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Contents

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b. The author(s) details i.e., full name, designation, name of the organization, city, Pin, state, country, e-mail id, alternate e-mail id, contact details i.e. mobile/landline phone numbers, in 11-point Times New Roman should be centered below the title.

c. All manuscripts must be accompanied by a brief abstract. Abstract including key words must not exceed 250 words. It should be in fully justified and italicized text. It should highlight research background, methodology; major finding(s) and conclusion in brief. Authors must mention 4-6 keywords. Key words should be listed alphabetically, separated by commas, and full stop at the end.

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MICROFINANCE IN INDIA - AN OVERVIEW*

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Abstract

The major roadblock to India's economic growth is poverty. Right from the independence, India's economic growth have failed to make necessary improvements for the poor people, about 60% of India's population. Indian government showed its concern to start various poverty alleviation programs but they have failed to deliver the objectives upto the desired level due to many reasons. According to Laureate Milton Friedman, "poor stay poor, not because they are lazy but because they have no access to capital." Access to financial services is the actual constraint for the poor and not the interest rates. The poor can save and can indeed use a wide range of financial services. Using financial credit poor can also generate income and improve their life. Microfinance is the tool that provides very small loans to poor families to help them engage in productive activities. Microfinance is a collective word under which services like credit facilities, saving accounts, money transfer, Remittance, Insurance and even investment is provided. The main objectives of this paper are to analyse the structure and pattern of microfinance in India. Moreover the study will also throw light on the basic concept of microfinance, its definition and through which channel it operates in India. The data required to conduct this descriptive study are of secondary nature which is collected mainly from the website of NABARD and RBI.

Key Words: Microfinance, SHGs MFIs, NABARD, Economic Growth

INTRODUCTION

Self Employed Women Association (SEWA) is considered one of the pioneers of the microfinance movement in India. Microfinance means the provision of banking services to lower income people, especially the poor and the very poor. Microfinance provides small scale financial services without security to people who farm or fish or herd; operates small business where goods are manufactured or traded; in both rural and urban areas. According to World Bank report, (2008) 43% of Indian children are malnourished, over 35% of Indians are illiterates and more than 20 million children are out of school. The extremely poor people in India are largely involved in subsistence type of activities. Their earnings are so little that their expenditure and survival- need exceeds income. Anyhow, they manage their daily requirement with their insufficient earnings. But at the time of exigency, they are forced to borrow from local money lenders. This often results in borrowing small amount of money at very expensive rate of interest of as much as 120% per annum to meet urgent needs like treatment of ill and sick family members or repayment of previous loans etc. Money lenders were providing credit by mortgaging land and other valuable assets like gold and silver ornaments and other domestic asset like domestic animals. In case of non-recovery of loans, these mortgaged items were being taken away throwing the borrowers to poverty. Poverty in rural area is a combination of factors like lack of micro credit, social disgrace from failed attempt at entrepreneurship, institutional constraints on lending and inability to recover quickly from setback such as natural disasters and death of earning members. This realization has led to modern microcredit practices to address the social and political hurdles to entrepreneurship as much as they try to solve the problem of credit availability, adverse selection and moral hazard. Thus the need for an institutional mechanism is felt. Some individuals tried to address the problem in an organized way in the form of micro-credit. In fact the concept of micro-credit is not new. Credit has been available to poor for centuries in one form or other. But they are not organized and institutionalized. (Hollis and Sweetman, 1998).In the present research study an effort has been made to throw light on the various aspects related to micro finance in India.

OBJECTIVES

1. To understand the role played by microfinance for economic development in India.
2. To analyse the structure and pattern of microfinance in India.
3. To study the significance and role of microfinance in poverty alleviation.

BRIEF HISTORY OF MICROFINANCE

Middle of the 18's	Theorist Lysander Spooner wrote about small credits, as a way of getting the people out of poverty.
End of World War II	Marshall Plan was introduced for revival of post war economy. It gave emphasize on micro finance.
1970's	Micro-Credit movement started in countries like Bangladesh (Grameen Bank led by Muhammad Yunus), Pakistan, Vietnam etc.
1974	Establishment of SEWA (Self Employed Women's Association)
1990	SIDBI was established through Small Industries Development Bank of India Act 1989.
1992	NABARD was established on the recommendations of Shivaraman Committee, by an act of Parliament to implement the National Bank for Agriculture and Rural Development Act 1981. NABARD Launch SHG-BLP
1999	SIDBI created Microcredit (SFMC) to create a national network of strong, viable and sustainable Microfinance Institutions from the informal and formal financial sector to provide microfinance services to the poor, especially women''.
2005	The year 2005 was declared as International year of Microcredit by The Economic and Social Council of the United Nations
2006	NABARD launched the 'Micro-Enterprise Development Programme' (MEDP) for skill development.
2010	In December 2010 the government of Andhra Pradesh ("AP") passed a law (the "AP Act", originally conceived in October 2010) which effectively shut down private sector microfinance in the State.
2012	The Government has introduced a "The micro institutions (development and Regulation) bill, 2012 in the Lok Sabha to empower the reserve bank of India to regulate the micro finance Industry and fix interest rate ceiling on loans to be provided by lenders. The bill was introduced by finance minister Pranab Mukhrji.

CONCEPT OF MICROFINANCE

In early 1980's, the existing banking policies, procedures and systems were not suited to meet the requirements of poor. For borrowings, poor people have no choices than to resort to unorganized sector due to collateral. NABARD recommended that alternative policies, systems and procedures should be put in use to save the poor from the clutches of moneylenders. Thus, microfinance was introduced in banking sector. Microfinance is the provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance to the poor and low income households and their micro-enterprises. Micro-financing is regarded as a tool for socio-economic improvement of a developing country like India. It has played a significant role in poverty alleviation. Mohammed Yunus was awarded the Noble Prize for application of the concept of microfinance, with setting up of the Grameen Bank in Bangladesh. Micro credit is a small amount of money, given as a loan by a bank or any legally registered institution, whereas, Microfinance includes multiple services such as loans, savings, insurance, transfer services, micro credit loans etc. **Micro finance could be defined as, "Provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas, for enabling them to raise their income levels and improve living standards."**

According to Kofi Annan, "Microfinance recognizes that poor people are remarkable reservoirs of energy and knowledge. The lack of financial services is not just a sign of poverty, today it is looked as an untapped opportunity to create markets, bring people in from the margins and give them the tools to help themselves."

According to RBI, "Microfinance is an economic development tool whose objective is to assist the poor to work their way out of poverty. It covers a range of services which include, in addition to the provision of credit, many other services such as savings, insurance, money transfers, counselling, etc."

The Microfinance Services Regulation Bill defines microfinance services as "providing financial assistance to an individual or an eligible client, either directly or through a group mechanism for:

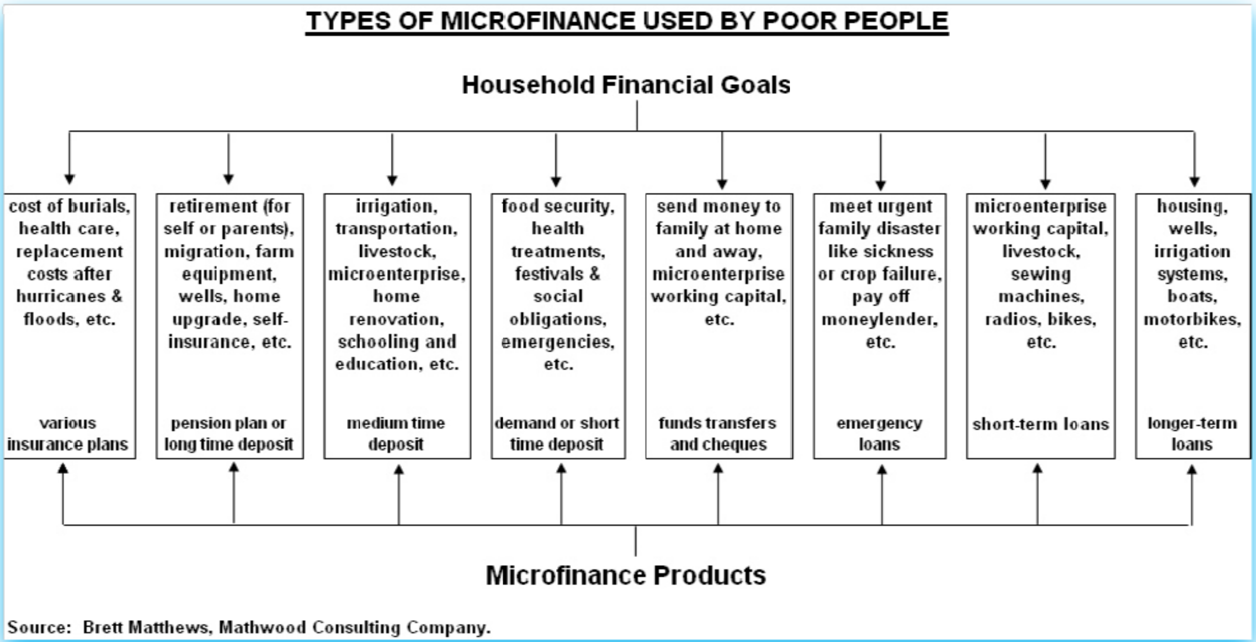
i. Rs. 50000 or lesser amount, for an individual for small and tiny enterprise, agriculture, allied activities (including for consumption purposes of such individual) or

ii. Rs. 150000 or lesser amount for an individual for housing purposes, or

iii. any other purpose nor exceeding Rs. 150000

The concept of Microfinance – a real vaccine for poor people – emerged in late 1970. Grameen bank of Bangladesh with the micro finance pioneer Prof. Mohammad Yunus started and shaped the modern industry of micro finance. Prof. Mohammad Yunus for the first time felt that even poor people and women need loans. Microfinance is an economic development approach that involves providing financial services through institutions to low income people. Microfinance has emerged to meet special goals to empower underprivileged class of society. The basic principle of microfinance is founded on the philosophy of cooperation, equality, equity and mutual self help. **Microfinance** typically refers to microcredit, savings, insurance, money transfers, and other financial products targeted at poor and low-income people.

Microfinance operates through two main channels in India; first SHG-Bank Linkage Programme initiated by NABARD in 1992 and secondly through of MFIs in the form of NGOs, Non Profit Companies Non Banking Financial Companies, or mutually aided societies.



PRESENT STATUS OF MICROFINANCE IN INDIA

A financial institution in the country has played a leading role in the microfinance program since last two decades. Microfinance sector has passed through a long journey from micro savings to microcredit and then to microenterprises and now entered the field of micro insurance, micro pension. The data related to overall progress of microfinance sector for the year 2012-13 along with two preceding years (2010-11 & 2011-12) have been presented and reviewed under two models of microfinance (I) SHG-Bank Linkage model (ii) MFI-Bank Linkage model.

Table 1 Overall Progress under SHG-Bank Linkage for last 3 years

(Rs. in crores)

Particulars		2010-11		2011-12		2012-13	
		No. of SHGs (lakh)	Amount	No. of SHGs (lakh)	Amount	No. of SHGs (lakh)	Amount
SHG Savings with Banks as on 31 March	**Total SHGs**	**74.62 (7.3%)**	**7016.30 (13.2%)**	**79.60 (6.7%)**	**6551.41 (-6.7%)**	**73.18 (-8.1%)**	**8217.25 (25.4%)**
	Of which SGSY Groups	20.23 (19.4%)	1817.12 (40.6%)	21.23 (5.0%)	1395.25 (-23.2%)	20.47 (-3.6%)	1821.65 (30.6%)
	% of SGSY Groups to Total	27.1	25.9	26.7	21.3	28.0	22.2
	ALL WOMEN SHGS	**60.98 (14.8%)**	**5298.65 (17.8%)**	**62.99 (3.3%)**	**5104.33 (-3.7%)**	**59.38 (-5.7%)**	**6514.86 (27.6%)**
	% of Women Groups to Total	81.7	75.5	79.1	77.9	81.1	79.3
Loans Disbursed to SHGs during the year	**Total SHGs**	**11.96 (-24.6%)**	**14547.73 (0.01%)**	**11.48 (-4%)**	**16534.77 (13.7%)**	**12.20 (6.3%)**	**20585.36 (24.5%)**
	Of which SGSY Groups	2.41 (-9.9%)	2480.37 (12.8%)	2.10 (-12.9%)	2643.56 (6.6%)	1.81 (-13.8%)	2207.47 (-16.5%)
	% of SGSY Groups to Total	20.1	17.0	18.3	16.0	14.8	10.7
	ALL WOMEN SHGS	**10.17 (-21.4%)**	**12622.33 (1.6%)**	**9.23 (-9.2%)**	**14132.02 (12.0%)**	**10.37 (12.4%)**	**17854.31 (26.3%)**
	% of Women Groups to Total	85	86.8	80.4	85.5	85.1	86.7
Loans Outstanding against SHGs as on 31 March	**Total SHGs**	**47.87 (-1.3%)**	**31221.17 (11.4%)**	**43.54 (-9.0%)**	**36340.00 (16.4%)**	**44.51 (2.2%)**	**39375.30 (8.4%)**
	Of which SGSY Groups	12.86 (3.4%)	7829.39 (25.2%)	12.16 (-5.4%)	8054.83 (2.9%)	11.93 (-1.9%)	8597.09 (6.7%)
	% of SGSY Groups to Total	26.9	25.1	27.9	22.2	26.8	21.8
	ALL WOMEN SHGS	**39.84 (2.2)**	**26123.75 (13.4%)**	**36.49 (-8.4%)**	**30465.28 (16.6%)**	**37.57 (2.9%)**	**32840.04 (7.8%)**
	% of Women Groups to Total	83.2	83.7	83.8	83.8	84.4	83.3

Source: Report on Status of Microfinance in India, 2012-13, NABARD
Note: figures in the parenthesis indicates growth/decline over the previous year

Table 2 Progress under MFI-Bank Linkage Programme

(Rs. in crores)

Particulars	2010-11		2011-12		2012-13	
	No. of MFIs	Amount	No. of MFIs	Amount	No. of MFIs	Amount
Loans disbursed by banks to MFIs	471 (-39.5%)	8448.96 (-21.3%)	465 (-1.3%)	5205.29 (-38.39%)	426 (-8.4%)	7839.51 (50.6%)
Loans outstanding against MFIs as on 31 March	2315 (39.5%)	13730.62 (-2.0%)	1960 (-15.3%)	11450.35 (-16.6%)	2042 (4.2%)	14425.84 (26.0%)

Fresh loans as % age to Loans Outstanding		61.5		45.5		54.3

Source: Report on Status of Microfinance in India, 2012-13, NABARD
Note: 1(figures in the parenthesis indicates growth/decline over the previous year)
Note: 2 Actual numbers of MFIs availing loans from Banks would be less than the figures shown as most of MFIs avail loans from more than one Bank/more than one loan account.

During the financial year 2010-11, bank loans of Rs 14,547 crores was disbursed to 11.96 lakhs SHGs whereas 74.62 lakhs SHGs maintained saving account with banks to the tune of 7016.30 crores during the same year. On an average, the amount of saving per SHGs was Rs 9,402.71 as compared to the amount of credit of Rs 65,220.74 in 2010-11. During the same period 471 MFIs were provided loans by banks which account for Rs 8448 crores. During the financial year 2011-12, bank loans of Rs 16534.77 crores was disbursed to 11.48 lakhs SHGs whereas 79.60 lakhs SHGs maintained saving account with banks to the tune of 6551.41 crores during the same year.

During the financial year 2012-13, bank loans of Rs 20585.36 crores was disbursed to 12.20 lakhs SHGs whereas 73.18 lakhs SHGs maintained saving account with banks to the tune of 8217.25 crores during the same year. On an average, the amount of saving per SHGs was Rs. 11228.82 as compared to the amount of credit of Rs. 88463.94 in 2012-13. During the same period 426 MFIs were provided loans by banks which accounts for Rs. 7839.51 crores. Under the MFI- Bank Linkage Programme, number of MFIs disbursed loans by Banks during the year 12-13 is less than previous years but amount of loan is higher than the previous years. The growth rate in the amount of loans disbursed to SHGs increase from 0.01% in 10-11 to 13.11% in 11-12. Again in the very next year i.e. 2012-13 the growth rate went up to 24.5%. This can be attributed to the active role of SHGs towards microfinance. As far as the progress of MFIs is concerns, it can be analyzed that growth rate in the amount of loans disbursed to MFIs went up from -38.39% in 11-12 to 50.60% in 12-13. This indicates that MFIs are performing proactive role in microcredit.

INDIA'S 25 LEADING MFIs

CRISIL has been associated with the Indian Microfinance Sector for more than a decade and its ratings and reports about MFI's are highly valued by microfinance practitioners, analysts and the general public. As of June 2014, CRISIL has ratings outstanding on more than 60 Indian MFI's which account for more than 70% of the loans outstanding in the Indian Microfinance Sector. CRISIL – India's leading agency for microfinance ratings has released its updated list of the top microfinance companies in India titled "**India's 25 Leading MFI's**" for the years 2014 – 2015.

1. Annapurna Microfinance Pvt. Ltd.
2. Arohan Financial Services Pvt. Ltd.
3. Asirvad Microfinance Pvt. Ltd.
4. Bandhan Financial Services Pvt. Ltd.

5. BSS Microfinance Pvt. Ltd.
6. Cashpor Micro Credit
7. Disha Microfin Pvt. Ltd.
8. Equitas Microfinance Pvt. Ltd.
9. ESAF Microfinance and Investments Pvt. Ltd.
10. Fusion Microfinance Pvt. Ltd.
11. Grama Vidiyal Micro Finance Ltd.
12. Grameen Financial Services Pvt. Ltd.
13. Janalakshmi Financial Services Pvt. Ltd.
14. Madura Micro Finance Ltd.
15. RGVN (North East) Microfinance Limited
16. Satin Creditcare Network Ltd.
17. Shree Kshetra Dharmasthala Rural Development Project
18. SKS Microfinance Ltd.
19. S.M.I.L.E Microfinance Ltd.
20. Sonata Finance Pvt Ltd.
21. Suryoday Micro Finance Pvt. Ltd.
22. SV Creditline Pvt. Ltd.
23. Swadhaar FinServe Pvt. Ltd.
24. Ujjivan Financial Services Pvt. Ltd.
25. Utkarsh Micro Finance Pvt Ltd.(http://indiamicrofinance.com)

HOW MICROFINANCE OPERATES IN INDIA

In India, the beginning of microfinance movement could be traced to Self Help Group (SHG) – Bank Linkage Programme (SBLP) initiated as a pilot project in 1992 by NABARD. This programme proved to be very successful and has also developed as the most popular model of microfinance in India. Microfinance services are provided mainly by two models: - Self Help Group - Bank Linkage Programme (SBLP) Model and Micro-Finance Institutions Model (MFI). MFIs may be in the form of NGOs, Non Operating Companies, Non-banking financial Companies, and Mutually Aided Co-operative Societies. Thus, in India, the institutions which provides microfinance services includes: NABARD (National Bank for Agriculture and Rural Development), SIDBI (Small Industries Development Bank of India), Commercial Banks, Regional Rural Banks, Cooperative Banks and NBFC (Non Banking Financial Companies). NABARD overseas the linking programme of banks to SHGs and offers refinance for it. SIDBI lends MFIs through SIDBI foundation for microcredit.

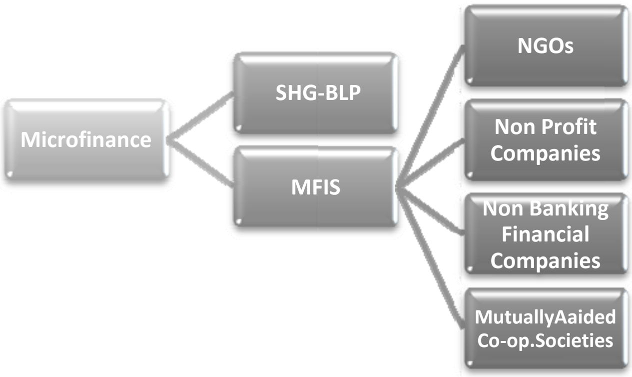
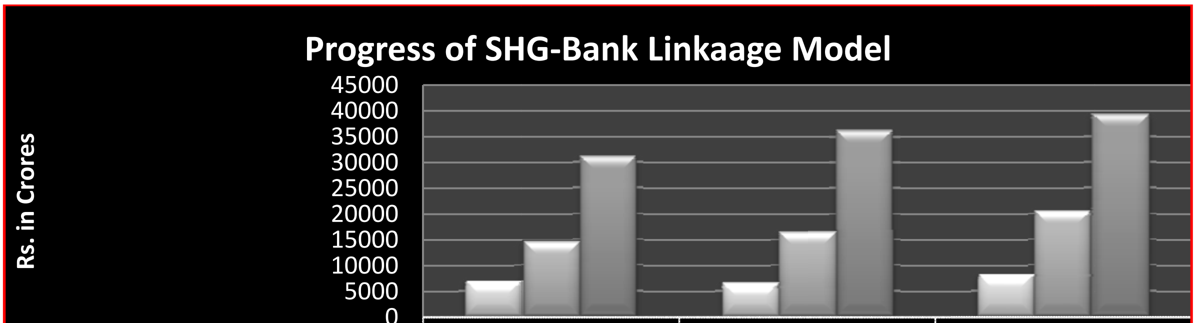


Figure 1 Channels of Microfinance in India

SHGs-Bank Linkage Programmes

According to RBI, "A SHG is a group of 15 to 20 members from very low income families, usually women, which mobilises savings from members and uses the pooled funds to give loans to those members who need them, with the interest rates on deposits and loans being determined entirely by members." The SHG-Bank Linkage Model was pioneered by NABARD in 1992. Under this model, women in a village are encouraged to form a Self help Group (SHG) and members of the Group regularly contribute small savings to the Group. These savings which form an ever growing center are lent by the group to members, and are later supplemented by loans provided by banks for income-generating activities and other purposes for sustainable livelihood promotion. The Group has weekly/monthly meetings at which new savings come in, and recoveries are made from members towards their loans from the SHGs, their federations, and banks. NABARD provides grants, training and capacity building assistance to Self Help Promoting Institutions (SHPI), which in turn acts as facilitators/ intermediaries for the formation and credit linkage of the SHGs.



	2010-11	2011-12	2012-13
SHG Savings With Banks	7016.3	6551.41	8217.25
Loans Disbursed to SHGs during the year	14547.73	16534.77	20585.36
Loans Outstanding against SHGS	31221.17	36340	39375.3

Figure 2: Progress of SHG-Bank Linkage Model

Under this programme three models have been emerged:

- ***Model 1*****:** In this model, the bank itself acts as a Self Help Group Promoting institution (SHPI). It takes initiatives in forming the groups, nurtures them over a period of time and then provides credit to them after satisfying itself about their maturity to absorb credit.

- ***Model 2:*** In this model, groups are formed by NGOs (in most of the cases) or by government agencies. The groups are nurtured and trained by these agencies. The bank then provides credit directly to the SHGs, after observing their operations and maturity to absorb credit. While the bank provides loans to the groups directly, the facilitating agencies continue their interactions with the SHGs. Most linkage experiences begin with this model with NGOs playing a major role. This model has also been popular and more acceptable to banks, as some of the difficult functions of social dynamics are externalized.

- ***Model 3:*** Due to various reasons, banks in some areas are not in a position to even finance SHGs promoted and nurtured by other agencies. In such cases, the NGOs act as both facilitators and micro- finance intermediaries. First, they promote the groups, nurture and train them and then approach banks for bulk loans for on-lending to the SHGs. (Srivastava S.)

