to tax implication as this will certainly influence the decision. One must consider that if one decides to make,

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there is less outflow due to tax benefit on depreciation/interest and tax advantage available due to location of manufacturing in a particular area. These tax advantages have already been listed earlier. If the company is able to take advantage of any of these tax incentives, the decision to make may come out better in comparison to decision to buy.

Own or Lease

Concept of leasing is gaining immense popularity. One private airline has recently sold and taken back the same aircraft on lease. In the process it got some fund in its account. One factor which influenced its decision was that the lease rental paid to foreign enterprise is not subject to withholding tax if the lease agreement has been approved by the Central Government. Other factors which must be considered for tax implications are that in case of buying the asset, the assessee will be entitled to deduction on the account of depreciation and interest, while in case of lease he will be entitled to deduction on account of lease rental which will be higher in the initial years. Hence, tax consideration will also influence management decision to own or lease.

Capital Gain: It is important to understand that long term capital gain tax is less than normal tax on business or interest income. Further in case of equities, where security transaction tax is paid, there is no long-term capital gain and short-term capital gain is only charged at 10%. Even if the taxpayer has long term capital gain he has the opportunity to reduce it by properly investing it in approved bonds of National Highway Authority or Rural electrification Corporation under section 54EC or investing in house property under section 54 and 54F. Thus if some one has an option to earn regularly or through capital gain, the earning through capital gain will attract less tax. This will influence the investment decision of the taxpayer.

Amalgamation

There is limitation in the Income-tax Act for carry forward of losses. It is quite possible that one of the group companies is making profit and another group company is making losses. Some of these losses may be getting lapsed due to time limitation. One can not transfer profit of one Group Company to another just like that as it would amount to tax avoidance and can invite trouble. The tax planning in such cases could be to merge the two companies. However, it must be ensured that the conditions of merger as given in the Income-tax Act are satisfied.

These are:

1. All property and liability of the amalgamating company or companies immediately before the amalgamation becomes the property of the amalgamated company by virtue of amalgamation.
2. Shareholders holding not less than 75% in value of the shares in the amalgamating company or companies become shareholders of the amalgamated company by virtue of the amalgamation.
3. Conditions as prescribed in section 72A of the Income-tax Act are satisfied by both amalgamating company and the amalgamated company.

Tax Planning Relating to Capital Structure Decision

In finance, capital structure refers to the way a corporation finances its assets through some combination of equity, debt, or hybrid securities. A firm's capital structure is then the composition or 'structure' of its liabilities. For example, a firm that sells \$20 billion in equity and \$80 billion in debt is said to be 20% equity-financed and 80% debt-financed. The firm's ratio of debt to total financing, 80% in this example, is referred to as the firm's leverage. In reality, capital structure may be highly complex and include dozens of sources. Gearing Ratio is the proportion of the capital employed of the firm which come from outside of the business finance, e.g. by taking a short term loan etc.

The Modigliani-Miller theorem, proposed by Franco Modigliani and Merton Miller, forms the basis for modern thinking on capital structure, though it is generally viewed as a purely theoretical result since it disregards many important factors in the capital structure process factors like fluctuations and uncertain situations that may occur in the course of financing a firm. The theorem states that, in a perfect market, how a firm is financed is irrelevant to its value. This result provides the base with which to examine real world reasons why capital structure *is* relevant, that is, a company's value is affected by the capital structure it employs. Some other reasons include bankruptcy costs, agency costs, taxes, and information asymmetry. This analysis can then be extended to look at whether there is in fact an optimal capital structure: the one which maximizes the value of the firm.

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Capital Structure in a Perfect Market

Consider a perfect capital market (no transaction or bankruptcy costs; perfect information); firms and individuals can borrow at the same interest rate; no taxes; and investment returns are not affected by financial uncertainty. Modigliani and Miller made two findings under these conditions. Their first 'proposition' was that the value of a company is independent of its capital structure.

Their second 'proposition' stated that the cost of equity for a leveraged firm is equal to the cost of equity for an unleveraged firm, plus an added premium for financial risk. That is, as leverage increases, while the burden of individual risks is shifted between different investor classes, total risk is conserved and hence no extra value created.

Their analysis was extended to include the effect of taxes and risky debt. Under a classical tax system, the tax deductibility of interest makes debt financing valuable; that is, the cost of capital decreases as the proportion of debt in the capital structure increases. The optimal structure, then would be to have virtually no equity at all, i.e. a capital structure consisting of 99.99% debt.

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Service Marketing in New Age

Vikram Meena

A market is any one of a variety of different systems, institutions, procedures, social relations and infrastructures whereby persons trade, and goods and services are exchanged, forming part of the economy. It is an arrangement that allows buyers and sellers to exchange things. Markets vary in size, range, geographic scale, location, types and variety of human communities, as well as the types of goods and services traded. Some examples include local farmers' markets held in town squares or parking lots, shopping centres and shopping malls, international currency and commodity markets, legally created markets such as for pollution permits, and illegal markets such as the market for illicit drugs.

In mainstream economics, the concept of a market is any structure that allows buyers and sellers to exchange any type of goods, services and information. The exchange of goods or services for money is a transaction.