Micro Finance Institutions

The Microfinance Services Regulations Bill defines MFI as "an organization of association of individuals including the following if it is established for the purpose of carrying on the business of extending microfinance services:

- A ***society*** registered under Societies Registration Act 1860
- A ***trust*** created under Indian Trust Act 1880 or public trust registered under any state enactment governing trust or public, religious or charitable purposes.
- A ***cooperative society/mutual benefit society/mutually aided society*** registered under any state enactment relating to such societies or any multistate cooperative society registered under Multi State Cooperative Society Act 2002 but not including:
    - A cooperative bank as defined in clause (cci) of section 5 of Banking Regulation Act 1949 or
    - A cooperative society engaged in agricultural operations or industrial activity or purchase or sale of any goods or services."

Microfinance institutions in India are registered as one of the following four entities:

- Non Government Organizations engaged in microfinance (NGO-MFIs), comprised of Societies and Trusts

- Cooperatives registered under the conventional state-level cooperative acts, the national level multi-state Cooperative Legislation Act (MSCA 2002), or under the new state-level Mutually Aided Cooperative acts (MACS Act)
- Section 25 Companies (not-for-profit)
- Non-Banking Financial Companies (NBFCs)

MFIS operates under following models:

(a) Bank Partnership Model

I. MFI as Agent:-

In this model, the MFI acts as an agent and it take Care of all relationships with borrower from first contact to final repayment.

ii. MFI as Holder of Loans:-

Here MFI holds the individual loans on its books for a while, before securitizing them and selling them to bank. -

(b) Banking Facilitators:-

Banking facilitators / correspondents are intermediaries who carry out banking functions in villages or areas where it is not possible to open a branch. In January, 2006, RBI permitted banks to use services of NGOs, MFIs and other civil society organizations to act as intermediaries in providing financial and banking services to poor.

CONCLUSIONS

The study was aimed to understand the fundamental role played by microfinance in the economic development of India. The findings reveal that there is a big role played by microfinance in the economic development of the poorest of the poor. This is because the access and utilization of microfinance services by the poor has given them the opportunity to get access to capital; to become small entrepreneur, expand the existing enterprises and as a result to increase their incomes. But still there are some loophole like high interest rates and recovery cost. Accordingly, government of India has brought out a legislation to check the high interest rate on micro credit and protect the poor from clutches of greedy MFIs. Government of India introduced Micro Finance Institutions (Development and Regulation) Bill 2012 on May 22, 2012 to establish a regulator under RBI to regulate and supervise the activities of NGOs and MFIs. If government, MFIs and the borrower of microcredit make effort together, microfinance can play very vital role in the economic development by alleviating poverty.

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AWARENESS OF GREEN MARKETING AND GREEN LIFE AMONGST THE ORDINARY GRADUATE STUDENTS

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ABSTRACT

Many consumers now display concern about environmental deterioration. This is the major impetus for green products and green marketing. However, green is a relative term and depends on the individual. In this paper we have focussed on the youth and have tried to understand awareness level of green products, their perception about green products, the parameters they consider for buying green products and does Green Marketing really affect their decision to buy products. An online questionnaire was used to collect responses from people across India. From the study we were able to see that the majority believes the companies leverage on green marketing but awareness about green products is less. Factors like price, availability, and brand name are considered by a consumer before buying green products. The consumers feel that they are overpaying for products. At the end of the study we conclude that consumers are not overly committed to their environment and look to lay too much responsibility on industry and government. Green marketing should be combined with educating people about the benefits; the consumer must not feel being cheated purchasing green products.

Key Words: *green products, green marketing, factors, statistical tool, responsibility, awareness*

1. Introduction: As man has continuously been leaving behind a more polluted earth than he inherited for the future generation, there is a need to stop this at some point of time. There is a need to make the students and younger generations aware about their responsibility to mother earth. This research study aims at identifying the level of awareness of the graduate students about green marketing and green life and the impact of commercialization and a consumerist society on mother earth. In India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. Therefore, green marketers have diverse and fairly sizeable segments to cater to. The Surf Excel detergent which saves water (advertised with the message—"do bucket paani roz bachana") and the energy-saving LG consumers durables are examples of green marketing. We also have green buildings which are efficient in their use of energy, water and construction materials, and which reduce the impact on human health and the environment through better design, construction, operation, maintenance and waste disposal. In India, the green building movement, spearheaded by the Confederation of Indian industry (CII) - Godrej Green business Center, has gained tremendous impetus over the last few years. From 20,000 sq ft in 2003, India's green building footprint is now over 25 million sq ft.

2. Evolution of green marketing

The first wave of Green Marketing came into picture in 1980s. Corporate Social Responsibility (CSR) Reports started with the ice cream seller Ben and Jerry's where the financial report was supplemented by a greater view on the company's environmental impact.
In 1987 a document prepared by the World Commission on Environment and Development defined sustainable development as meeting "the needs of the present without compromising the ability of future generations to meet their own need", this became known as the Brundtland Report and was another step towards widespread thinking on sustainability in everyday activity .

Two tangible milestones for wave of green marketing came in the form of published books, both of which were called Green Marketing. They were by Kinnear in the United Kingdom and by Jacquelyn Ottman in the United States of America.
In the years after 2000 a second wave of Green marketing emerged. By now CSR and the Triple Bottom Line (TBL) were widespread. Such publications as a 2005 United Nations Report, then in 2006 a book by Al Gore and the UK Stern Report brought scientific-environmental arguments to a wide public in an easy to understand way.

3. PRESENT TRENDS IN GREENMARKETING IN INDIA

Organizations are Perceive Environmental marketing as an Opportunity to achieve its objectives. Firms have realized that consumers prefer products that do not harm the natural environment as also the human health. Firms marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives. Organizations believe they have a moral obligation to be more socially responsible. This is in keeping with the philosophyof CSRwhich has been successfullyadopted by many business houses to impro ve their corporateimage. Firms in this situation can take two approaches: Use the fact that they are environmentally responsible as a marketing tool. Become responsible without prompting this fact. Governmental Bodies are forcing Firms to Become More responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers. It does so in following ways:

Reduce production of harmful goods or by products Modify consumer and industry's use and /or consumption of harmful goods; or Ensure that all types of consumers have the ability to evaluate the environmental composition of goods. Competitors' Environmental Activities Pressure Firms to change their Environmental Marketing Activities.

In order to get even with competitors claim to be ingenvironmentally friendly, firms change over to green marketing. Result is green marketing percolates entire industry.Cost Factors Associated with Waste Disposal or Reductions in Material Usage Forces Firms to modify their Behavior. With cost cutting becoming part of the strategy of the firms it adopts green marketing in relation to these activities. It may pursue these as follows:
A Firm develops a technology for reducing wasteland sells it to other firms

3. Origin of the research problem: The earth does not belong toa man. It is borrowed from the next generation. This is what man tends to forget. We have been and continue to use, misuse and abuse Mother Nature as if she only belonged to us. The effect of this is a polluted earth that we are leaving behind for the future generations.

4. Interdisciplinary relevance: The course in environmental science is to be successfully completed before a student can graduate. This study intends to gauge the knowledge of the ordinary graduate student about the impact his life has on the environment. It will also gauge the awareness of the ordinary graduate student about green marketing activities of corporate houses. It is thus a mixture of environmental science and marketing.

5. Review of Research and development in the subject

a) International Status: The world today is talking about green marketing. Finally there is awareness that Consumerist life on earth is ruining the environment. Governments of various countries are coming together to see exactly how we can reduce the negative. impact that life has on mother earth. Koyoto protocol being one of them.

b) National Status: India as a country has initiated many steps to make the general public aware about the damage we are doing to Mother Nature. Apart from advertising and publicity, environmental studies have been made compulsory in schools and colleges. Tax benefits and advantages are given to green companies and societies.

6. Significance of the study in the context of current status: Looking at the increasing consumerist society and commercialization of every aspect of life, it is important to assess the level of awareness of the individuals as to how they are destroying society. If they are not aware, there will be no change. Awareness will lead to the beginning of change. This research study seeks to find out the level of awareness of the ordinary graduate student to the impact his life and lifestyle have on the environment.

- **Objectives**
  1. To study the awareness of green marketing among ordinary graduates
  2. To find the willingness of them to pay more for green products.
  3. To find out awareness about eco- friendly or green products.
  4. To analyse relationship between education and income with awareness of green products.

- **Hypothesis:**
  1. Students are aware about green marketing.
  2. Students are willing to pay more for eco-friendly products.

- **Methodology of Study**

Both primary data and secondary data has been used for the research paper.

a. Sources of data collection for pilot study

i. **Primary Data**: Primary data has been collected by Questionnaires circulated to the of students of senior colleges & their interviews.

ii. **Secondary Data**: Secondary data was collected from Survey reports, newspaper articles, and information given on websites, blogs and micro blogs & Reference Books. A physical visit was made to DCRC, NIBM library& jaykar library and consultancy& expertise was sought of the industry as well as academy.

b. Method of data Collection.

Data for pilot study was collected from a select group of 100 students from 20 different colleges from Pune city through questionnaires, interviews, discussions and observations.

c. Techniques of analysis of data

The collected data has been analyzed by using 5 Points Likert Scale& percentage method of data analysis. Graduate students from different colleges in Pune City.

- **Sample Design :**

The present study has been conducted for students of Pune city. The total population of the city is approximately 41,00,000 as per 2011 census. Due to limitations of time and cost the questionnaires were collected through convenient sampling method. A total of 100 cases were considered for the analysis.

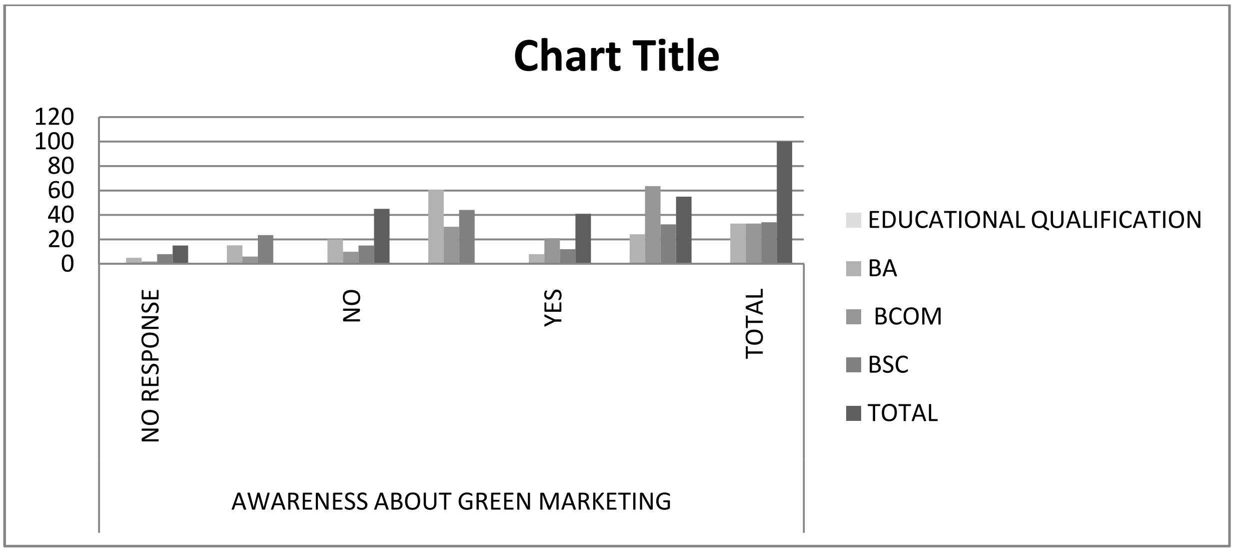
- **Analysis and Interpretation**

The analysis of the data has been done with the use of SPSS software.

Cross tabulation of the variable of green marketing was done with the variables- educational qualifications, occupation and income. Similarly cross tabulation was also done for willingness to buy expensive eco-friendly products, and preference for eco-friendly. The results and interpretation is as follows:

1. Table No. 1 Educational Qualification and Awareness About Green Marketing

Particulars	AWARENESS ABOUT GREEN MARKETING						
Types of response	NO RESPONSE		NO		YES		TOTAL
EDUCATIONAL QUALIFICATION	No.	%	No.	%	No.	%	
BA	5	15.15	20	60.60	8	24.25	33
B.COM	2	6.06	10	30.30	21	63.64	33
BSC	8	23.52	15	44.11	12	32.37	34
TOTAL	15		45		41	55	100



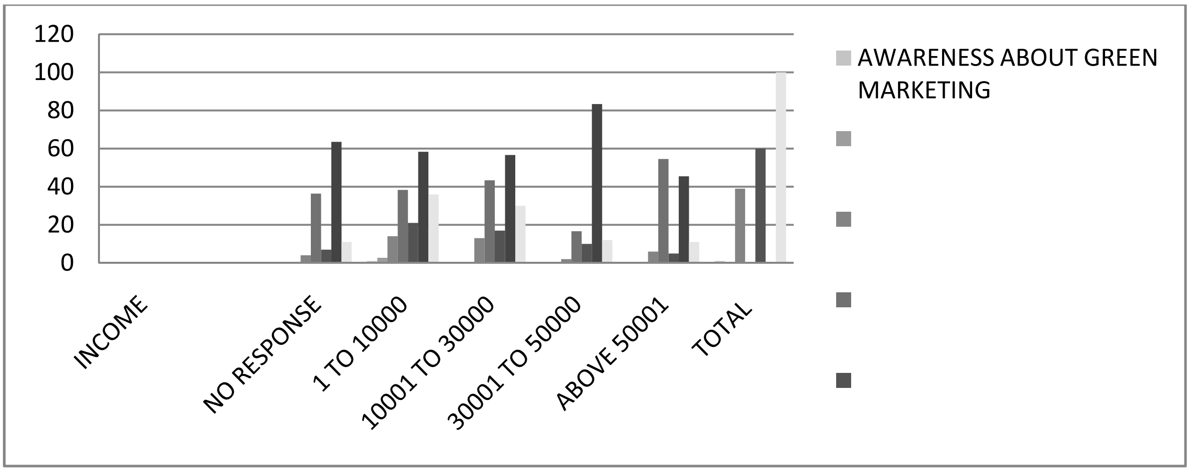
Graph No. 1 Relationship between Educational qualification and Awareness about Green Marketing

It is clear from the above table that majority of the students are aware about green marketing. This trend is visible across all streams. From the different categories of educational strata graduates .While among BCOM, BSC & BA, the awareness for green marketing is 63.64% ,32.37 % & 24.25 % respectively. It means majority of the commerce graduates are aware of green marketing

2. Table No. 2 Parents Income And Awareness About Green Marketing

	AWARENESS ABOUT GREEN MARKETING						Total
INCOME	NO RESPONSE				YES		
	No	%	No	%	No	%	
NO RESPONSE	0	0	4	36.36	7	63.52	11
1 TO 10000	1	2.77	14	38.33	21	58.33	36
10001 TO 30000	0	0	13	43.33	17	56.66	30
30001 TO 50000	0	0	2	16.67	10	83.33	12
ABOVE 50001	0	0	6	54.55	5	45.45	11
TOTAL	1		39		60		100

Graph No. 2 Relation between parents Income and Awareness about Green Marketing



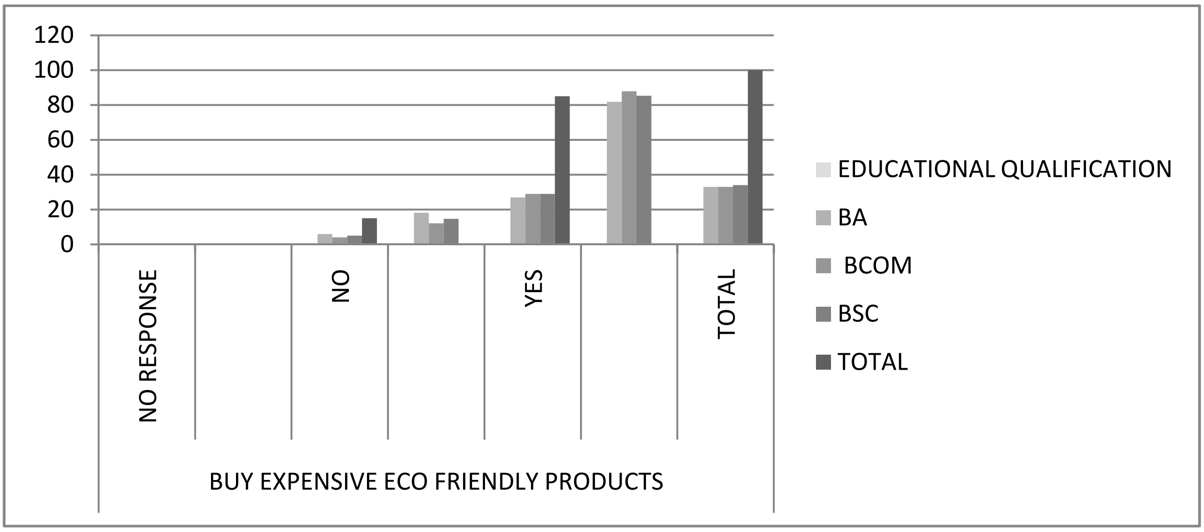
Again it is evident that in various income categories the trend shows overall awareness of

Particulars	BUY EXPENSIVE ECO FRIENDLY PRODUCTS						
Types of response	NO RESPONSE		NO		YES		TOTAL
EDUCATIONAL QUALIFICATION	No.	%	No.	%	No.	%	
BA	0	0	6	18.18	27	81.82	33
BCOM	0	0	4	12.12	29	87.88	33
BSC	0	0	5	14.70	29	85.30	34
TOTAL	0		15		85		100

green products across the class barriers. Highest levels of awareness are 83.33% in the category 30,000 – 50,000. The category of 0 – 10,000 shows an awareness of 63.52

TableNo.3 Educational Qualification and willingness to buy Expensive Eco-friendly Products

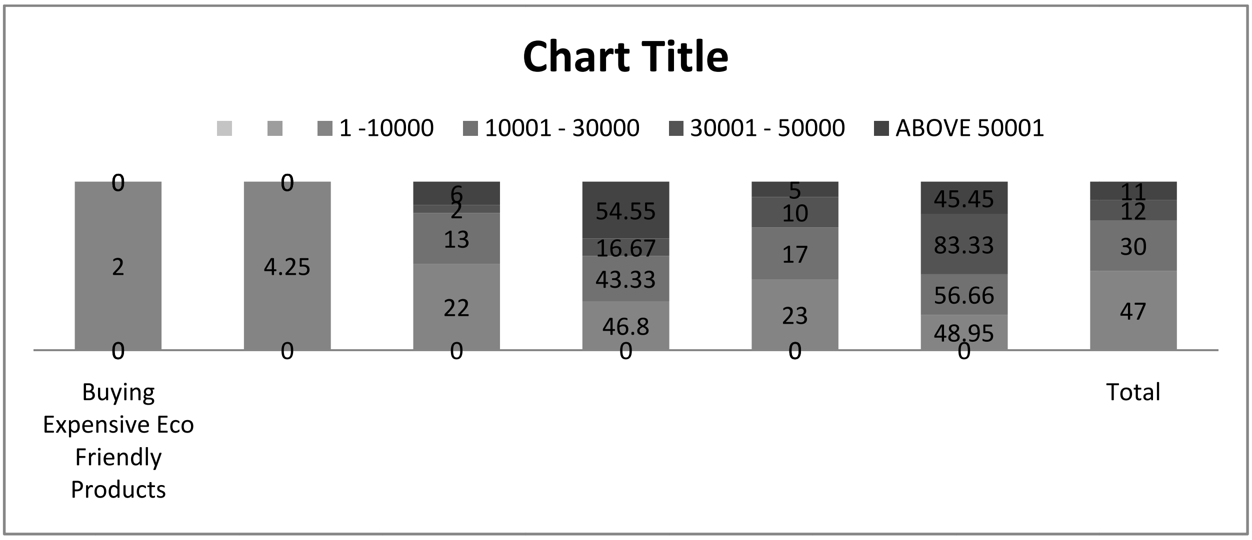
Graph No.3 Educational Qualification and willingness to buy Expensive Eco-friendly Products



Of the total respondents 87.88% of BCOM students, 85.30 % of BSc students & 81.82 % of BA studentsare willing to buy expensive ecofriendly products. So the assumption those consumers who are graduate and have money to spend are willing to buy expensive eco friendly products.

Table No. 4 ParentsIncome and willingness to buy Expensive Eco-friendly Products

Income(in month)	BUYING EXPENSIVE ECO FRIENDLY PRODUCTS						Total
	NO RESPONSE				YES		
	No	%	No	%	No	%	
1 -10000	2	4.25	22	46.80	23	48.95	47
10001 – 30000	0	0	13	43.33	17	56.66	30
30001 – 50000	0	0	2	16.67	10	83.33	12
ABOVE 50001	0	0	6	54.55	5	45.45	11
TOTAL	2		43		55		100

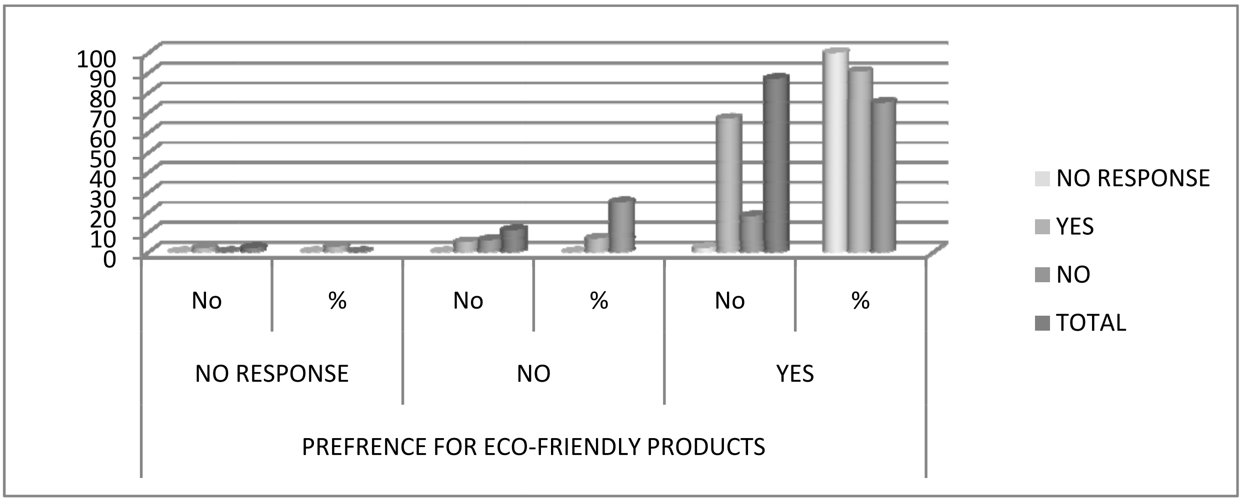


As it is evident from the table , with the increase in income of parents , their children are more willing to buy eco friendly products specially with income group of 30000-50,000 the willing to buy eco friendly products is the highest.

Table No. 5 Awareness of Eco-Friendly Products and Preference For Eco-Friendly Products.

AWARENESS OF ECO-FRIENDLY PRODUCTS	PREFRENCE FOR ECO-FRIENDLY PRODUCTS						TOTAL
	NO RESPONSE		NO		YES		
	No	%	No	%	No	%	
NO RESPONSE	0	0	0	0	2	100	2
YES	2	2.70	5	6.76	67	90.54	74
NO	0	0	6	25	18	75	24
TOTAL	2		11		87		87

Graph No. 5 Relation Between Awareness Of Eco-Friendly Products and Preference For Eco-Friendly Products.