Market participants consist of all the buyers and sellers of a good who influence its price. This influence is a major study of economics and has given rise to several theories and models concerning the basic market forces of supply and demand. There are two roles in markets, buyers and sellers. The market facilitates trade and enables the distribution and allocation of resources in a society. Markets allow any tradable item to be evaluated and priced. A market emerges more or less spontaneously or is constructed deliberately by human interaction in order to enable the exchange of rights of services and goods.

Historically, markets originated in physical marketplaces which would often develop into — or from — small communities, towns and cities.

Types of Markets

Although many markets exist in the traditional sense — such as a marketplace — there are various other types of markets and various organizational structures to assist their functions. The nature of business transactions could define markets.

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Financial Markets

Financial markets facilitate the exchange of liquid assets. Most investors prefer investing in two markets, the stock markets and the bond markets. NYSE, AMEX, and the NASDAQ are the most common stock markets in the US. Futures markets, where contracts are exchanged regarding the future delivery of goods are often an outgrowth of general commodity markets.

Currency markets are used to trade one currency for another, and are often used for speculation on currency exchange rates.

The money market is the name for the global market for lending and borrowing.

Prediction Markets

Prediction markets are a type of speculative market in which the goods exchanged are futures on the occurrence of certain events. They apply the market dynamics to facilitate information aggregation.

Organization of Markets

A market can be organized as an auction, as a private electronic market, as a commodity wholesale market, as a shopping centre, as a complex institution such as a stock market, and as an informal discussion between two individuals.

Markets of varying types can spontaneously arise whenever a party has interest in a good or service that some other party can provide. Hence there can be a market for cigarettes in correctional facilities, another for chewing gum in a playground, and yet another for contracts for the future delivery of a commodity. There can be black markets, where a good is exchanged illegally and virtual markets, such as eBay, in which buyers and sellers do not physically interact during negotiation. There can also be markets for goods under a command economy despite pressure to repress them.

Mechanisms of Markets

In economics, a market that runs under laissez-faire policies is a free market. It is “free” in the sense that the government makes no attempt to intervene through taxes, subsidies, minimum wages, price ceilings, etc. Market prices may be distorted by a seller or sellers with monopoly power, or a buyer with monopsony power. Such price distortions can have an adverse effect on market participant’s welfare and reduce the efficiency of market outcomes. Also, the level of organization or negotiation power of buyers, markedly affects the functioning of the market. Markets where price negotiations meet

equilibrium though still do not arrive at desired outcomes for both sides are said to experience market failure.

Study of Markets

The study of actual existing markets made up of persons interacting in space and place in diverse ways is widely seen as an antidote to abstract and all-encompassing concepts of “the market” and has historical precedent in the works of Fernand Braudel and Karl Polanyi. The latter term is now generally used in two ways. First, to denote the abstract mechanisms whereby supply and demand confront each other and deals are made. In its place, reference to markets reflects ordinary experience and the places, processes and institutions in which exchanges occurs. Second, the market is often used to signify an integrated, all-encompassing and cohesive capitalist world economy.

A widespread trend in economic history and sociology is skeptical of the idea that it is possible to develop a theory to capture an essence or unifying thread to markets. For economic geographers, reference to regional, local, or commodity specific markets can serve to undermine assumptions of global integration, and highlight geographic variations in the structures, institutions, histories, path dependencies, forms of interaction and modes of self-understanding of agents in different spheres of market exchange. Reference to actual markets can show capitalism not as a totalizing force or completely encompassing mode of economic activity, but rather as “a set of economic practices scattered over a landscape, rather than a systemic concentration of power” C. B. Macpherson identifies an underlying model of the market underlying Anglo-American liberal-democratic political economy and philosophy in the seventeenth and eighteenth centuries: Persons are cast as self-interested individuals, who enter into contractual relations with other such individuals, concerning the exchange of goods or personal capacities cast as commodities, with the motive of maximizing pecuniary interest.

The state and its governance systems are cast as outside of this framework. This model came to dominant economic thinking in the later nineteenth century, as economists such as Ricardo, Mill, Jevons, Walras and later neo-classical economics shifted from reference to geographically located marketplaces to an abstract “market”. This tradition is continued in contemporary neoliberalism, where the market is held up as optimal for wealth creation and human freedom, and the states’ role imagined as minimal, reduced to that of upholding and keeping stable property rights, contract, and money supply. This allowed for boilerplate economic and institutional restructuring under structural adjustment and post-Communist reconstruction.

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Similar formalism occurs in a wide variety of social democratic and Marxist discourses that situate political action as antagonistic to the market. In particular, commodification theorists such as Georg Lukacs insist that market relations necessarily lead to undue exploitation of labour and so need to be opposed in toto. Pierre Bourdieu has suggested the market model is becoming self-realizing, in virtue of its wide acceptance in national and international institutions through the 1990s. The formalist conception faces a number of insuperable difficulties, concerning the putatively global scope of the market to cover the entire Earth, in terms of penetration of particular economies, and in terms of whether particular claims about the subjects (individuals with pecuniary interest), objects (commodities), and modes of exchange (transactions) apply to any actually existing markets. A central theme of empirical analyses is the variation and proliferation of types of markets since the rise of capitalism and global scale economies. The Regulation School stresses the ways in which developed capitalist countries have implemented varying degrees and types of environmental, economic, and social regulation, taxation and public spending, fiscal policy and government provisioning of goods, all of which have transformed markets in uneven and geographical varied ways and created a variety of mixed economies.

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