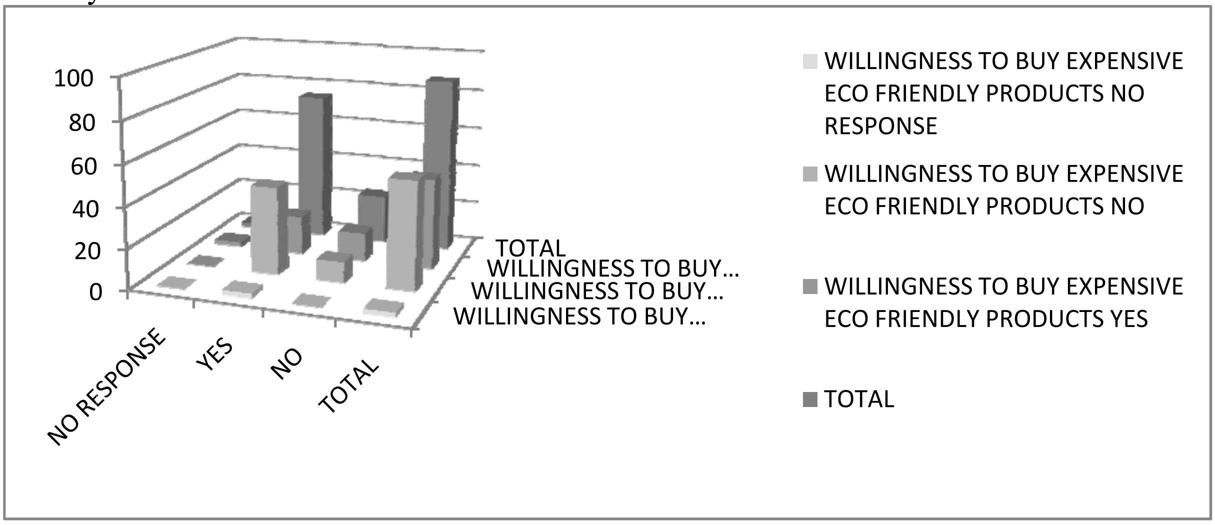


Here again we find that out of the 74 respondents who are aware of eco-friendly products 67 i.e., 90 % show preference for eco friendly products. And out of the 24 respondents who are not aware of these products 18 of them are still willing to buy eco-friendly products. On an average 87 % of the respondents shows willingness to buy eco friendly products.

Table No. 6. Awareness of Eco-Friendly Products and Willingness to Buy Expensive Eco-friendly Products.

AWARENESS OF ECO-FRIENDLY PRODUCTS	WILLINGNESS TO BUY EXPENSIVE ECO FRIENDLY PRODUCTS						TOTAL
	NO RESPONSE		NO		YES		
	No	%	No	%	No	%	
NO RESPONSE	0	0	0	0	2	100	2
YES	2	2.71	43	58.11	29	39.18	74
NO	0	0	10	41.66	14	58.34	24
TOTAL	2		53		45		100

Graph No. 6 Awareness of Eco-Friendly Products and Willingness to Buy Expensive Eco-friendly Products.



The above graph shows the willingness of people to buy products that are expensive in as a result of being eco-friendly. Though people are aware of eco-friendly products the willingness to buy expensive products is low i.e., 39.18%. Even among the category where awareness about eco-friendly products is negative the willingness to buy expensive eco-friendly products is only 58.34%.

CONCLUSIONS

1. Overall 60% of the students are aware of the concept of 'Green Marketing'. Therefore the hypothesis stated is proved.
2. A significant relationship is visible between income, educational qualification and occupation with respect to awareness about Green marketing.
3. It seems that students who belong to commerce stream are more aware and willing to buy eco-friendly products.

4. Students who are aware of eco-friendly products and have a preference for eco friendly products are willing to buy expensive eco-friendly products. Hence the second hypothesis is accepted.
5. On an average 87 % of the respondents who are aware of green marketing shows willingness to buy eco friendly products.

* The research paper is based on a Minor Research Project sponsored by BCUD Savitribai Phule Pune University.

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REPRODUCTIVE HEALTH STATUS OF WOMEN

A Study of Underprivileged Women in UP

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Introduction

Health has been defined by WHO as a state of complete physical, mental and social well-being, and not merely absence of disease and infirmity. This definition is very comprehensive. Health status of a country has an important bearing on economic development. Healthy people are more productive, earn more and save more, and thus exercise a positive influence on development. Health is a means of empowering the deprived sections of society and thus an important element in the strategy for poverty alleviation. Accepting the importance of health Schultz has emphasized that together with education it forms the basis of human capital for increasing individuals' productivity. In any scheme of poverty reduction, economic growth and long-term economic development in low income countries, health occupies a central position.

To attain a high level of health status of society, women's reproductive health should be primarily ensured because only a healthy mother can lay birth and nurture a healthy child. This challenge begins from very childhood because a malnourished female child during her childhood and adolescent years may enter adolescence and adulthood with anaemia and other physical problems. It will create complications during pregnancy and childbirth and ultimately lays birth to a weak underweight child increasing the risk of neonatal morbidity and mortality.

Women in all society have unequal access or control over resources, receive poor nutrition, medical care, and inferior education; they suffer violence and are even denied life (female foeticide and infanticide). Patriarchal and societal norms deny them the right to make decisions regarding their sexuality and reproduction. Through ages, many customary practices, traditions and religious beliefs relegated women to a secondary status. They have no say in reproductive matters like their age of marriage, copulation and conception, number of births, spacing between births, place of births, immunizations and use of contraceptives, etc.

➢ Objectives of the Study

Keeping in mind the reproductive health status of women in general which is very poor and miserable in underprivileged section, we have made a humble attempt to present their plight. We have also tried to cover other factors those are directly or indirectly forcing them to remain into this pitiable situation. They are illiterate, financially dependent, politically less represented, and overall, they are excluded from all walks of life. The present study is a modest attempt to capture these aspects of women through a primary survey of the relevant target population. For the purpose women of underprivileged section are taken in the sample in state of Uttar Pradesh where mean age of women at marriage is very low at 16 years only. This early marriage limits educational and other opportunities for girls, and it also leads to early child bearing and increased reproductive health risks. This is resulted into high infant and maternal morbidity and mortality.

Objectives of the study can be clearly mentioned as follows:

1. To show the reproductive health status of women in underprivileged sections of society in UP.
2. Studying the status of women in the lower socio-economic group with a view to evaluating measures for women empowerment.

- **Sample**

This study is a part of a broader study on Human Development by both of us with Hon'ble chief guest as a co-investigator. The sample of this study consisted of 1291 families (Aligarh 400, Lucknow 495, Mirzapur 300) living in different municipal wards of these cities.. For the purpose of this present survey, majority of the population is in the below poverty line category. We have taken out not only the per capita income but also access to education, health and housing. Finally those families were selected for our sample whose income was in the range Rs 450-900 per head per month. Very few were beyond this range because income was not the sole criteria for selection of households. The survey was administered on more than 1300 families and finally 1291questionnairs were taken into analysis.

- **Procedure**

The study is based on primary data to bring out the gravity of the problems faced by people of underprivileged sections of society. Ground realities are expressed in this micro level study and it shows that people are living in a more pitiable situation than shown in government publications. We have met these people at their doors and were witness to their plight. Even after six decades of Independence, they were bound to live in an unhealthy environment without fresh air and sunlight. Improvement in their living conditions seems a colossal task keeping in view the extent of the remedial measures that would be required for the purpose. It is great flaw that the policy makers do not have first-hand information of the problems they are trying to solve. For instance forty crore people are currently living at starvation line which is more than the total population of India at the time of independence. Situation of women we may imagine in such a harsh situation of this section.

For collecting first-hand information we approached the target population by selecting the localities primarily from government records as well as from own observations. For a better selection of the target population, we contacted social workers and ward members of the area. Local people were helpful in developing a rapport with the respondents and in obtaining their confidence for getting correct information.

- **Data Analysis**

The research data was analyzed using Statistical Packages for Social Sciences (SPSS) version 16. Frequencies and percentage counts were taken to compute proportions of participants under various demographic categories like gender, socio economic status, family type etc.

- **Reproductive Health Status of Women**

Reproductive health comprises several aspects of socio-economic dimensions that reveals the level of empowerment of the women. Empowerment itself is a complex as well as multidimensional issue; and attempts have been made to measure it by constructing various indices. Gender Gap Index is one such popular Index and India ranks low among the various countries. This low level of women status is also confirmed by another more obvious measure, namely the sex ratio. Skewed sex-ratio against women indicates all types of deprivation. Even they are deprived of their right to life. Biologically, females are stronger sex but their mortality is recorded higher at all stages than their male counterpart. There is no chance of paternal mortality at the time of delivery. Maternal Deaths are considered a leading contributors to the burden of disease and disability among women in South-East Asian region and responsible for 14% of deaths among women aged 15-44 years. In case of India alone, this figure was one-sixth of global maternal deaths. If we look at the states level the performance of BIMARU states are very shocking. In the sample based on one BIMARU state i.e. UP, the sex-composition of the sample shows that sex-ratio was skewed against women and the gap was 8.4 percent (54.2%-45.8%) in Aligarh, and 6.4 percent (52.2%-47.8%) in Mirzapur (Table-1). But in the case of Lucknow females were more than males. It may be considered a symbol of women empowerment provided that they were not widowed or separated or in destitution.

One of the important events in life and indicator of vital statistics, i.e. marriage happen without the consent of the person concerned especially with women. Women directly bear the responsibilities after marriage that affect them physically and mentally more than the men. Out of the married people, more than 50 percent females in Aligarh and Mirzapur got married before their legal age of marriage (i.e. 18 years) while in Lucknow this figure was 45.06 percent. This is significant and points to low age of marriage among the underprivileged class. The next highest age-group for females was 18-21 years. Their percentage was 35.7 percent in Aligarh, 38.6 percent in Mirzapur and 45.7 percent in Lucknow. Less than 10 percent of the females got married after 21 years of age. With education and formal employment, age of marriage is likely to increase. The above figures clearly indicate lack of both in the underprivileged section of population. The figure for males was almost same as their females' counterpart. More than 50 percent males got married before their legal age of marriage i.e. 21 years in all the cities. This figure was highest in Lucknow (65.5%) followed by Aligarh (55.7%) and Mirzapur (52.2%).

Table-1 depicting the health and reproductive condition of women take into record of number of births, gap between births, age of mother at first delivery as well as at other births, and place of delivery. It is apparent from the figures that more than one-third (36%=22.5%+9.2%+3.6%+0.6%) families did not follow two-child norm emphasized in national population policy. Here, we recorded the alive children whose numbers were found more than 6.

Table-1:- Reproductive Health Status of Women

HEADS	Sub-Heads	Aligarh		Lucknow		Mirzapur		Total	
		No.	%	No.	%	No.	%	No.	%
Number of Births during last 10 years	1	64	25.3	94	30.0	78	30.7	236	28.8
	2	100	39.5	108	34.3	80	31.4	288	35.1
	3	52	20.5	81	25.7	52	20.4	185	22.5
	4	27	10.6	21	6.6	28	11.0	76	9.2
	5	10	3.9	9	2.8	11	4.3	30	3.6
	6+	0	0	1	0.3	5	1.8	6	0.6
Age of Child	0-1	136	23.5	100	14.5	88	14.8	324	17.4
	2-5	210	36.3	251	36.4	199	33.5	660	35.4
	6-10	232	40.1	337	48.9	307	51.6	876	47.1
Sex-Ratio of children	Male	315	54.6	349	50.7	309	52.0	973	52.3
	Female	263	45.4	336	49.3	285	48.0	887	47.7
Sex-Ratio of Sample	Male	1232	54.2	1254	49.5	1268	53.2	3754	52.2
	Female	1031	45.8	1280	50.5	1114	46.8	3425	47.8
Age at Marriage	<18 (Female)	259	56.1	260	45.1	276	53.3	795	51.0
	18-21 (Female)	165	35.7	264	45.7	200	38.6	629	40.4
	>21 (Female)	38	8.2	53	9.1	41	7.9	132	8.5
	<21(Male)	244	55.7	325	65.5	236	52.2	805	58.0
	21-25 (Male)	148	33.7	148	29.8	177	39.1	473	34.1
	>25 (Male)	46	10.5	23	4.6	39	8.6	108	7.8
	>21	144	36	225	48.6	150	39.6	519	42.2
Age of Mother	15 – 18	42	7.3	36	5.2	26	4.3	104	5.5
	19-25	256	44.4	381	55.3	260	43.7	897	48.2
	26 – 49	277	48.1	271	39.3	299	50.3	847	45.5
	≥50	1	0.2	0	0	9	1.5	10	0.5
Gap between two births	1 years	84	23.5	102	25.8	73	20.5	259	23.4
	2 years	143	40.0	186	47.2	192	54.0	521	47.1
	3 years	87	24.3	56	14.2	52	14.6	195	17.6
	4 Above	43	12.1	50	12.6	38	10.7	131	11.8
Place of Delivery	at Home	398	68.8	336	48.8	385	64.8	1119	60.1
	Safe Delivery	69	11.9	139	20.1	48	8.0	256	13.7
	Pub. Hospital	75	12.9	145	21.0	88	14.0	308	16.5
	Pvt. Hospital	36	6.2	68	9.9	73	12.2	177	9.5

Source: Field Survey

The figure would be shot up if we had recorded the deceased children in the family. This was the status for last 10 years. There might be more families if we had collected data for more than 10 years for this under-privileged section of society. Hence, the burden of births was much higher on women in this underprivileged calss. This situation of large family size shows that children are deprived of their fundamental right to education and nutrition; which will form a weak human resource in the process of development of the nation. India, over-

burdened with over-population should target this section of population to achieve the objectives of population policy. Findings of the survey substantiate to the '*Transition Theory*' and '*Critical Minimum Effort Theory*' that economic growth is inversely related to population growth. The sex-ratio for the children upto 10 years were skewed against girl child. Percentage figure for girl-child was
recorded less than 4.6 to the boy-child. This gap was the maximum in Aligarh city at 9.2 percent. Age of these children was categorized into 0-1, 2-5 and 6-10 years. The ratio for these age groups was1:2:3 for the sample as a whole. But this ratio in Aligarh was 1: 1.5: 1.7. It indicates towards the prevalent of high child mortality in the city.

Age of mother for these children born during last 10 years was highest for the age group of 19-25 years. This is the age of high conception and birth.So, government should target this age group for maternity schemes. There were also 5.5 percentage teenage mothers at only 15-18 years. This figure was also highest in Aligarh (7.3%) followed by Lucknow (5.2%) and Mirzapur (4.3%).

This situation is very dangerous for both mother and baby. This figure was more pitiable when we look at the age of mother at first delivery. The teenage mothers were 14 percent for all mothers in the sample. This case was again highest at 19 percent in Aligarh city. The situation became horrible after getting information about the place of delivery. Women of under-privileged section were grossly neglected of their reproduction right in these cities as 60 percent delivery took place at home. This case was around 70 percent in Aligarh. Delivery at home is attended by senior ladies having no scientific knowledge and training to address the complications and serious situations that are resulted in high neo-natal and maternal mortality. Even today they adopt unscientific and traditional and method which increases the risk of life of both mother and new-born. Governments are running numbers of schemes and doling out money to enhance institutional and safe delivery especially for this section but their efforts were failed in this regard.

The gap between births is very crucial factor for mother's health as well as for child care and nourishment. Repeated births with lesser gap severely impact the health of mother in negative way. There were 23.4 percent births with the gap of only one year in the sample for this under-privileged section of society. Around half of the births were with the gap of two years. Other 18 percent and 12 percent births were with gap of three and four years respectively.

Women's Participation in Workforce:

It is obvious form above facts and figures that women's reproductive health in general and underprivileged section in particular is very poor on all parameters. They have 'no say' in their reproductive matters which affect them physically and mentally too much. Their view and consent are not considered to be sought in the matter of their marriage, conception and birth, etc. This is because of their dependency on male members in all ways. Their participation in workforce and assets holding is nominal. One of the most important components of human development is income of the people that is the most crucial component in deciding standard of living. Survey shows that more than 90 percent males were bread winners for families in Aligarh and this figure was around 80 percent in remaining two cities under study. There was only 8 percent working women in Aligarh and it was around 20 percent in Lucknow and Mirzapur. This is not a good sign of women empowerment.

Table-2:- Women's Participation in Workforce :

HEADS	Sub-Heads	Aligarh		Lucknow		Mirzapur		Total	
		No.	%	No.	%	No.	%	No.	%
Sex	Male	439	92	568	80.6	585	79.1	1592	82.8
	Female	38	8	137	19.4	155	20.9	330	17.1

Source: Field Survey

➢ **Women's Status in Family :**

As we have seen that women are overburdened with their reproductive responsibilities and their nominal participation in workforce indicates that their role is limited to household chores. But their condition in their habitats is very sorry as revealed in Table-3.

The present study deals with under-privileged section of society. Women in general are deprived and marginalised section of society facing the double deprivations being the weaker sex and belonging to the under-privileged section. Two-third (66.6%) women were limited to take decisions only in kitchen and cooking matters. Financial matters and matters related to education and health of their children and of their own were mainly decided by male members of the family. Women's involvement in decision making in financial matters was limited to an average of 8.4 percent of households in the three cities combined and was more or less the same. In educational and health matters this was barely 3 percent, while in matters relating to reproduction and family welfare it varied from 6 to 7 percent in Mirzapur and Aligarh and was higher in Lucknow at almost 14 percent reflecting a more positive role of women in this respect. However, in socio-political factors, women's participation was highest in Mirzapur at a high 24 percent which in Lucknow and Aligarh was limited to less than 10 percent.

Ownership status shows the actual economic situation of women in society. 70 percent women are limited to have right only on daily expenses and this figure is highest in Lucknow at 81.2 percent. Control over jewellery and bank account holders are highest in Mirzapur and figures for these are 13.3 percent and 6 percent respectively. There are only 18.7 percent households headed by female members of the family. Women headed families are found highest in Aligarh (32.5%) and it is followed by Mirzapur (15.3%) and Lucknow (10.3%). One point is likely to be mentioned here that in most of the cases these women are found widow. So, in another way there status does not become so strong as it is expected

Kitchen and cooking source reflects the condition of women in the family as their most of the time is passed in that task. 63 percent of households in Aligarh and 58 percent in Mirzapur used dung choolah in their one-room set up. Smoke and ashes were scattered all over the place. It affects directly to the health of women because they are in closer contact to the harmful substances emitted from the energy sources used in these families.20 percent of households used a safe source of cooking energy i.e., heater/L.P.G. burner. However a separate kitchen using this source is available to only 9.4 percent families.

Yet another indicator of women status in the family is related to source of water supply because it is prime responsibility to manage it. A long queue can be seen at water sources which consumed much of their time; consequently they have no time for them to take care and entertain. 42 percent households were dependent on the hand pump outside their door and

Table-3:- Women's Status in Family

Head	Aligarh	Lucknow	Mirzapur	Total
Women's involvement in decision making				
1. Kitchen & Clothing matters	312 (78.0)	322 (65.0)	227 (57.1)	861 (66.6)
2. Financial (Lending & Borrowing) matters	20 (5.0)	49 (9.9)	39 (9.8)	108 (8.4)
3. Education & Health matters	6 (1.5)	17 (3.4)	13 (3.3)	36 (2.8)
4. Reproductive matters	27 (6.8)	69 (13.9)	23 (5.8)	119 (9.2)
5. Socio-Political matters	35 (8.8)	38 (7.7)	96 (24.1)	169 (13.1)
Women's Ownership				
1. Only to Daily Expenses	250 (62.4)	401 (81.2)	253(63.6)	904 (70.0)
2. Control over Jewelery	8 (2.0)	26 (5.3)	53 (13.3)	87 (6.7)
3. Bank A/c	6 (1.5)	6 (1.2)	24 (6.0)	36 (2.8)
4. Permanent Assets	6 (1.5)	10 (2.1)	7 (1.8)	23 (1.8)
5. Head of the Family	130 (32.5)	51 (10.3)	61 (15.3)	242 (18.7)
Kitchen & Cooking source				
1. NSK with Wood / Dung Choolah	251 (62.8)	149 (30.1)	231 (58.0)	631 (48.8)
2. NSK with Coal / Kerosene Choolah	46 (11.5)	41 (8.3)	34 (8.5)	121 (9.4)
3. SK with Coal / Stove / Wood / Dung Choolah	62 (15.5)	126 (25.5)	92 (23.1)	280 (21.7)
4. NSK with Heater / LPG Burner	17 (4.2)	103 (20.8)	20 (5.0)	140 (10.8)
5. NSK with Heater / LPG Burner	24 (6.0)	76 (15.4)	21 (5.3)	121 (9.4)
Source of Water supply				
1. Municipal Hand pump outside the House	154 (38.5)	194 (39.2)	191 (48.0)	539 (41.7)
2. Municipal Water Tap outside the House	89 (22.2)	73 (14.7)	107 (26.9)	269 (20.8)
3. Separate Tap with Irregular Supply	14 (3.5)	170 (34.3)	13 (3.3)	197 (15.2)
4. Personal Hand pump	114 (28.5)	2 (0.4)	18 (4.5)	134 (10.4)
5. Separate Tap with Regular Supply	29 (7.2)	56 (11.3)	69 (17.3)	154 (11.9)
Toilet				
1. In Open Space	132 (33.0)	137 (27.7)	124 (31.2)	393 (30.4)
2. Community Toilet	19 (4.8)	133 (26.9)	60 (15.1)	212 (16.4)
3. Personal Toilet (Provided by Govt.)	36 (9.0)	67 (13.5)	12 (3.0)	115 (8.9)
4. Personal Toilet (channel to the nali)	162 (40.5)	75 (15.2)	128 (32.2)	365 (28.2)
5. Personal Toilet (pit/septic)	51 (12.8)	83 (16.8)	74 (18.6)	208 (16.1)

Source: Field Survey ***Figures in brackets show percentage*** ***NSK: No Separate Kitchen***

another 21 percent is survived on tapped water supplied by municipality. Barely 11.9 percent had access to regular water supply from a separate tap. This figure was highest for Mirzapur

(17%). Hence, one thing is very clear that households had better facilities in the small city of Mirzapur,
probably on account of its lower population. It is easy to manage all these affairs by government bodies.

Availability of toilet facility presented in the table shows that around one-third (30.4%) households had no toilet facility at all and people defecate in open. To think it is very perturbing and shameful. This is against the dignity of women. It is also highly undesirable both for people residing in the surroundings as well as for the environment. There was no significant variation in this respect in the three cities. On an average 16.4 percent households depended on community toilets. This facility was, however unsatisfactory in Aligarh at only 4.8 percent. In 28 percent households the waste was channelized to 'nali' and finally discharged into rivers without treatmen- a most unhygienic method causing water and other pollution. This figure was highest in Aligarh (40.5%), followed by Mirzapur (32.2%) and Lucknow (15.2%). Good quality personal toilet (pit/septic) was found only in 16 percent of the households. Data on availability of toilet facilities and on health and sanitation (next table) shows that Aligarh is the dirtiest of the three cities with systems of waste disposal that are highly detrimental to the environment.

- **Concluding Points :**
  - The sex-composition of the sample shows that sex-ratio was skewed against women.
  - 51% females got married before their legal age of marriage (i.e. 18 years).
  - 36% families did not follow two-child norm emphasized in national population policy.
  - 14% mothers were teenagers. Age of mother for these children born was highest for the age group of 19-25 years.
  - 60 % delivery took place at home.
  - 23.4 % births with the gap of only one year.
  - 17.1% women were contributing in earning of livelihood.
  - 66.6% women were limited to take decisions only in kitchen and cooking matters.
  - In Reproduction and family welfare it was only 9.2%.
  - Only 1.8% women were holding permanent type of assets.
  - 63 % of households in Aligarh and 58 % in Mirzapur used dung choolah in their one-room set up.
  - 62.5% households were dependent on the source of water outside their door.
  - (30.4%) households had no toilet facility at all and people defecate in open.

- **Conclusion**

From above facts and figures, it can be very safely inferred that reproductive health status of underprivileged women was highly unsatisfactory in Uttar Pradesh. This may be due to their low socio-economic status.

Suggestions:

- ❖ With education and formal employment, age of marriage is likely to increase.
- ❖ Government should target 19-25 years age group for maternity schemes.
- ❖ Only doling out money to enhance institutional and safe delivery is not sufficient but to develop infrastructure and other health facilities with all weathered roads.
- ❖ The gap between births should be increased by providing contraceptive facilities.
- ❖ Women's participation in workforce should be increased by providing them professional education and training with support of credit facilities.
- ❖ Existing Laws should be strictly implemented to provide due rights to women in property holding.
- ❖ Patriarchial system should be diluted from the society so that women can come ahead in decision making process in all walks of life.

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A STUDY ON IFRS ADOPTION IN INDIA- PROBLEMS AND PROSPECTS

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Abstract

The emergence of transnational corporations in search of money, not only for fuelling growth, but to sustain on-going activities has necessitated procurement of capital from all parts of the world, cutting across frontiers. Each country has its own set of rules and regulations for accounting and financial reporting, Therefore, when an enterprise decides to raise capital from the markets other than the country in which it is located, the rules and regulations of that other country will apply and this in turn will require that the enterprise is in a position to understand the differences between the rules governing financial reporting in the foreign country as compared to its own country of origin. International analysts and investors would like to compare financial statements based on similar accounting standards, and this has led to the growing support for an internationally accepted set of accounting standards for cross border filings. The harmonization of financial reporting around the world will help to raise confidence of investors generally in the information they are using to make their decision and assess their risks. The present paper is an attempt to study the problems and opportunities for the adoption of International Financial Reporting Standing in India.

Keywords: IFRS, ICAI, GAAP, Fair Value Measurement

Introduction

The convergence of financial reporting and accounting standards is a valuable process that contributes to the free flow of global investment and achieves substantial benefits for all capital market stakeholders. It improves the ability of investors to compare investments on a global basis and thus lowers their risk of errors of judgment. It facilitates accounting and reporting for companies with global operations and eliminates some costly requirements say reinstatement of financial statements. It has the potential to create a new standard of accountability and greater transparency, which are values of great significance to all market participants including regulators. It reduces operational challenges for accounting firms and focuses their value and expertise standard setters and other stakeholders to improve the reporting model.

With the view of making the financial statements more reliable and transparent , the London based group namely the International Accounting Standards Committee(IASC), responsible for developing International Accounting Standards , was established in June, 1973. Between1973-2001, the International Accounting Standards Committee (IASC) released International Accounting Standards. Between 1997 and 1999, the IASC restructured their organization, which resulted in formation of International Accounting Standards Board

(IASB). These changes came into effect from 1st, April, 2001. IASB publishes its standards in a series of pronouncements called International Financial Reporting Standards.

Objectives and Methodology

The objective of the study can be listed as below:

1) To discuss the Concept and relevance of IFRS in India
2) To study the problems in IFRS adoption in India
3) To understand the benefits associated with IFRS adoption.
4) To examine the challenges arising out of compliance with IFRS in India.

The study is primarily qualitative in nature and do not use any quantitative tool to analyse the data. It has been conducted on the basis of literature survey and secondary information collected through various journals.

Literature Review

Enormous study has been carried out in the field of IFRS and the challenges and prospects from its implementation across the globe. Some of the literature is worth mentioning.

MeenuSambaru and Dr.Kavitha (2014) in their study examined the significance of IFRS in Indian business environment and also analysed the similarities and distinction between IFRS and AS. Building adequate IFRS skills and knowledge among Indian accounting professions is essential to prepare India for successful IFRS adoption.

Dr.MahendraSharma (2013) conducted study on problems and challenges for IFRS adoption in India. He analysed the information available on IFRS adoption process in India. The study also highlights the utility of India in adoption IFRS.

Pawan Jain (2011) in his study emphasises that ensuring a high quality corporate financial reporting environment depends on effective control & enforcement mechanism. Merely adopting IFRS is not enough. Each interested party including top management, directors of firms, independent auditors, accountants, and regulators law makers will have to come together for the successful adoption of IFRS in India.

Working on the data of European firms, Armstrong et al (2010) found out a positive reaction to IFRS adoption events for firms with high quality pre adoption information, consistent with investors expecting net convergence benefits from IFRS adoption.

Cai& Wong (2010) in their study of global capital markets summarized that the capital markets of the countries that have adopted IFRS have higher degree of integration among them after their IFRS adoption as compared to the period before the adoption.

Paanen& Lin (2009) gave a contrary view to prior research that IFRS adoption ensures better quality of accounting information. Their analysis of German companies reporting showed that accounting information quality has worsened with the adoption of IFRS over time. They also suggested that this development is less likely to be driven by new adopters of IFRS but is driven by the changes of standards.

Undoubtedly, good numbers of studies have been carried out in different countries highlighting the benefits of having single set of financial reporting standards across the globe. Some studies also examine the difficulties and complications faced in implementing IFRS.

IFRS Adoption in India

In 1949, Indian government to streamline accounting practices in the country established Institute of Chartered Accountants of India by passing ICAI Act, 1949. Accounting Standard Board was constituted by ICAI in 1977 with a view to harmonize the diverse accounting policies and practices in India. The other objectives of the Board are:

(i) conceive of and suggest new areas in which Accounting Standards are needed,
(ii) formulation of Accounting Standards,
(iii) examine how far IAS and IFRS can be adapted while formulating the accounting standards and to adapt the same, and
(iv) review the existing Accounting Standards and revise them regularly as and when necessary, among others. In 2006, a task force was set up by ICAI. The objective of the task force was to lay down a road map for convergence of IFRS in India.

Based on the recommendation made by the Task Force and on the basis of outcome of discussions and public opinions on IFRS adoption procedure, a 3 step process was laid down by the Accounting Professionals in India. This three steps IFRS adoption procedure can be summarized as follows:

Step 1 – IFRS Impact Assessment

In this step, the firm will begin with the assessment of the impact of IFRS adoption on Accounting and Reporting Issues, on systems and processes, and on Business of the firm. The firm will then identify the key conversion dates and accordingly IFRS training plan will be laid down. Once the training plan is in place, the firm will have to identify the key Financial Reporting Standards that will apply to the firm and also the differences among current financial reporting standards being followed by the firm and IFRS. The firm will also identify the loopholes in the existing systems and processes.

Step 2 – Preparations for IFRS Implementation

This step will carry out the activities required for IFRS implementation process. It will begin with documentation of IFRS Accounting Manual. The firm will than revamp the internal reporting systems and processes. IFRS 1 which deals with the first time adoption of IFRS will be followed to guide through the first time IFRS adoption procedure. To make the convergence process smooth, some exemptions are available under IFRS 1.These exemptions are identified and applied. To ensure that the IFRS are applied correctly and consistently, control systems are designed and put in place.

Step 3 – Implementation

This step involves actual implementation of IFRS. The first activity carried out in this phase is to prepare an opening Balance Sheet at the date of transition to IFRS.A proper understanding of the impact of the transition from Indian Accounting Standards to IFRS is to be developed. This will follow the complete application of IFRS as and when required. First time implementation of IFRS requires lot of training and some difficulties may also be experienced. To ensure a smooth transition from Indian Accounting Standards to IFRS, Continuous training to staff and addressing all the difficulties that would be experienced while carrying out the implementation is also required.

Beneficiaries of Convergence with IFRS

Based on studies, several beneficiaries to the convergence of Indian Generally Accepted Accounting Principles (GAAP) with IFRS can be discussed as below.

1. The Investors: Convergence of Indian Accounting Standards with IFRS makes accounting information more reliable, relevant, timely and comparable across different legal and economic frameworks and requirements since it would then be prepared by using a common set of accounting standards which will facilitate the investors who willing to invest in the countries apart from India. It will also develop better understanding of financial statements worldwide which increase the confidence among the people as investors.

2. The Industry: The other important set of beneficiary the researchers came across is the industry which in the event of convergence with IFRS will be benefited because of some basic reasons. Firstly it will enhance confidence in the minds of the foreign investors, secondly, it decreases the burden of financial reporting, thirdly, it would make the process of preparing the individual and group financial statements easier and simplest, and the last and important one is that this will reduce cost of preparing the financial statements using different sets of accounting standards.

3. Accounting Professionals: However, there would be initially many problems but convergence with IFRS would surely benefit the accounting professionals and it will be helpful them to sell their talent and expertise across the globe.

4. The corporate world: Convergence with IFRS would build the reputation and long lasting relationship of the Indian corporate world with the international financial entities. Moreover, the corporate entities back in India would be benefited because of several reasons. The higher level of consistency will be maintained between external and internal reporting, two, because of better access to global financial markets, three, it will improve the risk rating and makes the corporate world more and more competitive globally as their comparability with the global competitors will increase.

5. The Economy: All the discussions made above explains how convergence with IFRS would help industry grow and is beneficial to the corporate entities in the country as this would make the internal and external highly consisted, and it will report improvement in the risk rating among the foreign investors. Moreover, the international comparability is also

benefiting the industrial and capital markets in the country which lead to better economy across the country.

Problems and Challenges- IFRS Implementation

IFRS are formulated by International Accounting Standard Board. However, the responsibility of convergence with IFRS vests with local government and accounting and regulatory bodies, such as the ICAI in India. Thus ICAI need to invest in infrastructure to ensure compliance with IFRS. India has several constraints and practical challenges to adoption and compliance with IFRS.

1. Difference in GAAP and IFRS: Adoption of IFRS means that the entire set of financial statements will be required to undergo a drastic change. The differences are wide and very deep routed. It would be a challenge to bring about awareness of IFRS and its impact among the users of financial statements.

2.Issue of GAAP Reconciliation: The Securities Exchange Commission(SEC) laid out two options in its proposal-one calling for the traditional IFRS first-time adoption reconciliation, the other requiring that step plus an on-going unaudited reconciliation of the financial statements from IFRS to U.S. GAAP which is clearly more costly approach for companies and for investors.

3. Training and Education: Lack of training facilities and academic courses on IFRS will also pose challenge in India. There is a need to impart education and training on IFRS and its application.

4. Legal and Regulatory considerations: Currently, the reporting requirements are governed by various regulators in India and their provisions override other laws. IFRS does not recognize such overriding laws. The regulatory and legal requirements in India will pose a challenge unless the same is been addressed by respective regulatory.

5. Taxation: IFRS convergence would affect most of the items in the financial statements and consequently the tax liabilities would also undergo a change. Thus the taxation laws should address the treatment of tax liabilities arising on convergence from Indian GAAP to IFRS.

6. Fair value Measurement: IFRS uses fair value as a measurement base for valuing most of the items of financial statements. The use of fair value accounting can bring a lot of instability and prejudice to the financial statements. It also involves a lot of hard work in arriving at the fair value and valuation experts have to be used.

7. Re-negotiation of Contract: The contracts would have to be re-negotiated which is also a big challenge. This is because the financial results under IFRS are likely to be very different from those under the Indian GAAP.

8. Reporting systems: Companies would have to ensure that the existing business reporting model is amended to suit the reporting requirements of IFRS. The information systems

should be designed to capture new requirements related to fixed assets, segment disclosures, related party transactions, etc.

In Addition to the above, there are Several Impediments and Practical Challenges to Adoption of and Full Compliance with IFRS in India. These are:

- The need for a change in several laws and regulations governing financial accounting and reporting in India. In addition to accounting standards, there are legal and regulatory requirements that determine the manner in which financial information is reported or presented in financial statements. For example, the Companies Act, 1956 determines the classification and accounting treatment for redeemable preference shares as equity instruments of a company, whereas these may be considered to be a financial liability under IFRS. The Companies Act (Schedule VI) also prescribes the format for presentation of financial statements for Indian companies, whereas the presentation requirements are significantly different under IFRS. Similarly, the Reserve Bank of India regulates the financial reporting for banks and other financial institutions, including the presentation format and accounting treatment for certain types of transactions.
- The recent announcement by the MCA is encouraging as it indicates government support for the timetable for convergence with IFRS in India. However, the announcement stops short of endorsing the roadmap for convergence and the full adoption of IFRS that is discussed in ICAI's concept paper. In the absence of adequate clarity and assurance that Indian laws and regulations will be amended to conform to IFRS, the conversion process may not gain momentum.
- There is a lack of adequate professionals with practical IFRS conversion experience and therefore many companies will have to rely on external advisers and their auditors. This is magnified by a lack of preparedness amongst Indian corporates as this project may be viewed simply as a project management or an accounting issue which can be left to the finance function and auditors. However, it should be noted that IFRS conversion will involve a fundamental change to an entity's financial reporting systems and processes. It will require a detailed knowledge of the standards and the ability to consider their impact on business transactions and performance measures. Further, the conversion process will need to disseminate and embed IFRS knowledge throughout the organization to ensure its application on an on-going basis.
- Another potential pitfall is viewing IFRS accounting rules as "similar" to Generally Accepted Accounting Principles in India (Indian GAAP), since Indian accounting standards have been formulated on the basis of principles in IFRS. However, this view disregards significant differences between Indian GAAP and IFRS as well as differences in practical implementation and interpretation of similar standards. Further, certain Indian standards offer accounting policy choices which are not available under IFRS, for example, use of pooling of interests method in accounting for business combinations.

There is an urgent need to address these challenges and work towards full adoption of IFRS in India. The most significant need is to build adequate IFRS skills and an expansive knowledge base amongst Indian accounting professionals to manage the conversion projects for Indian corporates. This can be done by leveraging the knowledge and experience gained from IFRS conversion in other countries and incorporating IFRS into the curriculum for professional accounting courses. Ultimately, it is imperative for Indian corporates to improve their preparedness for IFRS adoption and get the conversion process right.

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CORRUPTION- AN OVERVIEW

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Abstract

Demonetization and digital transactions will never stop corruption. If digital transactions could curb corruption and black money, Kenya would have been the most transparent country in the world. About 75% of the adult population in Kenya uses mobile phones for payments and money transfer. The value of mobile money transactions and transfers per day is equal to 4.5% of annualized GDP of Kenya, as per a report published in an International Monetary Fund (IMF) journal. The use of mobile money is so widespread that Kenyans can use mobile wallet to pay for goods at virtually any retail shop throughout the country .This is something that the Indian government aspires to achieve post-demonetization. However, Kenya was listed as one of the world's most corrupt countries in Transparency International's 2015 Corruption Perception Index, ranking 139 out of 168.

Corruption is a universal phenomenon and has taken a demonic form in Indian polity, governance and administration. From small time clerks to the high profile politicians, commissioners, police inspectors, traffic police, stock exchange brokers, military establishments, doctors, teachers, recruiters, sportsmen, judiciary and most of the government employees, corruption is seen and felt in every transaction from bottom of the chain till the top. Incorruptible people and public figures have become a microscopic minority. The last decade is the decade of scams and the biggest ever corruption cases unearthed and thoroughly discussed in India. While the debate continues in India over an anti-graft ombudsman, (the Lokpal at the centre level) the study by the Transparency International shows the country's image. This year, the country got 76th rank out of 168 countries in Transparency International's Corruption Perception Index (CPI). In our daily life, most of us must have been either a witness to or a victim of the corruption thriving in some or the other part of the country. An average Indian citizen is hard working and diligent, but it is the people incharge of the system or with whom the power lays, that act as a cancer spreading the venom, slowing down the growth of the country. Corruption is a collusive act between the bribe giver and bribe taker. But ultimately the victim is the society as a whole. Still, there is hope, all politicians and bureaucrats are not corrupt some of them are still holding the truth, and it is because of them that the system is still functioning. So, by taking these honest people into confidence, we can march forward and check the evils by all possible means.

The article analyses the root causes and ills of corruption, how it is affecting the masses and what may be the concrete measures to eradicate it. Corruption is rampant in Indian Society, because of low literacy, little awareness and almost non-existing confidence and courage to challenge the authorities. To check the increasing menace of corruption, there is an urgent need to create awareness among the masses that the benefits of the policy of the government could reach to the people.

Introduction:

Corruption is a major factor that is keeping India a perpetually poor country and which makes the life of the common citizen miserable. India is rated as one of the most corrupt countries in the world. Corruption and enduring progress or sustained welfare of people does not go together. Historically, civilizations, which became corrupt in political, social and economic contexts, have had to face downfall. We, in India, face this challenge, which needs to be met by firm resolve and determination. Our country faces a difficult situation where corruption has been prevailed. That is why we have poor social and human development indicators. We have islands of wealth and luxury surrounded by the seas of poverty, misery and want. Transparency International, which is a non-government organization in Berlin, publishes annually the Corruption Perception Index of countries. In the list for the year 2015, India is ranked at 76 out of 168 countries listed in the order from the least corrupt to the most corrupt[1]. India ranks a low 134 among 168 countries in terms of the human development index (HDI), which assesses long-term progress in health, education and income indicators said a UNDP report[2]. On the other hand a survey says Indians pays 30,728cr as bribe every year and the total amount of black money deposited in foreign banks by Indians is unknown, but one estimate shows that the total at over 7,280,000 Crores (US$1.4 trillion)[3].

Corruption Defined:

Corruption has been defined as "the use of public power for private profit in a way that constitutes breach of law," and as "dishonesty and illegal behaviour in position of authority and power." World Bank argues that, corruption as the "use of public office for private gain"in other words; it implies the exploitation of one's official position for one's own interest and at the cost of public good[4]. Corruption is a behaviour, which deviates from the formal duties of a public role because of private-regarding influence. Carl J. Friedrich argues that corruption is a kind behaviour, which deviates from the norms actually prevalent or believed to prevail in a given context, such as the political[5]. It is deviant behaviour associated with a particular motivation, namely that of private gain at public expenses, such private gain may be monetary one, and in the mind of the general public it usually is, but it takes many other forms.The Santhanam Committee on the Prevention of Corruption in India (1964) gave an interesting twist to the definition of corruption in public systems. It remarked, "Any action or failure to take action in the performance of duty by a Government Servant for some advantage is corruption."[6] Thus, the scope of a corrupt activity is expanded by including within its action as well as non-action, though the motivation in both cases is similar.

Causes of Corruption in India:

The causes of corruption are many and complex, major ones are as Follows: (i) Emergence of political elite who believe in interest-oriented rather than nation-oriented programmes and policies; (ii) Artificial scarcity of goods and services; (iii) Red tape and complicated rules and procedures (iv) Artificial scarcity created by the people with malevolent intentions wrecks the fabric of the economy;(v) Economical crisis, lack of employment and price hike are major causes of corruption. Economical crisis leads to unemployment and change in standard of living. It develops a feeling of insecurity in the minds of affected people. Many unemployed educated youth fall prey to corruption. They are willing to pay huge amount for jobs. Many employer take undue advantage of this situation. They take bribe and give appointment letters. The appointed employee uses all means (legal and illegal) to recover his lost money as early as possible. Hence, Corruption breeds corruption; (vi) Corruption is caused as well as increased because of the change in the value system and ethical qualities of men who administer. The old ideals of morality, service and honesty are regarded as foolishness. People are not satisfied with their current status, position and wealth. They want to become millionaire in a short span of time and for this the Indian are adopting illegal and immoral ways to achieve them. Home and educational institution play a significant role in character building of citizens. Moral values are only taught in most of these institutions. But, they are not properly inculcated in individual. This is the basic cause of corruption. Many parents and teachers do not practice what they preach. Hence, their preaching does not bring out desired results. Children imitate parents. If parents are corrupt, it is more likely that children will also become corrupt;(vi) lack of transparency in decision making; (vii) Lack of effective management and organization ;(viii)legal cushions of safety for the corrupt under the 'healthy' principle that everyone is innocent till proved guilty;(ix) Tolerance of people towards corruption, complete lack of intense public outcry against corruption and the absence of strong public forum to oppose corruption allow corruption to reign over people;(x) In India, there is tremendous shortage of good leaders. Leaders convey message of citizens to the administration and government. They lead the people against corruption and social evils;(xi) Vast size of population coupled with widespread illiteracy and the poor economic infrastructure lead to endemic corruption in public life; (xii) Tribalism or biradari among the corrupt who protect each other; (xiii) Most of Indian People are concerned with their own life than the development and protection of their country against social evils. Many citizens have accepted corruption as a part of their life. They think it is useless and waste of time, to support leaders against corruption, due to rapid modernization and globalization; people are becoming more and more selfish. They are only concerned with self enrichment and wealth accumulation. The only objective of many Indian is to become rich as soon as possible. They consider themselves as patriotic just by celebrating independence and republic day; (xiv) Lack of willingness;(xv) In a highly inflationary economy, low salaries of government officials compel them to resort to the road of corruption. Graduates from IIMs with no experience draw a far handsome salary than what government secretaries draw ;(xvi) Complex laws and procedures alienate common people to ask for any help from government ;(xvii) Illiteracy and unawareness of rights and duties are also the major factors of corruption ; (xviii) Election time is a time when corruption is at its peak level. Big industrialists fund politicians to meet high cost of election and ultimately to seek personal favour. Bribery to politicians buys influence, and bribery by politicians buys votes. In order to get elected, politicians bribe poor illiterate people, who are slogging for two times meal.

Corruption in the rural areas:

The people in the rural areas suffer more due to corruption practices as invariably the literacy is low, awareness is little and confidence and courage to challenge authorities is practically non-existent. People in the villages feel intimidated and over-powered by the lower functionaries of the government with whom they have to deal for getting any type of assistance, certificates, approvals, or sanctions.

Causes in Rural Areas:

Farmers and workers living in rural areas become more vulnerable to the harassment and intimidation of petty bureaucracy dealing with development, revenue, agriculture, forests, rural industries, rural housing and policing because they just cannot afford to be away from their fields and run after various officials or wait in Tehsils or Block level offices. They have to work in their fields every day, without a gap, to ensure proper cultivation of the crops and to take care of cattle. If they are made to travel long distances and wait at government offices, it may result in irreparable damage to their agricultural and other operations. Also, they do not have the capacity to pay the speed money to the corrupt officials. Most of the subsidies and grants meant for agriculturists and the other rural poor do not reach them in toto. The officials disbursing the amounts either deduct or take in advance their own commission for the services rendered by them. These insensitive officials make it appear to the rural beneficiaries that the sanctions and subsidies they receive are a favour done to them. Due to ignorance, lack of awareness and lack of confidence and in a state of total helplessness, many agriculturists believe that whatever they get is a favour done by the petty minions. They do not know that what they receive is their entitlement and they were simply being cheated and exploited by the petty officials[7].

Corruption is widely accepted as necessary in Indian life. Since independence, accorded primary to money and political power as the indicators and sources of social success. Small wonder a series of corrupt practices, including scams and scandals, have afflicted the Indian governance system and in the process have tarnished its image and credibility. Corruption in India is a consequence of the nexus between Bureaucracy, politics and criminals. India is now no longer considered a soft state[8]. It has now become a consideration state where everything can be had for a consideration. Today, the number of ministers and bureaucrats with an honest image can be counted on fingers. At one time, bribe was paid for getting wrong things done but now bribe is paid for getting right things done at right time[9].

List of Few Major Scams in India (amount in crores):

1. Share scam	1,000
2. Sugar scam	650
3. Bofors scam	65
4. Hawala case	65
5. Housing scam	18
6. M.P. trading scam	32
7. Fertilizer scam	133
8. Medicine Equipment scam	5,000
9. Telecom case	1,200

10. Newsprint case	20
11. Indian bank scam	1,336
12. Fodder scam (Bihar)	1,000
13. Land scam (Bihar)	400
14. Bitumen scam (Bihar)	100
15. Medicine scam (Bihar)	100
16. Forest case (Meghalaya)	300
17. Ayurveda scam (UP)	32
18. Dhoti-Saree scam (Tamil)	11
19. Coal scam (Tamilnadu)	750
20. Forest reserve scam (Meghalaya)	75
21. Wakf Scam (West Bengal)	1,600
23. Satyam Scam	14,000
24. Telgi Scam (stamp paper scam)	20000
25. Harshad Mehta & Ketan Parekh Stock Market Scam 4,000 and 1,000	
26. 2G telecom scam	1, 70,000
28. Commonwealth Games Scam	70,000
30. Mining scam (Karnataka)	16,000
31. Adarsh Society Housing scam	amount not known

Consequences of Corruption:

Corruption is a cause of serious concern for the people of India. Since, it is adversely affecting all aspects of their life- social, spiritual, political, economical, educational and moral. It is spreading like tumour in all systems and administrations. The effects of uncontrolled and persistent corruption are disastrous for any country. The state that allows unbridled corruption perpetually is bound to degenerate into kleptocracy (rule by thieves). The economy of such a state will soon become bankrupt and society will slide into moral decay and death. In systems perspective, the malaise of corruption is all-pervasive. If, once it enters the body-politic, it soon spreads to all subsystems of the political system-administrative, police, armed forces, legal, judicial, social, economic, trade, business, markets, scientific-technological, cultural, religious, and even sports field. And, if not effectively prevented, controlled and treated in time, its consequences will be fatal. If the spread of the cancer of corruption not stopped and controlled in a ruthless and timely manner, at the early stages of the disease, the effective functioning of the entire moral-ethical, political system is bound to collapse[10]. Studies show that corruption is destructive, corrosive and saps the moral, ethical, physical, mental, emotional energy and will power of individuals, systems, organisations, offices and institutions including non-governmental organisations to withstand the rigours of honest performance of their duties[11]. Corruption has so much widespread and ingrained in the Indian Polity that often a large number of people casually remark that it is inevitable. It hampers human flourishing in different ways. Major consequences of corruption are as follows:-

Loss of National wealth: This is the greatest loss for the people of India. Since independence, India lost billions and billions dollars of money in various scams. Instead of becoming independent affluent nation, India is dependent on international loans, grants and favours due to this tremendous of wealth in corruption[12]. Due to corruption, India is behind in almost every field-, education, health, inventions, medicine, research, sports, economy, defence, infrastructure, technology and so on. Many scientists do not have latest equipments and technology for research and development. There are scams and corruption in defence deals. Many doctors lack specialised and modern skills of treatment and diagnosis.

Poverty: Since independence, the issue of poverty within India has remained a prevalent concern. As of 2010, more than 37% of India's population of 1.35 billion still lives below the poverty line. More than 22% of the entire rural population and 15% of the urban population of India exists in this difficult physical and financial predicament[13]. Due to corruption, government is unable to eradicate poverty. Rich are becoming richer by snatching the rights and wealth of poor. Various packages, reservations and compensations for poor people, minorities and backward community are announced by government from time to time. But these disadvantaged sections of society hardly get any benefits. Since, affluent people freely consume benefits meant for poor. If the entire development fund is spent in a transparent way for the welfare of general masses, poverty can be eradicated in a time-bound manner. But actually there are massive leakages from public fund at different stages and a substantial amount is cornered by political executive, government officers and employees, contractors, businessmen and suppliers for personal gains in different forms (cash and materials)[14]. The poor people spend a large sum of their hard earned money as bribe for getting their petty tasks executed or services delivered (to get ration cards, licences, certificates, mutations, registrations of sale deeds, pension, medicines, admissions, etc.). United Nations Development Programme estimates that official corruption cuts India's GDP growth by a quarter of what is possible[15].

Hindrance and obstruction in development and good governance: Corruption is the only obstruction in the way towards development. We cannot become a developed and self sufficient nation until corruption is not eradicated from our country. Many developmental projects are taking unnecessary time for their completion due to corruption. Corruption poses a serious development challenge. Corruption undermines democracy and good governance by flouting or even by subverting formal political and administrative processes. Corruption in elections and in parliamentary and legislative bodies reduces accountability and distorts representation in policy making; corruption in the judiciary compromises the rule of law; and corruption in public administration results in the inefficient provision of public services[16]. Corruption in police, this type of corruption includes police misconduct to obtain financial benefits, or career advancement in not pursuing or selectively pursuing investigations and arrest, or, not reporting drug trafficking, and other illegal activities, thereby rendering criminal justice administration ineffective. In general, corruption erodes the institutional capacity of the government as procedures are disregarded, resources are siphoned off and public offices are bought and sold. At the same time corruption undermines the legitimacy of the government and such democratic values as public trust and tolerance. Corruption undermines economic development by generating distortions and inefficiency. The Nobel-laureate Amartya Sen says that government with strong tendency towards kleptocracy can undermine food security even when harvests are good[17]. Similarly, food aid can be robbed at gunpoint by governments, criminals, and warlords alike and sold for profit. Food aid can be directly and physically diverted from its intended destination., or indirectly through manipulation of assessments, targeting registration and distributions to favour certain groups or individuals, Recently, it was reported that rice meant for distribution under the public distribution system to the BPL families in Tamil Nadu was diverted to Andhra Pradesh and Kerala and sold for profit in the open market. Corruption affects the economy by distorting local, national and international trade in various ways. The corrupt tax officers (especially customs, central excise state excise, income tax, drug controllers, commercial tax, etc.), connive with businessmen, traders and industrialists and after taking their share in the booty liberally allow them to violate local and national tax laws. Had the potential taxes been collected in a transparent manner, these could be part of the government revenue to be spent for the development and welfare of the masses. Thus corrupt practices in different sectors of economy result into the generation of huge black money, economic offences, fraud and money laundering in a big way.

Brain drain: Corrupt employers and mediators offer jobs to unskilled and incapable candidates by taking bribe. They get their share of wealth. But nation loses its valuable share. Due to lack of good opportunities in India, many creative and talented Indian are serving developed nations. This is a tremendous loss for India. Since, we cannot become a developed nation without the contribution of talented and creative people[18]. Talented people who serve other countries are actually cheating with their own nation. They are made capable and efficient by their own nation. But they use their capabilities for increasing the efficiency of other nation. This is also considered as corruption.

Corruption violates human rights and equality: Corruption violates human rights and entitlements, especially when courts/tribunals are involved in corruption and do not deliver justice (both in substance and in time). About three crore of court cases are pending in all the lower and higher courts in India for quite a long period. Justice delayed is justice denied. Often many court staff, clients and their advocates connives in giving/taking of bribe and verdict is sold in lower judiciary by managing papers and obviously the poor cannot afford to pay bribe, and they often lose court cases in the long run. Corruption makes democracy dysfunctional, because there exists no 'rule of law' in practice rather 'show me the face and I will show you the rule' prevails resulting into chaos and anarchy[19]. Corruption distorts democracy because the rich persons get their work done by paying bribes to government officials but often the poor cannot afford to do so. Thus the bribe ultimately enhances the range and depth of inequality in the society. This also gives impetus to social conflicts.

Eradication of Corruption:

Corruption is a cancer, which every Indian must strive to cure. For eradication of corruption both values and institutions equally matter because values serve as ‘guiding stars’ but are to be sustained by institutions to be durable and to serve as an example to others. Following remedial measures are suggested:

Transparency in policy-making: Transparency in policy-making, decision-making and implementation is required. Every process of selection, dealing and appointments of different fields should be made transparent. People should be made aware of reasons and merit for selection of candidates, contracts, tenders, etc. Right to Information Act (2005) has been a positive step in the right direction of ensuring transparency and accountability. This law places India among 55 countries in the world to have such legislation. The new law covers all central, state, local and Panchayat government agencies, with the exception of those in the state of Jammu and Kashmir. Let us think about the state which is known as 'The Soul of India', and is also known for its poverty, drought, starvation deaths, and violation of human rights and perpetuation of rampant corruption at all levels have not lagged behind in ensuring Right to Information to its people. Yes, the new law does not permit citizens to seek information on certain matters affecting security or strategic, scientific and economic interests of the country. In the same time, it gives the civil citizens the legal right to be informed about the utilisation of public funds, progress reports of ongoing projects, state circulars, spending patterns, contracts etc. As far as the time frame is concerned, the authorities are required to answer to queries within 48 hours if it is a matter of life and liberty, else the public information officers (PIOs), appointed by different departments for this purpose can take 30 days from the date of application.

The new law also provides for the establishment of Central Information Commissions as well as State Information Commissions throughout the country. The commissions will act as independent bodies to handle appeals and monitor implementation[20]. A guaranteed right to access information is an essential and practical antidote to corruption, which is rife in too many Commonwealth countries. Corruption is destroying the rule of law and has created a mutually supporting class of overlords who need secrecy to hide their dark deeds in dark places. However, the Act has been criticised on several grounds. It provides for information on demand, so to speak, but does not sufficiently stress information on matters related to food, water, environment and other survival needs that must be given pro-actively, or suo moto, by public authorities. The Act does not emphasise active intervention in educating people about their right to access information, vital in a country with high levels of illiteracy and poverty, or the promotion of a culture of openness within official structures. Without widespread education and awareness about the possibilities under the new Act, it could just remain on paper. The Act also reinforces the controlling role of the government official, who retains wide discretionary powers to withhold information. For example, requests for information involving "disproportionate diversion of the resources of a public authority" can be shot down by the public information officer. This leaves open the danger that government officials might be transformed from gatekeepers of the Official Secrets Act to gatekeepers of the Freedom of Information Act. The Bill provides for a fee to access information, but without specifying what the minimum or maximum amounts would be. Most important, there is no mechanism to punish delay or refusal to grant information. So there is no compelling reason for the official concerned to provide answers. Instead, the law provides for two internal appeals within the government machinery and, in addition, blocks access to civil courts.

Despite all these shortcomings, legislation guaranteeing the right to information is a major step towards ensuring a participatory developmental process in the country. For the law to be truly effective, it will need the active participation of the community at large, including non-government organisations and the press, who will need to simplify and disseminate the possibilities under the new law to citizens. The new law could be the tentative beginnings of a more inclusive development process.

Effective and regular vigilance: Strict action should be taken against lazy and corrupt officials. Number of agencies and officials should be increased. They should be properly trained in the latest investigative skills. Government should supervise and monitor these agencies. They should be quick and active in their duties. They should not delay their investigation and inspection .Since, these delays are the cause for loss of tremendous wealth of nation. Both vigilance and criminal justice institutions and processes be more proactive and cover all political executives, all levels of bureaucracy and all forms for public transactions at all public places (including Parliament and judiciary) because selectivity (pick and choose) will not serve the purpose of uprooting corruption. Further honest civil servants should not be harassed, personal animus should not be settled in public sphere and whistleblowers should be duly protected. Unfortunately, in cases of high level corruption involving politicians, often CBI has been put under pressure to favour of disfavour. Further criminal justice delivery system needs to be augmented because the trial of corruption cases takes too much time. Various legal loopholes should be plugged and the squandered public money should be recovered from the corrupt officials once they are proved guilty. Further, s suggested by Second Administrative Reforms Commission, collusive corruption (when the intended outcome of the transaction results into a loss to the state) should be included under Section 7 of Prevention of Corruption Act (1988)[21]. Further prior sanction need not be taken in case of red-handed trapping or possessing assets disproportionate to the known sources of income. Recovery of loss should be promptly done from the convicted persons. Since various private agencies and NGOs are nowadays involved in various public utility services, they should also be brought under the ambit of Prevention of Corruption Act. Central Vigilance Commission should be given more powers of summoning officials for evidence and giving mandatory direction to Central Bureau of Investigation (CBI) for investigation of corruption cases in a time-bound manner. Government should frame strict and stringent anti-corruption laws. Severe punishments and penalties should be imposed on corrupt people[22]. The justice and proceedings should not be delayed. Immediate action should be taken against corrupt people. The punishment should act as a good lesson for other corrupt people.

Reforms in Electoral System: electoral politics needs to be drastically reformed; especially the election-funding should be done by the state, as done in UK, Australia, New Zealand and Canada. Further the loopholes of anti-defection law should be removed; e.g., the advisory recommendation of Election Commission of India for disqualification of MP/MLA on the ground of defection should be made binding as it is a root cause of huge political corruption.

In addition, since crime, corruption and electoral politics have a strong nexus, any person against whom a criminal case of cognizable offence is lodged and police has filed final charge sheet after due and fair investigation, should not be allowed to contest Lok Sabha/Vidhan Sabha and local bodies' elections. This initiative would clean the sphere of politics which has been criminalized and similarly crime has been politicised[23]. Further 'getting politics right' should be our motto.The Indian parliamentary democracy, rooted in an electoral system based on adult franchise, has been the primary source of government corruption. The legally permissible election expenses to be incurred by a candidate for a state Legislature and the Parliament, though increasing over the years, are still woefully meager when compared to the exorbitant cost of contesting elections in vast, over-populated heterogeneous constituencies.

Presently, there is no law in India mandating political parties to maintain regular accounts and get them audited every year, except the income tax law that is applicable to all assesses. And, that is not adequate to keep surveillance over the finances of the political parties. The huge expenses incurred by a candidate on his elections to the parliament are made either out of one's pocket or from the contribution from businessmen. As Ram Naik, former Minister in the Union Government, had remarked, these MPs "try recovering their expenses in the first two years. What they get in the next three years is a bonus. MP ship is reduced to a business."N. Vittal, former Central Vigilance Commissioner of India, who emerged as a crusader against politico-administrative corruption, suggested that a candidate, against whom charge sheet has been framed in a court for any criminal case or offence involving moral turpitude, should be legally debarred from contesting elections. It may also be suggested that in order to check the entry persons with shady record to contest elections and win at the hustings, it would be desirable to evolve a system of information whereby the Chief Election Commissioner (through his state representative, the chief Electoral Officer) publishes in the local language containing essential information based on the data provided by the candidate himself at the time of filing the nomination papers. All information that is crucial for judging the economic, political, socio-cultural, professional (or criminal, if any) background of the candidate should be contained in the booklet that should be available at nominal price to anyone, including the press[24].

The ElectionCommission of India deserves to be appreciated for its sincere efforts in discharging its constitutional duties and obligations of conducting free and fare elections in the world's largest functioning and stable democracy. In order to ensure that the elections are conducted in a free and fare and peaceful manner, and more smoothly, the Election Commission (EC) has taken several innovative and proactive steps and measures, in the recent past, particularly during the 14th,15th and 16th Lok Sabha election and election of many Assemblies, staggered over five to six phases, was indeed a "historic election". For the first time, in these election, nomination papers included candidates' criminal, educational and financial antecedents on affidavits, fully use of Electronic Voting Machines (EVM), counting was winded up in one day, and Election Observers are deployed in these elections.

A proper code of ethics: There should be a proper code of ethics for executive, legislature and judiciary, since public procurement is usually a source of corruption in government, integrity pacts should be signed to put moral and ethical pressure on suppliers / companies in order to ensure transparency. As Mahatma Gandhi had said that seven social sins are to be avoided (both in personal and public life): politics without principles, wealth without work, leisure without conscience, knowledge without character, commerce without morality, science without humanity, and worship without sacrifice. Similarly even the Lokpal, Lokayuktas, regulators, professionals (advocates, doctors and engineers), etc. should also have a code of conduct.

Use of advanced technology: Advanced technology like mobile, camera, close circuit camera, computer, e-governance, etc. should be ushered in for different public utility services with higher speed, minimum fee and without harassment. Various departments should have single window system at Sewa Kendras at Block / Kshetriya Panchayat level. Optimal use of information technology will reduce human labour and improve the quality of governance. Public should also be made aware of new citizen-friendly practices and best practices should be replicated in all departments / organisations. Adequate supervision and monitoring of government schemes should be ensured regularly in order to see that concerned functionaries are performing their duties transparently or not.

Value education: Parents and teachers should inculcate moral values in children. Practice is more persuasive than preaching. The best way to inculcate values in children is not only to preach but to set an example by actual doing. They should set themselves as models of good behaviour. They should narrate stories based on moral values. Teacher should not only teach morals in value education period but they should inculcate values in pupils by correlating value education with various subjects and activities. They should not leave any stone unturned for achieving this great purpose.

Discretionary powers of political executives: Discretionary powers of political executives and officers should be done away with and terms and conditions for entitlement of people should be properly defined unambiguously. Further, it is also to be ensured that collective (by a committee) decision-making is more rational, mature, unbiased, transparent and pragmatic than individual decision-making. In addition, the discretionary quota of ministers, MPs, MLAs should be scrapped.

Responsible citizen: If an individual is corrupt, he cannot expect those in power to be free from corruption. Hence, it is essential for every citizen to perform his duties faithfully and to the best of their abilities. Every citizen should strive hard to eradicate corruption. People of India should report cases of corruption to vigilance department immediately without delay. They should follow up the cases of corruption. Since, merely reporting the evil practice is not sufficient for its complete eradication. Most important thing is that, we must look that, are the people not responsible for the deteriorating situation of governance anyway? Only making laws are enough for control corruption and crime in public life. Why we (people) choose the criminals as their representatives? Why we divide on the ground of caste, colour, race, region and religions? Does not a single candidate is honest in those areas from where criminals and corrupt men are contesting and winning elections? Time has now come for all the good elements in our country, and they are everywhere in politics, government, administration, business, education and media, to demand the setting up of a National Commission on Ethics of Public Life for making comprehensive recommendations regarding an agenda of reforms consisting of a well integrated series of measures, constitutional, legal, political, social, economic and educational, to eradicate corruption in governance and social life in our country. If we do not put an end to corruption now, it will soon destroy our country.

Strong and Effective leadership and administration: All those who are granted powers and authority by people should fulfill their promises and pledge1. They should strive their utmost to eradicate corruption from systems and administrations. They should give up hypocrisy. Government and vigilance agencies should keep a check on their source of income and bank accounts. If any leader is not performing his duties properly, then he should be immediately terminated from the position. It should be performance based position. Government should do performance appraisal of leaders regularly.

Responsible Media: Media has wider coverage and impact. It plays an important role in changing the life of people. It should frequently expose the cases of corruption. It should educate people against corruption on regular basis. Journalists and editors should give complete information about the issues related to corruption in their newspapers. Reporters should give more importance to the news and information on corruption; they should report corruption cases immediately.

Lokpal and Lok Aayuktas: Last few years, the Lokpal Bill has become one of the most important national issues. This is not for the first time that the Govt. has taken an initiative to draft this bill. This bill has been pending for the last many decades, and 10 to 12 attempts have been made in the past to pass the bill. The Lokpal Bill has previously been introduced in 1969, 1971, 1977, 1985, 1989, 1996, 1998, 2001, 2005, 2008 and as recently in 2014 in the Parliament, lastly the bill is passed but with a lot of confusion. Recently Union Cabinet approved the proposal for the enactment of a new legislation in the form of the Lokpal Bill 2016 and the discussion is going on in The Parliament.The bill proposes to establish autonomous and independent institutions called Lokpal at the central level and Lokayuktas for states[25]. These shall have powers of superintendence and direction for holding a preliminary inquiry, causing an investigation to be made and prosecution of offences in respect of complaints under any law for the prevention of corruption. The delay in the establishment of these institutions shows how all political parties have neglected this bill, and instead have made their best efforts not to pass it, till date. This is one of those few milestones in Indian democracy that, if achieved, will help in bring about the much required transparency in the whole democratic setup of the country.

Demonetization, Digital Transactions and Corruption

If digital transactions could curb corruption and black money, Kenya would have been the most transparent country in the world. About 75% of the adult population in Kenya uses mobile phones for payments and money transfer. The value of mobile money transactions and transfers per day is equal to 4.5% of annualized GDP of Kenya, as per a report published in an International Monetary Fund (IMF) journal. The use of mobile money is so widespread that Kenyans can use mobile wallet to pay for goods at virtually any retail shop throughout the country .This is something that the Indian government aspires to achieve post-demonetization. However, Kenya was listed as one of the world's most corrupt countries in Transparency International's 2015 Corruption Perception Index, ranking 139 out of 168.

If the government wants to promote digital transactions it should simply implement its Digital India programme which has not progressed much in the last two and a half years. The vision document of Digital India says that India would become a world leader in digital banking by 2019. It also lists digital empowerment of citizens as an aim of the programme. Let us do a reality check on Digital India. Good connectivity is a basic requirement for its success. That is why Digital India's target is to set up a countrywide optical fibre cable network connecting 2.5 lakh village panchayats by March 2017. The target for March 2016 was to connect 100,000 village panchayats. However, only 8,000 village panchayats could be connected. By this October end, only 15,000 village panchayats could be connected, thanks to poor project management and flip-flop in policy. The delay in laying the optical fibre network is just one issue. If the government has to provide e-education, tele-medicine and e-governance services, it has to do a lot of work that requires digitization of data and coordination between various ministries. If the Digital India programme was going on as per schedule, by now 200,000 village panchayats would have been connected and services such as e-education, e-governance and banking would have been available in remote areas. In modern day banking one needs only a laptop and connectivity with core banking software to work as a bank branch.

Banking correspondents at village panchayats could have easily acted as mini bank branches. It could have saved a lot of hardship in remote areas, where people travel up to 20-30 km to reach their nearest bank branches. The banking correspondents could have easily promoted digital payments and mobile banking. As per the Digital India vision document, it would create 10 crore jobs by 2019. This is in stark contrast to the current loss of millions of jobs in the unorganised sector due to demonetization. The government brought in demonetization to stop corruption. However, some bank. It is clear demonetization can't stop corruption. The government should strike at the mechanism that is responsible for corruption and generates black money. Similarly, digital transactions can't stop corruption. And demonetization is not a way to promote mobile payments. The government should follow its own Digital India policy to promote a digital society that will include cashless payments.

Concluding Observations:

Corruption always existed in human society in one or the other form. In primitive period, the scope of a state was minimum; as a result, the scope of corruption was limited. After independence, with the scope of welfare state coming into existence the scope of being corrupt widened. Corruption has crept into every fabric of the society. There are various forms of corruption are prevalent in different areas of Indian society as a whole due to the massive decline in moral values on the one hand and because of lack of deterrent mechanism to punish the corrupt in a time bound manner. Corruption is an intractable problem. It is like diabetes, can only be controlled, but not totally eliminated. It may not be possible to root out corruption completely at all levels but it is possible to contain it within tolerable limits. It is equally significant that the citizens should also resist corruption by not giving bribe to government functionaries. If US could control the rate and quantum of rampant corruption in the previous century, why can't India do so - it is doable. There is an urgent need for a paradigm shift from 'collective tolerance' for personal use of power to 'zero tolerance to all types of corruption' individually and collectively. Honest and dedicated persons in public life, control over electoral expenses could be the most important prescriptions to combat corruption. Corruption has a corrosive impact on our economy. It worsens our image in international market and leads to loss of overseas opportunities. Corruption is a global problem that all countries of the world have to confront, solutions, however, can only be home grown. We have tolerated corruption for so long. The time has now come to root it out from its roots.

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TECHNOLOGY ADOPTION IN BANKING INDUSTRY: A STUDY OF MOBILE BANKING IN INDIA

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ABSTRACT

Information technology is considered as the key driver for the changes taking place around the world. Mobile banking is the latest and most innovative service offered by the banks. The transformation from the traditional banking to e-banking has been a 'leap' change. The evolution of e-banking started from the use of Automatic Teller Machines (ATMs) and telephone banking (tele-banking), direct bill payment, electronic fund transfer and the revolutionary online banking. The increased prevalence of mobile phones provides exciting opportunities for the growth of mobile banking (m-banking). This study determines the consumer's perspective on mobile banking adoption. This paper is classified into five main categories: Mobile banking an Overview, Mobile Banking Services, Impact of Mobile Banking (Positive&Negative), and Features of Mobile Banking & Challenges for adoption of Mobile Banking.

Key Words: Mobile banking, Information & Communication Technology (ICT), SMS, IVR, M-Banking, Challenges of m-banking in India.

- **MOBILE BANKING AN OVERVIEW :**

Mobile banking is an application of mobile computing which provides customers with the support needed to be able to bank anywhere, anytime using a mobile handheld device and a mobile service such as Short Message Service (SMS). Mobile banking facility removes the space and time limitations from banking activities such as checking account balances or transferring money from one account to another and time saving.

Internet Banking helps give the customer's anytime access to their banks. Customer's could check out their account details, get their bank statements, perform transactions like transferring money to other accounts and pay their bills sitting in the comfort of their homes and offices. But the biggest limitation of Internet banking is the requirement of a Personal Computer with an Internet connection, but definitely a big barrier if we consider most of the developing countries of Asia like India. Mobile banking addresses this fundamental limitation of Internet Banking, as it reduces the customer requirement to just a mobile phone. The main purpose of Mobile Banking over Internet Banking is that it enables anywhere & anytime banking.

Banks have changed from paper-based banking solutions provider to the latest of the technologies like online-banking, mobile-banking, etc. There are many reasons why technology has not been able to ride the acceptance wave and cross the hurdle and become an acceptable feature in banking. As today's banking has redefined itself as customer centric as it is more important that the customer is happy with the services being provided. Unfortunately, the acceptance and adoption rates are very low even in the case of educated customers.

➢ MOBILE BANKING SERVICES :

- **Account Details :**
  a) Mini-statements and checking of account history
  b) Alerts on account activity
  c) Monitoring of term deposits
  d) Access to loan statements/card statements
  e) Mutual funds / equity statements
  f) Insurance policy management
  g) Pension plan management
- **Payments and Transfers :**
  a) Domestic and international fund transfers
  b) Micro-payment handling
  c) Mobile recharging
  d) Commercial payment processing
  e) Bill payment processing
- **Investment Details :**
  a) Portfolio management services
  b) Real-time stock quotes
  c) Personalized alerts and notifications on security prices Support
  d) Status of requests for credit, including mortgage approval, and insurance coverage
  e) Check (cheque) book and card requests
  f) Exchange of data messages and email, including complaint submission and tracking
- **Content Services :**
  a) Loyalty-related offers
  b) Location-based services
  c) General information such as weather updates, news.

❖ IMPACT OF MOBILE BANKING :

➢ POSITIVE IMPACT :

- **Cost Reduction:** The biggest advantage of mobile banking offers to banks is that it drastically cuts down the costs of providing service to the customers. For service providers, Mobile banking offers the next surest way to achieve growth.Countries like India where mobile penetration is nearing saturation, mobile banking is helping service providers increase revenues. Service providers are increasingly using the complexity of their supported mobile banking services to attract new customers and retain old ones.
- **To Control Fraud:** A bank could, through the use of mobile technology, inform owners each time purchases above a certain value have been made on their card. This way the

owner is always informed when their card is used, and how much money was taken for each transaction.

- **Reminder Facility:** Similarly, the bank could remind customers of outstanding loan repayment dates, dates for the payment of monthly installments or simply tell them that a bill has been presented and is up for payment. The customers can then check their balance on the phone and authorize the required amounts for payment. They can automatically view deposits and withdrawals as they occur and also pre- schedule payments to be made or cheques to be issued. Similarly, one could also request for services like stop cheque or issue of a cheque book over one's mobile phone.
- **Easy to avail Mobile Services:** A mobile is almost always with the customer. The customer does not have to visit the bank ATM or a branch to avail the bank's services. Research indicates that the number of customer's visits at a bank's branch has fallen down drastically after the installation of ATMs. With Indian telecom operators offering services like money transaction over a mobile, it may soon be possible for a bank to offer phone based credit systems. The use of mobile technologies is thus a win-win proposition for both the banks and the bank's customers.
- **Security features:**Customer will receive the alerts only in the mobile number, which it has registered with bank. Moreover the sensitive information such as account number is not sent as a whole. But only the last six digits and account type will be sent to the customer. The customer can receive his account balance and transactions only when the request is received from the mobile phone number registered and duly authenticated by the 4 digit Code number.

➢ **NEGATIVE IMPACT :**

- **Security:** Security experts generally agree that mobile banking is safer than computer banking because very few viruses and trojans exist for phones. However Mobile users are especially susceptible to a phishing-like scam called "smishing." It happens when a mobile banking user receives a fake text message asking for bank account details from a hacker posing as a financial institution. Many people have fallen for this trick and had money stolen through this scam. Online banking is usually done through an encrypted connection so that hackers cannot read transmitted data.
- **Compatibility:** Mobile banking is not available on every device. Some banks do not provide mobile banking at all. Others require you to use a custom mobile banking application only available on the most popular smart phones, such as the Apple iPhone and Blackberry. If you do not own a smart phone, the types of mobile banking you can do are usually limited. Checking bank account balances via text message is not a problem, but more advanced features such as account transfers are generally not available to users of "dumb phones."
- **Cost:** The cost of mobile banking might not appear significant if you already have a compatible device, but you still need to pay data and text messaging charges. Some financial institutions charge an extra fee for mobile banking service.

➢ FEATURES OF MOBILE BANKING :

A mobile payment service in order to become acceptable in the market as a mode of payment the following conditions have to be met :

a) **Simplicity and Usability**: The m-payment application must be user friendly with little or no learning curve to the customer. The customer must also be able to personalize the application to suit his or her convenience.

b) **Universality:** M-payments service must provide for transactions between one customer to another customer (C2C), or from a business to a customer (B2C) or between businesses (B2B). The coverage should include domestic, regional and global environments.

c) **Interoperability:** Development should be based on standards and open technologies that allow one implemented system to interact with other systems.

d) **Security, Privacy and Trust:** A customer must be able to trust a mobile payment application provider that his or her credit or debit card information may not be misused. The system should be foolproof, resistant to attacks from hackers and terrorists.

e) **Cost:** The m-payments should not be costlier than existing payment mechanisms to the extent possible. An m-payment solution should compete with other modes of payment in terms of cost and convenience.

f) **Speed:** The speed at which m-payments are executed must be acceptable to customers and Merchants.

g) **Cross border payments:** To become widely accepted the m-payment application must be available globally, word-wide.

➢ CHALLENGES FOR ADOPTION OF MOBILE BANKING :

- **Economic Challenges:** The rural population in India is spread across 6,00,000 villages, each with a low transaction value. Profitability can only be achieved by large volumes, requiring significant initiative from financial institutions. Therefore, any mobile banking must be inexpensive enough to be attractive for the end-customer over existing methods.
- **Regulatory Challenges:** Although the RBI is supportive of mobile banking in India, there are many regulations that are being put into place :

  i) Restricted to Financial Institutions: The guidelines state that only existing financial institutions and banks are allowed to offer mobile banking. For a very inexpensive solution, it would have been more effective to allow non-profit organizations to build their own MFI without being burdened by large existing infrastructure.

  ii) Rupee Transactions: All transactions must be done only in India's national currency i.e. Rupee. While this may not be a threat in the beginning, this may pose a constraint for interoperability between Indian mobile payments and the world. Also, it excludes providers from the profitable remittance market in India and limits areas from which mobile operators can be profitable.

  iii) Existing Account Holders: The guidelines also state that only those having a valid bank account would be allowed mobile banking. This limits the full potential of mobile banking to extend micro-credit and bring banking to the large number of unbanked customers in India.

- **Demographic Challenges:** India has 18 official languages which are spoken across the country. The state governments are dictated to correspond in their regional language for official purposes. Additionally, two-thirds of the population in India is illiterate, creating difficulties in deployment of mobile banking solutions.

➢ CONCLUSION :

It is well recognized that mobile phones have immense potential of conducting financial transactions thus leading the financial growth with lot of convenience and much reduced cost. There are many positive factors introduced such as Cost Reduction, Control Fraud, Easy to avail Mobile Services and Reminder Facilities and have some Negative Factors are also introduced like Security, Compatibility and Costly Network Service Charges. For inclusive growth, the benefits of mobile banking should reach to the common man at the remotest locations in the country. For this, all stakeholders like Regulators, Govt, telecom service providers and mobile device manufactures need to make efforts so that penetration of mobile banking reaches from high-end to low-end users and from metros to the middle towns and rural areas. Inclusion of non-banking population in financial main stream will benefit all. There is also need to generate awareness about the mobile banking so that more and more people will use it for their benefit.

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REACHING OUT TO THE UNBANKED MINORITY IN INDIA: AN EXPLORATORY CASE STUDY OF MUSLIM COMMUNITY

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Abstract

Millennium Development Goals was set up by United Nation to combat poverty, illiteracy, income inequality etc. But MDGs have been criticized for ignoring the specific vulnerabilities that minorities are faced with. According to Sachar Committee Report, Indian Muslims are lagging behind in comparison to the Schedule Caste and Schedule Tribe in almost all socio-economic indicators. Percentage of population does not have access to financial services in India itself very large and if we compare it in Socio-Religious Groups then Muslim community is lagging far behind in comparison with other communities. 'Financial inclusion' focuses attention on the need to bring previously excluded people under the umbrella of financial institutions. It is argued that such exclusion might lead to difficulties in gaining access to credit, general decline in investment, increased unemployment and social exclusion. The paper analyses the extent of financial exclusion in Muslim community in India and in what way Islamic banking will enhance the financial inclusion of Muslim community in India. Paper also discusses the issues and challenges faced by Indian Muslims for access of financial services.

Key Words: Financial Inclusion, Financial Institutions, Islamic Finance.

JEL No: G2, G21, O16

Section I

The United Nations Millennium Development Summit outlined eight development goals, 18 targets and 48 measurable indicators to combat poverty, hunger, illiteracy, gender inequality, diseases and environmental degradation. With as many as 189 countries, India being one of them, pledging to adopt the goals and their targets in their respective national planning frameworks (T. Fazal, 2013).

The adoption of the MDGs implied that henceforth, individual governments and the international community would be accountable in promoting human well-being. With the deadline set at 2015, the MDGs also sought to ensure a time-bound accelerated pace of development in the targeted areas of immediate attention. A decade later, a review report of the United Nations noted with satisfaction the catalytic role that the MDGs had played in reducing national poverty in many of the developing economies of world.

Inclusive Growth was the punch line of 11th plan the vision document of the 11th plan is to build on our strengths to trigger a development process which ensures broad based improvement in the quality of life of the people, especially the poor, scheduled castes (SCs), Schedule Tribe (STs), other backward classes, minorities and women. In quantifiable terms, the inclusive growth strategy involved identifying 27 targets at the national level that were placed in six major categories namely: (i) income and poverty (ii) education (iii) health (iv) women and children (v) infrastructure and (vi) environment.

The MDGs fail to acknowledge that religious minorities especially Muslims face cumulative deprivation, which impacts their material life such as access to welfare schemes, modern education, employment opportunities etc. It is observe that prevailing condition of injustice, insecurity and social exclusion against religious minorities might adversely affect the development process of the country.

Table I

Poverty Ratio by Social Groups and Residence: All India and Selected States

Urban poverty	All India			All Hindus			SCs/STs			Muslims		
	2004-05	1993-94	1987-88	2004-05	1993-94	1987-88	2004-05	1993-94	1987-88	2004-05	1993-94	1987-88
All India	29	33	38	27	31	36	46	51	44	44	47	53
UP	32	35	45	27	31	33	46	57	49	43	56	58
Bihar	42	34	53	38	31	52	70	52	62	57	46	57
West Bengal	24	23	33	21	20	29	41	37	48	44	41	57
Assam	7	8	17	5	6	17	7	14	22	13	22	21
Kerala	23	24	45	24	25	44	41	32	61	31	27	56
Rural Poverty												
All India	28	37	39	28	36	40	41	50	54	33	45	43
UP	34	42	45	33	43	45	45	59	60	37	43	47
Bihar	42	58	58	41	56	47	64	71	71	52	67	62
West Bengal	28	41	46	24	38	45	31	49	55	36	48	47
Assam	23	45	35	16	40	32	18	42	36	38	55	51
Kerala	13	25	25	13	24	24	37	36	17	17	32	37

Source: Sachar Committee Report, 2006

Above table shows that the poverty gap among different social groups in minority concentration states of India. If we compare the situation at all India level 44 per cent of Muslim community residing below poverty line in urban centres and 33 per cent in rural areas in 2004-05. Figure is much below than the national average and if we compare it with Hindu community Muslims are lagging far behind. But the conditions of SCs/STs are same as Muslims. Across the state poverty in Muslim community below the national level only in

Assam and four other states are above national level and poverty condition is very acute in Bihar where it constitutes around 16 per cent of population. And the situation almost same if we analyse the poverty level in rural India among the states and among the different socio-religious groups.

Muslims are discriminated and excluded in all most all socio-economic areas of development and the financial exclusion is acute problem due to the above problem faced by the community. Financial exclusion is one of the biggest challenges faced by the community but also the whole country.

Leyshon and Thrift proposed the first definition of financial exclusion. According to the authors, financial exclusion involves the "processes that serve to prevent certain social groups and individuals from gaining access to financial system" (Leyshon and Thrift 1995). The study emphasized on the role of geographical exclusion, e.g. the difficulties experienced by certain individuals in accessing financial services because of the lack of a bank branch in their area or because of the closer and relocation of branch. Subsequent research studies adopted this "in and out" approach but explored other causes which explained access difficulties (Devlin 2005; Kempson 2001; Sinclair, S. 2001). The study emphasised that difficulties of access can also be explained by condition of exclusion (e.g. Services are costly), market-exclusion (e.g. information about new products is not displayed to non-desirable customers), self-exclusion (e.g. people do not access financial products because of fear or distrust of banks or because they have already been refused).

The European Commission (EC) defines financial exclusion as a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong (Commission 2008). Although the term 'normal social life' was not explicitly explain how far financial inclusion policies should go, the European Commission definition, and the fact that financial exclusion has been expressly incorporated in its poverty and social exclusion agenda, represents a step ahead of the more restricted focus on individual 'accession' to the main stream financial system. In another study, it was highlighted that financial exclusion is attributable to an intersection of migrant status with several disadvantages such as gender, ethnic and racial inequalities, as well as immigration status and labour market position (Datta 2009). It was also reported that Muslim communities may have faced financial disadvantages because of their faith and religious belief which make them financially excluded from the mainstream financial systems (Pearson 2008).

Table II

	Literates as proportion by Age Groups- 2004-05				
Age Groups		Hindus		Muslims	Other Minorities
	Gen	OBC	SCs/STs		
6-13 years	90.2	80.8	74.7	74.6	88.5

14-15	95.7	87.5	80	79.5	91.9
16-17	95	85.2	78.6	75.5	9.3
18-22 yrs	91.4	76.9	65	70.5	85.8
23 yrs& above	74	50.6	36.5	46.1	67
Total	80.5	63.4	52.7	59.9	75.2

Source: Estimated From NSSO 61st Round SCH. 10 (2004-05)

Above table shows the literates as proportion by Age Groups among different socio-religious groups during 2004-05. After analysing the table Muslim community is above SCs/ STs. But lagging far behind if we compare with other communities.

Poverty, illiteracy and negligence from the part of the consecutive government of the country towards the minority especially Muslim community is the root cause of deprivation, discrimination and exclusion faced by the community.

Section II

Financial Inclusion is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players[1].

- A fundamental right to receive banking services without discrimination
- Direct correlation of financial exclusion and poverty
- Includes payments, savings, insurance and credit

India has a third of the world's poor, 68.7 per cent of Indians live on the less than US $ 2 per day (World Bank).Around 35 per cent of population have access to formal banking services and more than 80 per cent population do not have insurance.

The population of Muslims in India is around 176 million populations and it is around 14.4 per cent of total population of the country and third largest Muslim population in the world. Sachar Committee Report Revealed that on many indicators Muslims are behind even the SC/ST community, especially in terms of financial inclusion. Muslims dominated areas are not adequately serviced by banks and 40 per cent Muslims are self-employed. It is noteworthy that the share of Muslims in the 'amount of outstanding' is only 4.7 per cent to as high as share of 6.5 per cent for other minorities. On an average the amount outstanding per account for Muslims is about half that of other Minorities. Muslims avail just around 4 per cent and 0.48 per cent credits from NABARD and SIDBI[2]. The credit deposit ratio is also very low, CD ratio for the community is only 47 per cent and the national level is around 74 per cent.

[1]K.C. Chakarbarty, Deputy Governor, RBI

[2] Achieving Financial Inclusion for Muslims in India: How can Islamic Finance Help, Ethica, Institute of Islamic Finance

In recent years there has been a significant public debate on the conditions of minorities, especially Muslims. Today, Muslims are rated as the most under-privileged community like Scheduled Castes (SCs) and Scheduled Tribes (STs) in India. The feeling that Muslims are deprived of sharing development fruits has caused great sense of alienation among the Muslims. The 'Sachar Committee Report' published in 2006, revealed the nature and degree of Muslim backwardness. For IndianMuslims, already suffering from severe economic backwardness, this sort of financial exclusions is proved to be an act of economic assassination of Muslims by so called secular democratic system.

For Muslims, as per the Sachar Committee report based on census 2001 data, the percentage of household availing banking facilities is much lower in towns and villages where the Muslim population is high. This is due to a certain mindset prevailing in the banking sector which has categorized Muslims and Muslims dominated areas as 'Negative Zones' as documented in Sachar report. Prohibition of interest and thus for reasons of faith Muslims are away from the conventional banks as referred in the report of the Committee on Financial Sector Reforms (CFSR) of the Planning Commission headed by Dr. R. Rajan. The access of Muslims to bank credit, including the priority sector advance (PSA), is limited and this is well documented. The average size of credit is also meager compared with other groups both in public and private sector banks. The percentage of households availing banking facilities is much lower in villages where the share of Muslim population is high. While part of this could be due to lower demand for credit owing to low income levels of the community, another reason for such an outcome could be no availability of banking facilities in these villages. Financial exclusion holds back its victims from progress and development by imprisoning them in a vicious cycle of social deprivation and poverty. It is impossible to measure the overall impact of financial exclusion on the excluded section of the society due to the complex nature of this problem. However, the fact that it is closely interconnected with poverty, level of education, unemployment, health, family breakdown and exploitation from illegal and predatory lenders is highly documented (McKillop and Wilson, 2007, p.9)

After a careful study of the Prime Minister's 15-Point Programme in 44 minority concentration districts (59 bank branches) the Reserve Bank of India (RBI) found lack of thrust for increasing the credit flow to minority communities in the lead banks. The study noted that no officers were designated to cater to the special needs of the minority borrowers in most of the districts. Even the District Consultative Committee meeting was not held in about half of the districts; and the banking staffs was not sensitized to address the exclusive needs of the minority communities. While development programme publicity was absent; it found that even the most important Entrepreneurship Development Programmes were also not promoted. Realising the limitations enunciated above, the RBI took corrective measures from time to time (Sachar, 2008)

Muslims constitute about 12 per cent of all account holders in scheduled commercial banks (SCBs). While this is close to their share in the total population (13.4 per cent), the share of other minorities is slightly more (8 per cent) than their share in the total population. It is noteworthy that the share of Muslims in the 'amount outstanding' is only 4.7per cent compared to as high a share of 6.5per cent for other minorities.The notion that Muslims do not participate in banking because of its “un- Islamic” interest-based system is a myth. Specific credit measures can bring about a substantial improvement in the economic status of Muslim.But Muslims’ share in loan accounts is much lower than their population share and their share in loan amounts outstanding is even worse. On an average, the amount outstanding (indicator of loans sanctioned) per account for Muslims is about *half* that for other minorities and only *one-third* of ‘Others’. While these trends can be observed for both public and private banks, the share of Muslims in amount outstanding is 2 per cent higher in private sector banks.

One of the interpretations of the difference in percentage share in the number of accounts and the amount outstanding is that, while Muslims are able to get loans sanctioned, the amounts obtained for on average are small in comparison to other groups. For example, while the amount outstanding per account for Muslims has steadily gone up from Rs. 16319 in March 2001 to Rs. 32770 in March 2005 in respect of all scheduled commercial banks, the same ratio for other minorities is Rs. 34204 in March 2001 and Rs. 54186 in March 2005. On an average the amount outstanding per account for Muslims is about half that of other Minorities. The amount outstanding per account for Muslims in private sector banks varies from Rs.41085 in March 2001 to Rs.130224 in March 2005 as compared to Rs. 15581 to Rs. 28747 in public sector banks during the same period. On an average, the amount outstanding per account is higher for each socio religious communities in private sector banks as compared to public sector banks. As noted, this probably implies that the private sector banks typically provide fewer but larger loans. Even within private sector banks, the Muslims tend to get smaller loans than other socio religious communities.

Table III

Priority Sector Advances extended to SRCs by Type of Bank in India and 44 selected Minority Concentration Districts

(Average of 5 years ending 31 March 2001 to 31 March 2005)

Parameter	Public Sector Banks			Private Sector Banks		
	Muslim	Other Minorities	Others	Muslim	Other Minorities	Others
(a) All Districts in India						
No. of Accounts (% of Total)	12.2	8.1	79.7	11.3	10.5	78.2
Amount Outstanding (% of Total)	4.6	6.3	89.1	6.6	7.9	85.5
Amount Outstanding per Account (Rs/account)	19837	40686	59055	111634	201840	274911
% share in Population	13.4	5.6	80.9			
(b) 44 Minority Concentration Districts						
No. of Accounts (% of Total)	21.3	5	73.7	20.7	14.9	64.4
Amount Outstanding (% of Total)	7.9	3.7	88.4	9.9	7.7	82.4
Amount Outstanding per Account (Rs/account)	20343	40203	64665	108435	114971	330103
% share in Population	32.8	2	65.2			

Source: Sachar Committee, 2006

The above table clearly depicts the Priority sector Advances to Socio-Religious Communities by public and private sector banks in 44 selected minority concentration districts in the country, in which Muslims having only 12.2 % of account holders and 8.1 % in other minorities and 79.7 accounts holder belongs to other communities in public sector banks. Things are almost same in private sector banks at all India level. Muslims lagging far behind in per cent of amount outstanding and outstanding amount per account provided by public and private sector banks in comparison with other SRCs in India.

Data revealed that in 44 minority's concentration districts the account holders are only 21.3 per cent but constitutes 32.8 per cent of the population. The above table shows the extent of financial exclusion in minority's concentration districts in India.

Section III

State Level Analysis of Financial Position:

An analysis of four major states having large number as well as proportion of Muslim population namely West Bengal, Kerala, Uttar Pradesh and Bihar presents a depressing scenario. For example, in West Bengal, just above 29 per cent of accounts are held by Muslims, 4 per cent more than their share in population; but the share of amount outstanding is an abysmal 9.2 per cent. In case of Kerala the respective shares are 22 per cent and 16 per cent for Muslims — which is lower than their share in population of 25 per cent. A similar situation is found in Uttar Pradesh and Bihar — where the share of Muslims in number of accounts is more or less comparable with their population share, but in terms of amount outstanding their share is significantly lower. The situation in other states is broadly similar. In most of the states, Muslims have a higher share in the number of accounts than other Minorities, except in Delhi and Maharashtra. In fact, in the states of Assam and Delhi, the gap between the share of population and share of accounts is wider than in other states. This is in sharp contrast to the situation for other Minorities whose share in accounts is higher than their population share in most of the states. Gujarat, Madhya Pradesh, Tamil Nadu and Orissa are the only states where Muslims even have higher share in accounts compared with their share in population. Thus, the state-level situation is similar to the one noticed at the national level; RBI's efforts to extend banking and credit facilities under the Prime Minister's 15-point programme has mainly benefited other minorities, marginalising Muslims.

A direct comparison between the percentage share of Other Minorities and Muslims in accounts and amount outstanding is misleading because of their disparate population shares. Such a comparison predictably shows that the share of Other Minorities in both these parameters is lower than that of Muslims. But what is interesting is that in 33 out of the 44 minority concentration districts the share of Other Minorities in accounts is higher than their population share (against 13 districts for Muslims). The corresponding figures for share in amount outstanding are 32 and 4 respectively. This is in line with the earlier finding for states that the position of Muslims is somewhat better in terms of number of accounts, but much worse when it comes to amount outstanding.

The share of Muslims in deposit accounts is again much lower than their population share. Out of 1800 lakhs deposit accounts with SCBs, the share of Muslims is only 7.6 per cent; this is slightly higher than their share in amount deposited (7.4per cent). But what is interesting in this analysis is that their share in amount deposited matches their share in accounts, which is not the case with credit. In Uttar Pradesh and Bihar, the share of Muslims in deposit amount is higher than their share in accounts. In West Bengal, however, the share of Muslims in amount deposited (5.5per cent) is much lower than their share in accounts (12.1per cent), the differences are marginal in Kerala. In 10 out of the remaining 17 states, the share of Muslims in amount deposited is higher than their share in accounts. Uttar Pradesh and Bihar show higher deposit per account for Muslims than the respective state average, Kerala shows a marginal difference and only West Bengal shows deposit per account for Muslims that is slightly less than half of the state average. The deposit per account for Muslims is higher than the state average in respect of 10 out of the remaining 17 States, with the differences being marginal in two other States. Even at the country level, the amount deposited per account for Muslims at Rs.28829 is only slightly lower than the national average at Rs. 29369. This is in sharp contrast to the situation prevailing for PSAs, where it was noticed that amount outstanding per account for Muslims is about half that of other minorities and one-third or others. This shows that the Muslim community is not averse to banking and more improvements can be brought about with specific measures.

Bihar is the states with Muslim population of 16.5 per cent are highly marginalised community and mostly financially excluded minority. The Ministry of Minority Affairs (GOI) has identified 90 minority-concentrated backward districts using eight indicators of socio-economic development and amenities based on 2001 census data, with the purpose of improving all these indicators and bringing them to the All-India level through a Multi-Sector Development Plan (MSDP) under the Eleventh Five Year Plan of which there are seven Minority Concentrated Districts (MCDs) in Bihar. The state has 12.8 per cent share of Muslim in bank account and 7 per cent share in the amount which is lower as compared to other state like Kerala 21.6 and 15.8 per cent respectively, though Muslims have a higher share in the number of accounts than other Minorities. In Uttar Pradesh and Bihar, the share of Muslims in deposit amount is higher than their share in accounts. In West Bengal, however, the share of Muslims in amount deposited (5.5per cent) is much lower than their share in accounts (12.1per cent), the differences are marginal in Kerala. In some states the share of Muslims in amount deposited is higher than their share in accounts which is a satisfactory situation. Bihar shows higher deposit per account for Muslims than the respective state average, Kerala shows a marginal difference and only West Bengal shows deposit per account for Muslims that is slightly less than half of the state average.

Priority Sector Advances of ASCBs for the SRCs by States

(Annual Average for 5 Years' ending 31st March 2001 to 31st March 2005)

State (Population Shares)	Total PSA		Muslims		Other Minorities		Others	
	No.of A/Cs 000	Amt. O/S (Rscrore	% age Share in A/Cs	% age share in Amt. O/S	% age Share in A/Cs	% age share in Amt. O/S	% age Share in A/Cs	% age share in Amt. O/S
West Bengal (25.2; 2.1)	2192	10172	29.3	9.2	0.9	0.7	69.8	90.1
Kerala (24.7; 19.0)	2757	10788	21.6	15.8	27	22.2	51.4	62
Uttar Pradesh (18.5; 0.8)	3295	18209	16.3	8.6	4	3.8	79.7	87.6
Bihar (15.9; 4.4)	2413	4447	12.8	7	2.5	1.9	84.7	91.1
Assam (30.9; 4.1)	245	1461	16.9	7.9	3	2.1	80.1	90.1
J&K(67; 3.4)	249	1487	41.1	54.4	34.9	5.6	24	40.1
Karnataka (12.2; 2.9)	2271	17920	10.6	4.7	3.3	2.2	86	93.2
Delhi (11.9; 5.1)	239	18073	4.2	0.5	8.5	2.7	87.2	96.8
Maharashtra (10.6; 7.6)	1934	34820	6	2	6.6	2.3	87.4	95.7
Andhra Pradesh(9.2; 1.6)	5500	19639	7.5	2.8	3.6	1.6	88.8	95.6
Gujarat (9.1; 0.7)	1087	9485	12.4	2.6	0.9	0.6	86.7	96.8

Rajasthan (8.5; 1.6)	1238	9572	7.2	3	3.5	4.5	89.3	92.4
Madhya Pradesh (5.2; 1.9)	2543	11074	17.4	3.1	2.6	1.6	80.1	95.3
Haryana (5.8; 5.7)	682	7455	2.6	0.7	10.1	5.4	87.3	94
Tamil Nadu(5.6; 6.1)	7318	22989	9.6	6.6	7.5	3.9	82.9	89.5
Orissa (2.1; 3.5)	1186	4789	5.4	2	2.7	1.8	91.9	96.2
Himachal Pradesh (2.0; 2.6)	229	1368	2	0.6	3.3	2.6	94.8	96.8
Punjab (1.6; 61.3)	1047	15072	1.1	0.3	63.5	42.4	35.4	57.3
Other States 5.6; 45.0)	1053	7498	7.8	2.8	12.8	13.5	79.4	83.7
INDIA (13.4; 5.6)	37476	226219	12.2	4.6	8.1	6.6	79.7	88.9

Source:Sachar Committee, 2006

Note: 1. Figures in brackets after states represents the share of Muslims and Other Minorities in the Population of the State

Note: 2. The data for Chhattisgarh, Uttaranchal and Jharkhand (formed within the period being studied) have been amalgamated into the data for Madhya Pradesh, Uttar Pradesh and Bihar, respectively

Above table shows that the priority sector advances of All Schedule Commercial Banks for the Socio-religious communities for the states. Table clearly depicts the share of Muslim communities in banking services in schedule commercial banks.

Section IV

Why India Needs Islamic Finance:

Islamic banking seems an alien concept in India's conventional banking world. Despite its impressive growth in other parts of world such as Middle East, South East Asia (which primarily include Malaysia and Indonesia) and Europe, it is yet to find favour with the Indian authorities. Islamic banking, also known as interest free banking or finance, is a banking system, which promotes profit sharing, but prohibits the charging and paying of interest. This system is based on the principles of Sharia Islamic Law, which are derived from the Holy Quran and the “Hadeeth”.

In Islamic banking, productive activities which promote entrepreneurship, trade, commerce and societal development are supported, while those which earn income sans risk- such as interest (Riba) bearing transactions- and unproductive activities like speculation or gambling are prohibited.

Basic tenets of Islamic banking:

- Payment and receipt of interest (Known as Riba) is strictly prohibited.
- The business is based on profit and loss sharing.
- Certain industries, such as adult entertainment, alcohol, and gambling are “haram” (disallowed by Sharia) and prohibited for investment. Due to this Islamic Banking is also referred to as Ethical banking.
- Banks may not lease or lend any product that they do not wholly own.
- Trading in debt is also not allowed, that is why bank do not deal traditional bonds; rather they have their own version of such instruments called Sukuk (Islamic Bond).
- Interst free loans (QardHasan) are encouraged to spread financial inclusion.

To have true financial inclusion in India and meet the goals set out by the government, it is imperative that the Indian Muslim community to be considered from their actual needs and aspirations perspective, a growing number of Muslims will increasingly exclude themselves from the conventional banking and financial system due to their religious sensitivities and not because of poverty or illiteracy thus further marginalizing their already backward status. Thus it is imperative that Islamic finance be introduced in the country and Muslims be allowed to conduct financial activities as per their preferences.

Recent Development in the field of Islamic Banking in India:

Recently, the RBI Governor D Subbarao recommended introducing Islamic banking in India and wrote to the Government about amending the law to facilitate the same (6).

In 2008, a high level Committee on Financial Sector Reform (CFSR) of the Planning Commission of India (2008) headed by Dr.RaghuramRajan had recommended the introduction of interest-free finance and banking as part of mainstream banking in the interest of inclusive, innovative growth.

As per the Pew Research Centre, India was home to nearly 177 million Muslims in 2010, making it the country with the third largest Muslim population in the world. A considerable number of Indian Muslims either invest in non-interest bearing accounts or donate the interest from interest-bearing accounts to charity. There is an opportunity for Islamic banks to attract funds that interest paying conventional banks cannot.

Traditionally, Indians practised participatory banking by creating cooperative banks, nonbanking financial institutions and micro credit programmes; the same platform can be used to introduce Islamic Banking.

- The religious dimensions and Muslims perspective to financial inclusion is lacking in the present discourse from all stakeholders; politicians, bankers, bureaucrats, press, etc.
- Without Financial inclusion of Indian Muslims, their economic development is not possible, and it will not possible for India to achieve inclusive growth in true sense.

Conclusion:

The access of Muslims to bank credit is low and inadequate. The average size of credit is also meager and low compared with other SRCs both in public sector banks and private sector banks. The position is similar with respect to finance from specialized institutions such as SIDBI and NABARD. The Census 2001 data shows that the percentage of households availing banking facilities is much lower in villages where the share of Muslim population is high. One of the reasons for such an outcome could be non-availability of banking facilities in these villages. The financial exclusion of Muslims has far-reaching implications for their socio-economic and educational uplifment. To empower Muslims economically, it is necessary to support self- employed persons by ensuring a smooth flow of credit to them.

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INDIA'S FOREIGN TRADE AND NATIONAL INCOME

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Abstract

The 1990s have witnessed momentous change in Indian trade Policy. India launched a macro-economic stabilization programme in 1991 to overcome the immediate balance of payments crises. This stabilization programme was supplemented by a major structural reforms exercise encompassing the industrial, trade, fiscal, financial and external sectors of the economy.Trade policy occupies a central place in our economic restructuring. Trade Policy is not merely a matter of exports and imports, but is essential for realizing our true potential in the global market place. In response to the ongoing reforms, India achieved the goal of making exports as 'kingpin' by increasing exports manifold during 1980-81 to 2015-16. The income terms of trade also improved during the same period.

Keywords: Export, Import, Terms of Trade and Growth.

1. **Introduction:**

The increasing interaction of domestic economies with the world economy is generally termed as 'Globalization'. Globalization is reflected in the rising share of international trade in world output. The nineteen nineties are marked by an extra ordinary trend towards globalization in the economic sphere. This movement owes much to the initiatives of the developed countries, particularly the United States of America, and international institutions functioning in the spheres of commerce and finance, namely the GATT and its successor, the World Trade Organization, and the International Monetary Fund and the World Bank.

Though, the process of economic reforms in India started during eighties, the real thrust were given in 1991. The Indian economy was undergoing much change, especially since 1991. These changes have affected almost all sectors of the economy. An economy , which has been highly regulated since 1951, is fast dismantling the various controls. One important element of liberalization in India is opening of the economy. A number of steps have been taken to open up the economy. India's commercial policy has been liberalized to a great extent. Import duties have been reduced and customs regulations soften. The Foreign Exchange Regulation Act was modified to reduce a number of controls on current exchange transactions. The rupee has been made fully convertible on current account and so many measures were taken to correct the problems of balance of payments. Recently, new Foreign Trade Policy,2015-20 has been announced keeping in view to accelerate the growth of international trade and to make India a significant participant in the world trade by the year 2020 and to enable the country to assume a position of leadership in the international trade discourse.

Thus, the present paper has been devoted to analyze the effects of international trade after liberalization and globalization of the economy on the GDP growth. The paper is divided into five sections and the data has been collected through various published reports and documents by the governments.

2. **Foreign Trade Policy Reforms:**

A striking feature of India's trade policy in the last three decades has been the gradual but continuous shift away from the **'Inward-Looking'** import-substituting trade strategies adopted in the past towards policies that are more **'Outward-Looking'** and market oriented.

As is well-known, following her independence, India opted for an Import-Substituting Industrialization (ISI) strategy. Guided by the export pessimism expressed in the writings of Nurkse, Prebisch and Singer, Indian policy makers did little to encourage exports [1]. Export pessimism dominated the mood of the early planners as it was rightly assumed than that until India's manufactures began to be diversified, there was little possibility of exporting manufactures, particularly as primary products and traditional manufactured goods had poor demand prospects in the world market[2]. Hence, the attention was focused instead on setting up a policy regime that discouraged imports and encouraged domestic production for the home market.

Imports were controlled through an extensive import licensing system and extremely high levels of tariffs. Consumer goods imports were more or less banned while in the case of capital and intermediate goods, quantitative restrictions were used to ensure that goods available domestically were not imported. When, in case of shortages, these goods were imported, tariffs were used to ensure that their landed prices were higher than domestic producer's prices. Capital goods and intermediates not indigenously produced were placed on the 'Open General License' (OGL) list, which itemized commodities not requiring on import license. However, even here, several restrictions were enforced. Thus, OGL imports of capital and intermediate goods were subject to the 'Actual User' criterion, i.e., the importing firm had to be an 'actual user' and could not sell the imported item, for five years without the approval of the licensing authorities. OGL imports of capital goods were subject to the additional caveat that the resulting increase in productive capacity be compatible with the capacity approved by the domestic industrial licensing authorities. Furthermore, the imports of second hand machinery and equipment, even if was on the OGL list, were restricted.

The protection provided to domestic industry, the import licensing system was further intensified by extremely high levels of tariffs across the board. The protectionist regime, apart from encouraging wasteful rent-seeking activities, by virtually eliminating all external competition, encouraged indiscriminate and inefficient import-substitution. At the same time, the domestic industrial licensing system put severe limits on internal competition. The net result was the growth of high-cost, capital-intensive domestic industry that was by and large incapable of withstanding international competition.

Exports had no major role to play in India's development strategy in the early years and were generally treated as a marginal activity, to be actively promoted only in periods of slack domestic demand, or where there were balance of payments pressures. The export of a large number of commodities was subject to quantitative restrictions via an elaborate export licensing system. Thus, there were goods whose export was not allowed, goods whose export was considered ‘on merits’, i.e., on a case by case basis, exports allowed under ‘limited ceilings’, i.e., export quotas which were announced and allocated each year; goods whose export was canalized i.e., could only be undertaken by public sector trading agencies; and goods on an OGL list that could be exported subject to prescribed conditions. The aim of this licensing system was essentially threefold: first, to ensure that an ‘essential’ commodity was not exported when domestic supply was less than domestic demand (in effect, to ensure domestic price stability); second, to guard against adverse price movements in those international markets in which India was a large player; and third, to ban the export of certain products so as to promote exports of ‘higher value added’ downstream products which use them as inputs. Given the restrictive import regime, however, these bans, rather than encouraging exports, served more to promote production for the domestic market.

Hand in hand with these quantitative restrictions went a system of export incentives, the earliest being the Duty Drawback Scheme introduced in 1954, which reimbursed exporters for tariffs paid on import of raw materials and intermediates used in export production. Further incentives were introduced between 1959 and 1966, a period of intense balance of payments pressures. These included the Cash Compensatory Support (CCS) Scheme and Replenishment (REP) license. The CCS was designed to compensate exporters for unrebated indirect taxes paid on inputs that entered export production. It involved the largest single direct budgetary outlay in support of exports and was phased out in 1991-92. REP licenses were essentially tradable import entitlements awarded to exporters on a product-specific basis. They allowed the exporters to import, either for own use or for resale, raw materials and components not on the OGL list. REP licenses attracted considerably high Premia in the domestic market throughout the 1960s and 1970s; they constituted a substantial export incentive. But, even when taken together, these export incentives were evidently too small to counter the bias against exports generated by a restrictive import regime.

Quite clearly, currency depreciation could have been used to increase the profitability of exports vis-a-vis domestic sales. However, in India, it was only in the 1980s that the exchange rate was used deliberately and consistently as an instrument to promote exports. In fact, through most of her post-independence years, India has had a grossly overvalued currency and an extremely restrictive exchange rate regime in place. Until very recently, the Indian rupee was not convertible, either on the capital account or on the current and trade accounts. Foreign (private) capital inflows were restricted, and domestic residents (including exporters) were not allowed to either hold or deal in foreign currencies. The Government, through the RBI, was the sole foreign exchange dealer in the country and it generally set the nominal exchange rate for below market-clearing levels. The resulting excess demand for foreign exchange was dealt with via rationing. Scarce foreign exchange was first allocated to priority items that only the Government could import – food, fertilizers, petroleum and defence equipment. Only after these were funded, was foreign exchange released, through the import licensing system for other imports.

Thus, through most of the 1960s and 1970s India's trade and exchange rate policies were severely biased against exports. And it paid dearly for this bias, both in terms of lost employment opportunities, as India's comparative advantage lay in labour intensive exports, and in terms of lost growth opportunities, as she failed to exploit the rapidly expending world markets during this period while the East Asian countries switched to Outward-Oriented strategies, and rode the crest of this expansion, Indian economic policies remained resolutely **'Inward-Looking'** and her share in world exports declined steadily from 1.03 per cent in 1960 to 0.43 per cent in 1980[3].

Beginning with the export-import policy of 1977-78, there was slow but sustained relaxation of import controls. Several capital goods that could not be imported without an import license were steadily shifted to the OGL category. The number of capital goods on the OGL list increased from 79 in 1976 to 1170 in April 1988. These changes were made with the intention of allowing domestic industries to modernize. Moreover, during the 1980s the import licensing of capital goods in the restricted list was administered with less stringency. As a consequence, the import penetration ratio in the capital goods sector increased from 11 per cent in 1976-77 to 18 per cent in 1985-86. In the case of intermediate goods too, there was a steady shift of items from the restricted and limited permissible categories to the OGL category. However, in practice, a capital or an intermediate good was placed in the OGL list only if it was not being domestically produced. Thus, import liberalization during this period may not have led to immediate direct competition to established producers of immediate and capital goods in India (though in several instances, the goods that were allowed to be imported were imperfect substitutes of domestically produced goods). Furthermore, the average effective tariff rate for capital goods increased from 37 per cent in 1973-74 to 63 per cent in 1988-89. Thus, the liberalization of the 1980s through expanding the OGL list merely freed the importer from the bureaucratic hassle of obtaining an import license in advance. That itself was a big gain.

The pace of trade reforms – in particular, the shift from quantitative import controls to a protective system based on tariff – initiated in the mid-1970s was considerably quickened by the new Government (Led by Rajiv Gandhi) that came into power in November 1985. Restrictions on the import of capital goods were further eased to encourage technological modernization. Also, beginning in the mid-1980s, there was renewed emphasis by the new administration on export promotion. The number and value of incentives offered to exporters were increased and there administration streamlined. The allotment of REP licenses – tradable import entitlements awarded to exporters on product specific basis – became increasingly generous. Finally, the duty exemption scheme for imported inputs was extended to cover all imported inputs for both direct and indirect exporters[4]

The 1990s have witnessed momentous change in Indian trade Policy. India launched a macro-economic stabilization programme in 1991 to overcome the immediate balance of payments crises. This stabilization programme was supplemented by a major structural reforms exercise encompassing the industrial, trade, fiscal, financial and external sectors of the economy[5]

Trade policy occupies a central place in our economic restructuring. Trade Policy is not merely a matter of exports and imports, but is essential for realizing our true potential in the global market place. After four decades of planned development which led to the creation of a sound infrastructural and industrial base our trade and industry are now ready to go global. They have the capacity and the confidence to take up the challenge of the international market place. A policy framework oriented towards imparting an export culture and making our economy open, efficient and competitive is thus being created.

The accent of the trade reforms initiated since July 1991 is to move gradually towards the market mechanism by removal of administrative controls so that exporters can respond with speed and flexibility to changing international conditions. The basic intention has been to liberalise gradually the tightly controlled and complex trade regime with high nominal tariffs, quantitative restrictions on imports and exports, public sector canalization, phased manufacturing programme (PMP) for attaining import substitution and Government purchase preference for domestic producers.

On 4th July 1991, the then Commerce Minister, Mr. P. Chidambaram, announced a major overhaul of trade policy entailing. (i) Suspension of Cash Compensatory Support (CCS); (ii) an enlarged and uniform REP rate of 30 per cent of FOB value; (iii) abolition of all supplementary licenses except in the case of small scale sector and producers of life-saving drugs/ equipment; (iv) abolition of unlisted OGL and (v) removal of all import licensing for capital goods and raw-materials, except for a small negative list in 3 years.

So, new trade policy has ushered in sweeping changes in the existing trade scenario of the country. It embodies elements that are working to alter the very functioning of the economy for good.

The far-reaching changes incorporated in the trade policy aim at strengthening the export-profile of the country. It makes a radical departure from the past system of controlled-trade by giving a strong market-orientation to the trading in imports and exports. Even the task of equating the out go of foreign exchange for imports and incoming of foreign exchange on account of exports has been left to be accomplished by a market-based self balancing mechanism.

The policy is all set for making exports a kingpin in the new strategy of managing balance of payments and through it influencing the growth of the economy. This is in total contrast to the strategy of import-substitution, which has so far dominated the scene. The need for increasing exports has never been in doubt. However, it has received the highest priority in the new trade policy.

As far imports, the new trade policy aims at limiting them to the availability of foreign exchange earned largely through exports. For example, all imports have to be financed through the purchase of foreign exchange at the market rate. The imports have thus been linked with and limited to the availability of foreign exchange at the market rate [6]. India has also simplified foreign investment policy and opened up a number of sectors for foreign direct investment.

Thus, the trade policy reforms initiated in 1991 have drastically changed the foreign trade scenario and have resulted in the shift from **Inward-Oriented** to **Outward-Oriented** policy.

3.**Foreign Trade Policy, 2015-2020:**

The Foreign Trade Policy,2015-20, is a one step ahead in the direction of growth of international trade. The new five year Foreign Trade Policy provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in keeping with the "Make in India" vision of Prime Minister. The focus of the new policy is to support both the manufacturing as well as services sectors, with a special emphasis on improving the "ease of doing business'.

The Foreign Trade Policy 2015-20 introduces two new schemes, namely "Merchandise Exports from India Scheme (MEIS) for exports of specified goods to specified markets and "Services Exports from India Scheme (SEIS)" for increasing exports of notified services. To promote the domestic capital goods manufacturing industry, the measures have been adopted to nudge procurement of capital goods from indigenous manufacturers under the EPCG scheme by reducing specific export obligation to 75% of the nominal export obligation. Such flexibility will help exporters to develop their productive capacities for both local global consumption. Various other measures have also been taken to give a boost to exports of defence and hi-tech items along with Commerce exports of handloom products, books/periodicals,leather footwear,toys and customized fashion garments. A number of steps have been taken for encouraging manufacturing and exports under 100% EQU/EHTP/BTP Schemes[7].

The vision,mission and objectives of the FTP are to make India a significant participant in the world trade by the year 2020and to enable the country to assume apposition of leadership in the international trade discourse. The government aims to increase India's exports of merchandise and services from US $ 465.9 billion in 2013-14 to approximately US $900 billion by 2019-20 and to raise India's share in world exports from 2 per cent to 3.5 per cent[8].

4. **Foreign Trade and Growth:**

The exports and imports have much bearing on the health of the economy of a country. When a country exports brings money into the country, which increases the exporting nation's GDP. Conversely, when a country imports goods decreases the nation's GDP. The trade balance either may be positive or negative. If net exports are positive, the nation has appositive balance of trade. If they are negative, the nation has a negative trade balance. Because no nation wants a negative trade balance, some countries try to follow the policy to protect their own economy called *protectionism*, uses barriers to keep out imports through various import restricting measures, such as high tariffs[9]. However, the issues of international trade and economic growth have gained substantial importance with the introduction of trade liberalization policies in the developing nations across the world[10].It has been observed that with the opening of the economy and the liberalization of the trade restrictions, the countries, especially India and China, have grown over the years. The liberalized and globalized trade have positive influence on the economic growth of a country in different ways. International trade injects global competitiveness and hence the domestic business units tend to become very efficient being exposed.Due to the integration with the world economy, the entrepreneurs can have easy access to the technological innovations. They can utilize the latest technologies to enhance their productivity. Theinternational trade has also brought the reduction in thepoverty level in India utilizing the earnings for anti povertyprogrammes. During 1960s and 70s, India was a closed economy and there was not even 1% declined in the poverty level. The entire scenario changed with the liberalization and globalization of trade. According to Jagadish Bhagwat, the reduction in the poverty level is due to pull up rather a trickle- down effect[11].

There are three famous theories of international trade namely Absolute Cost Advantage, Comparative Cost Advantage and Hechscher-Ohlin theories propounded by Adam Smith, David Ricardo and Hescher-Ohlin respectively. The proponents of these theories were also in favour of free trade[12]. It can be said that the positive effects of international trade on economic growth was first pointed by Adam Smith (1776)[13]. Adam smith advocated free trade as the best policy for the nations of the world. According to Adam Smith with free trade each nation could specialize in the production of those commodities in which it could produce more efficiently than the other nations and then imports those commodities in which it could produce less efficiently. That is according to the absolute advantage trade theory, a nation should specialize in the production of exports of commodities in which it has lower cost or absolute cost advantages over others. This international specialization of factors in production would result in increase in world output. According to Comparative advantage, a country should specialize in producing and exporting only those goods and services which it can produce more efficiently, that, at lower opportunity cost than other goods and services which it should import[14]. The Hecscher-Ohlin also favoured the free trade considering two factors (Labour and Capital) models.

India's foreign trade policy was highly restrictive and central to growth strategy till 1980s. It was a major factor in India's poor growth performance.After independence, India focused mainly on to end disruptions caused by partition and the establishment of a new government. In 195-51, India started First Five Year Plan and completed mostly on going government projects. From Second Five Year Plan, broad economic policy guidelines were adopted. The growth targets were fixed for each plan and in most cases the achievements were below the targetedrates of growth.

"In 1950, it was estimated that more than 70 per cent of the population lived in rural areas and the agriculture accounted for about 56 per cent of the GDP. Per capita income was among the lowest in the world. Life expectancy at birth was about 32 years and literacy rate was 18 per cent. Gross domestic savings were about 8 per cent of the GDP, exports were just 6 per cent of the GDP. India was considered to be a poor country by all standared"[15].Table-3 gives the trends of GDP, fixed capital formation and trade ratios to GDP from the period of 1982-83 to 2013-14. In 1982-83, during trade restrictions period, GDP at factor cost growth rate was just 2.9 per cent increased to 7.29 per cent in 1995-96 showing favourable effects after five years of India's liberalization, privatization and globalization policies initiated in 1990-91. The fixed capital formation as per cent of GDP which was 19.8 per cent in 1982-82 accelerated gradually and reached to 32.9 per cent in 2007-08 remained 29.7 per cent in 2013-14 due to slow growth of GDP for last three years on account of overall global slow-down. However, the growth percentage of exports as per cent of GDP recorded fair increase of 17.1 per cent from the previous years which was just 4.8 per cent in 1982-83 increased to 9.1 per cent in 1995-96 and 12.6 per cent in 2005-6. The imports also increased during the same period along with the increase in GDP growth.

Table: 1 India's Foreign Trade (US $)

(US $ million)

Year	Exports			Imports			Trade Balance		
	Oil	Non-Oil	Total	Oil	Non-Oil	Total	Oil	Non-Oil	Total
1980-81	31.5	8453.2	8484.7	6654.9	9211.6	15866.5	-6623.4	-758.4	-7381.8
1985-86	527.2	8377.5	8904.5	4078.0	11988.9	16066.9	-3551.0	-3611.4	-7162.4
1990-91	522.7	17622.5	18145.2	6028.1	18044.4	2472.5	-5505.4	-421.9	-5927.3
1995-96	453.7	31341.2	31794.9	7525.8	29149.5	36675.3	-7072.0	2191.7	-4880.4
2000-01	1869.7	42690.6	44560.3	15650.1	34886.4	50536.5	-13780.4	7804.2	-5976
2001-02	2119.1	41707.6	43826.7	14000.3	37413.0	51413.3	-11881.2	4294.6	-7586.6
2002-03	2576.5	50142.9	52719.4	17639.5	43772.6	61412.1	-15063.0	6370.3	-8692.7
2003-04	3568.4	60274.1	63842.6	20569.5	57579.6	78149.1	-17001.1	2694.5	-14306.5
2004-05	6989.3	76546.6	83535.9	29844.1	81673.3	111517.4	-22854.8	-5126.7	-27981.5
2005-06	11639.6	91450.9	103090.5	43963.1	105202.6	149165.7	-32323.5	-13751.7	-46075.2
2006-07	18634.6	107779.5	126414.1	56945.3	128790.0	185735.2	-38310.7	-21010.5	-59321.2
2007-08	28363.1	134541.1	162904.2	79644.5	171794.7	251439.2	-51281.4	-37253.6	-88535.0
2008-09	27547.0	157748.0	185295.0	93671.7	210024.6	303696.3	-66124.8	-52276.6	-118401.3
2009-10	28192.0	150559.5	178751.4	87135.9	201237.0	288372.9	-58943.9	-50677.5	-10621.4
2010-11	41480.0	209656.2	251136.2	105964.4	263804.7	369769.1	-64484.4	-54148.5	-118632.9
2011-12	56038.5	249925.3	305963.9	154967.6	334352.0	489319.5	-98929.0	-84426.6	-183355.7
2012-13	60865.1	239535.5	300400.7	164040.6	326696.1	490736.7	-103175.5	-8716.6	-190336.0
2013-14	63179.4	251236.3	314415.7	164770.3	285443.3	450213.7	-11591.0	-34207.0	-135798.0
2014-15	56794.1	253557.9	310352.0	138325.5	309707.9	448033.4	-81531.4	-56150.0	-137681.4
2015-16	30423.5	231580.2	262003.7	82879.9	297476.4	380356.3	-52456.4	-65896.2	-118352.6

Source: Handbook of Statistics, RBI

Table: 2 **Index Numbers and Terms of Foreign Trade**

Year	Unit Value Index		Quantum Index		Terms of Trade		
	Exports	Imports	Exports	Imports	Gross	Net	Income
(Base 1978-79 = 100)							
1980-81	108.5	134.2	108.1	137.9	127.6	80.8	87.4
1985-86	170.8	158.8	111.3	182.3	163.8	107.6	119.7
1990-91	292.5	267.7	194.1	237.7	122.5	109.3	212.1
1995-96	484.2	351.0	384.3	514.8	134.0	137.9	530.1
(Base 1999-2000 = 100)							
1999-00	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2000-01	102.0	109.0	125.0	99.0	79.2	93.6	117.0
2001-02	103.0	112.0	126.0	103.0	81.7	92.0	115.9
2002-03	106.0	128.0	150.0	109.0	72.7	82.8	124.2
2003-04	114.0	132.0	161.0	128.0	79.5	86.4	139.0
2004-05	131.0	157.0	179.0	150.0	83.8	83.4	149.4
2005-06	139.0	179.0	206.0	174.0	84.5	77.7	160.0
2006-07	158.0	206.0	227.0	191.0	84.1	76.7	174.1
2007-08	166.0	210.0	245.0	218.0	899.0	79.0	193.7
2008-09	194.0	239.0	267.0	262.0	98.1	81.2	216.7
2009-10	196.0	215.0	264.0	288.0	109.1	91.2	240.7
2010-11	223.0	243.0	304.0	311.0	102.3	91.8	279.0
2011-12	268.0	425.0	331.0	246.0	74.3	63.1	208.7

2012-13	284.0	459.0	357.0	261.0	73.1	61.9	220.9
2013-14	312.0	518.0	378.0	233.0	61.6	60.2	227.7
2014-15	300.0	518.0	397.0	235.0	59.2	57.9	229.9

Source: Handbook of Statistics, RBI

Table: 3 Gross Domestic Products at Factor Cost, Capital Formation and Trade % of GDP

Year	GDP at factor cost	Gross Fixed Capital Formation	Trade (% of GDP)	
			Export	Imports
1982-83	2.92	19.8	4.8	8.3
1985-86	4.16	20.6	4.1	7.5
1990-91	5.29	23.8	5.8	8.8
1995-96	7.29	24.1	9.1	12.3
2000-01	4.15	22.7	9.9	12.6
2005-06	9.48	30.3	12.6	18.8
2006-07	9.57	31.3	13.6	20.1
2007-08	9.32	32.9	13.4	20.8
2008-09	6.72	32.3	15.4	25.2
2009-10	8.59	31.7	13.4	22.0
2010-11	8.91	30.9	15.0	22.4
2011-12	6.69	31.8	17.0	27.4
2012-13	4.47	31.4	16.8	27.5
2013-14	4.74	29.7	17.1	25.0

Source: Economic Survey,2014-15 & Handbook of Statistics, RBI

Prior to 1990s economic reforms, several ad-hoc efforts were made to encourage export growth and rationalize the trade regime. These measures had marginal effects, as bias of incentives toward import substitution remained substantial[16]. The evolution of exports and imports are given in Table-1 show that the trade balance was US $ -7381.8 million in 1980-81 due to more expenditure on imports of oil as compare to non-oil imports which was less in trade balance as a result of more exports. The exports of the country increased manifold as a result of trade liberalization in India. The total exports which wasUS $ 8484.7 million in 1980-81 increased to US $ 262003.7 million in 2015-16, despite facing global economic slowdown. However, "the brighter prospects in India owe mainly to the fact that the economy stands largely relieved of the vulnerabilities associated with an economic slowdown, persistent inflation, elevated fiscal deficit, slackening domestic demand, external account imbalances, and oscillating value of the rupee in 2011-12 and 2012-13"[17]. After a turbulent initial phase in 2013-14, the outcome as a whole was robust owing to the policies that were put in place to correct the extraordinary situation.

The terms of trade in Table.3 shows the quantity of imports that exports buy and income terms of trade is called the capacity to import(net barter terms of trade of a country multiplied by its exports index i.e.= Index of Export Prices x Export Quantity/Index of Import Prices)[18]. The income terms of trade which was 87.4 indices (178-79 prices) in `980-81, increased gradually during reforms period, specially after 1990-91. In 2014-15, India increased the capacity to purchase the imports more than the double as per the income terms of trade with 229.9 indices at base 1999-2000. These developments show the positive impact of economic reforms on Indian economy and contribution of trade in economic growth.

5Conclusion

India has undergone through radical changes, especially since 1991, from 'inward-looking' import substituting trade strategies to outward-looking market oriented approach. 1990s have witnessed a momentous change in Indian Trade Policy. The Trade Policy occupied a central place in our economic restructuring. The policy is all set for making exports a 'kingpin' in the new strategy of managing balance of payments and through it influencing the growth of the economy. In the new regime,the exports of the country increased manifold as a result of trade liberalization in India. The total exports which was US $ 8484.7 million in 1980-81 increased to US $ 262003.7 million in 2015-16, despite facing global economic slowdown. The fixed capital formation as per cent of GDP which was 19.8 per cent in 1982-82 accelerated gradually and reached to 32.9 per cent in 2007-08 remained 29.7 per cent in 2013-14 due to slow growth of GDP for last three years on account of overall global slow-down.The income terms of trade which was 87.4 indices (178-79 prices) in `980-81, increased gradually during reforms period. India increased the capacity to purchase the imports more than the double as per the income terms of trade with 229.9 indices at base 1999-2000. Thus, the trade reforms is having positive impact on the growth of national income.

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PERFORMANCE OF INFORMATION TECHNOLOGY (IT) INDUSTRY IN ENHANCEMENT OF SERVICES SECTOR OF INDIAN ECONOMY;A CASE STUDY OF IT HUB OF PUNE CITY

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Abstract

The contribution of services sector in real GDP growth has been high. Services sector contributed more than 66 per cent in real GDP growth in 2015-16 and provided employment opportunities to over 28 per cent of the population. The contribution from traditional segments of services sector is changing and emerging new segments with high growth rate are coming into picture. The emerging key segments of services sector which contributed significantly after reforms were introduced are IT and ITeS sectors. Today, IT sector is one of the fastest growing sectors in India. It contributed more than 42 per cent of services sector revenue and 9.8 per cent revenue in real GDP in 2015-16. Information technology sector plays a significant role in context of domestic and external earnings. The share of IT industry will account 10 per cent of the country's GDP and provide direct employment to over 10 million youth with indirect employment creation of 20 million by the year 2020. In 2016-17, India's IT sector is facing some challenges due to dollar exchange rate fluctuations, visa fees hike and restrictions by US and exit of Britain from European Union (EU). The result of these challenges may cause slowdown of growth expectations with 13-15 per cent annually. However, the outlook of the sector is impressive with the new innovative technologies of big data, SMAC, artificial intelligence (AI), etc.

Key words: Emerging new segments, impressive performance, innovative technologies, real GDP, reforms, services sector, vibrant, etc.

Introduction

Services sector is the fastest growing sector and plays a dominant role in the economic growth and development in India. The share of services sector increased from mere 43 per cent in 1991-92 to 66.3 per cent in 2015-16. It provided employment opportunities to over 28 per cent of the population. The contribution from traditional segments of services sector changed and emerging new segments with high growth potential came into picture after economic reforms were introduced. New emerging segment of services sector such as IT sector helped services sector of India to increase its position in GDP. IT industry has shaped the services sector through modernizations of banking, financial, education, social services and personal services. This has increased the efficiency, productivity and quality of services sector as a whole. Today, Indian economy has been transformed from rural and agricultural based to an emerging knowledge based economy by the IT industry.

India continues to maintain its global leadership in IT outsourcing with above 55 per cent share of total global IT and ITeS sourcing market (excluding engineering services and R&D) in 2015-16. The revenue growth of IT industry increased from mere $59.9 billion in 2008-09 to $130 billion in 2015-16. Exports being most important, it contributed $108 billion in total revenue while domestic sector contributed $22 billion in 2015-16. As the IT industry market is blooming with robust growth rate in 2016-17, higher growth is expected from both exports and domestic revenues. This sector is also a big contributor in employment generation. It contributed 3.7 million direct employment opportunities in 2015-16, of which more than 34 per cent of the employees were women. Indirect job creation was estimated around 10 million in 2015-16. In 2016 out of 55 countries, India ranked first in global outsourcing destination matrices, based on financial attractiveness, business environment and skilled human resource availability. It ranked fifteenth in global innovation index in information technology sector.

Objectives of the study

The main objectives of our study are:

1. To understand the emergence and development of services sector in Indian economy.
2. To study the performance of IT industry in enhancement of services sector of Indian economy after the economic reforms phase (1991-2015).
3. To analyze the role and significance of IT industry in contributing to GDP.
4. To evaluate the contribution of IT industry in domestic as well as international trade sectors of Indian economy.
5. To undertake a case study of Pune, Pimpri-Chinchwad by conducting a survey of IT entrepreneurs and IT services technocrats to know the challenges and opportunities of IT industry.
6. To identify the problems being faced by IT sector in Pune and try to find the solutions.
7. To evaluate the factors influencing IT industry in Pune and its policy implications for other cities in India.
8. To make recommendations based on the findings of this research study.

To fulfill the first four objectives of our study, we used the secondary sources of data such as NASSCOM reports, RBI reports and bulletins, CSO, Planning Commission data and other various publications on the research topic. While considering the time and resource availability, analysis of the contribution of IT industry in enhancing the city's growth and development is restricted to Pune and Pimpri-Chinchwad as a case study method. This analysis is based on the data collected by survey method from the respondents of IT and ITeS related firms in the study area.

Research methodology

Our study has major focus on the performance of information technology (IT) industry in enhancement of services sector in Indian economy. This study is based on the variables that directly influence the performance of IT industry in Pune city. The variables like availability of skilled/talented employees in Pune, infrastructural facilities, effectiveness of government policies and support in study area, problems and prospects of IT industry in Pune are considered for the study. To find the impact of IT industry, variables such as growth of IT sector, role of IT industry in economic growth and development, employment opportunities provided by the IT sector in Pune and Pimpri-Chinchwad are considered. International and domestic demand for software technologies through innovative and enterprising activities are explored. Primary data were collected directly from the randomly selected respondents from the selected IT companies in Pune by using the pre-tested, structured interview schedule and questionnaire. Pilot study was conducted for finalizing the interview schedule and questionnaire. The interview schedule was pre-tested to measure the reliability of the primary sources of data.

The study is more of exploratory nature as per the perception of the top, senior and middle executives of the IT industry in Pune. Sample has been designed by considering experienced

IT technocrats such as top, senior and middle managerial personal from the IT companies across Pune and Pimpri-Chinchwad for the study. The reason behind this is that only middle and top managements of IT industry have extensive experience in the field of IT and are knowledgeable about the variables under study. To reach the level of middle and top managerial positions, the persons should have extensive experience in the respective specialization. A case study method was adopted to get the insight information of the IT industry in Pune and Pimpri-Chinchwad. The primary sources of data are collected from randomly selected IT and ITeS companies in Pune registered with the NASSCOM. There are 600 IT and ITeS companies present in Pune and Pimpri-Chinchwad area. Total 60 companies were selected from the sample population of 600 companies using the method of simple random sampling. Out of these 60 companies, we were able to collect the data from 48 companies across Pune and Pimpri-Chinchwad. This constitutes 8 per cent of the companies present in Pune and Pimpri-Chinchwad. Finally, the sample population for the study constituted 48 companies and data were collected from 180 respondents.

A systematic, analytical, descriptive and comparative methodology is used. Dependence has been placed mostly on NASSCOM database, RBI database, CSO, Planning Commission database, plan documents, industry surveys and reports, formal government publications and reports, study reports of government agencies, research articles, books and theses, periodicals, seminar proceedings, working papers, study reports of expert committees, newspapers, magazine articles and websites were referred for obtaining secondary sources of data.

Performance of services sector in GDP growth rate after reforms (1991-2015)

Services sector has been playing a very important role in shaping India's socio-economic development along with the technological progress. The services sector has increased the employment level which in turn has improved the quality and standard of living. Services sector is the basis for attracting FDI, inflows of trades, innovation and technological progress in the country. The services sector has played a significant role in attracting the high end IT outsourcing businesses from across the world. This made India a leader in IT business and boost the revenue growth of services sector. Services sector share in the world economy accounted 66 per cent in 2014. It created 45.1 per cent of the employment opportunities in the world in 2013. The contribution of services sector to world GDP declined from 68.8 per cent in 2001 to 66 per cent in 2014 whereas the share of employment opportunities provided by services sector increased from 39.1 per cent in 2001 to 45.1 per cent in 2014. The growth rate of services sector in India was exceptionally high at 9.2 per cent and that of China was 8.3 per cent in 2015-16 which was higher than that of China. The following table presents the comparative shares of the three sectors with respect to rate of growth and share in GDP:

Table 1: GDP Growth rate and share of three sectors in India at Factor Cost (2004-05 constant prices): 1991-92 to 2015-16.

Periods	GDP	Agriculture		Industry		Services	
		Rate of Growth	Share in GDP	Rate of Growth	Share in GDP	Rate of Growth	Share in GDP
1991-92	1.4	-2.3	24.0	0.3	27.3	4.7	43.9
1992-93	5.4	7.0	24.4	3.2	26.8	5.7	44.0
1993-94	5.7	3.2	23.8	5.5	26.7	7.4	44.8
1994-95	6.4	4.7	23.5	9.2	27.4	5.8	44.5
1995-96	7.3	-0.1	21.6	11.3	28.4	10.1	45.7

1996-97	8.0	10.4	22.1	6.4	28.0	7.5	45.5
1997-98	4.3	-3.0	20.6	4.0	26.4	8.9	47.5
1998-99	6.7	7.1	20.7	4.1	27.9	8.3	48.2
1999-20	8.0	2.4	19.6	6.0	27.3	12.0	50.0
2000-01	4.1	-0.1	18.7	6.0	27.2	5.1	51.0
2001-02	5.4	6.5	18.9	2.6	26.5	6.6	52.5
2002-03	3.9	-8.1	16.7	7.2	27.4	6.7	52.4
2003-04	8.0	10.8	17.2	7.3	27.2	7.9	53.0
2004-05	7.0	0.0	16.0	9.8	27.9	8.3	53.7
2005-06	9.5	5.5	15.5	9.7	28.0	10.9	54.0
2006-07	9.6	4.1	14.7	12.2	28.6	10.1	54.4
2007-08	9.3	6.3	14.3	9.7	28.7	10.3	56.1
2008-09	6.7	-0.3	13.4	4.4	28.1	10.0	57.1
2009-10	8.6	0.4	12.3	9.2	28.3	10.5	57.5
2010-11	8.9	9.5	12.4	7.5	27.9	9.7	57.4
2011-12	6.7	5.3	12.2	7.8	28.2	6.6	57.4
2012-13	5.6	0.1	11.8	0.1	27.3	7.0	58.8
2013-14	6.6	4.2	11.9	5.0	26.1	6.8	62.0
2014-15	7.2	-0.2	10.3	5.9	26.0	10.3	63.7
2015-16	7.6	1.1	9.1	7.3	24.6	9.3	66.3

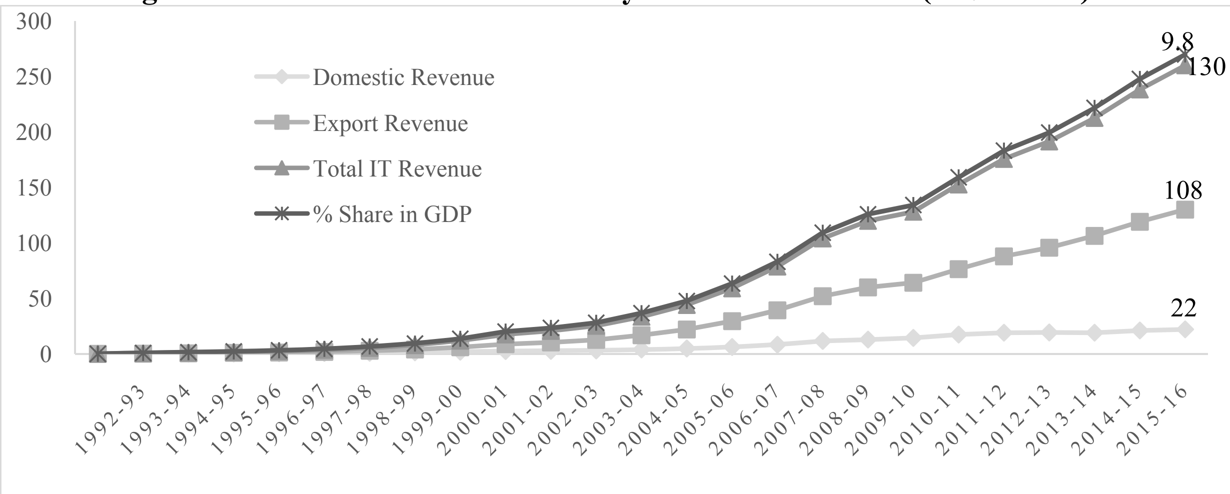
Source: Compiled from *Central Statistical Organization (CSO) and Economic Survey 2015-16*.

Services sector is the fastest growing sector and plays a dominant role in the economic growth and development in India. In Table 3.3, the breakdown of three sectors of the economy, shows that India recorded an average annual growth rate of 6.5 per cent. Incredible contribution to annual growth rate and contribution to GDP can be traced from the services sector which grew at the rate of 8.4 per cent with an average 52.8 per cent share in national income (at factor cost (constant prices of 2004-05)) in 2015-16. The Industrial sector grew at the rate of 6.6 per cent and contributed 27.3 per cent share to annual GDP growth. The agricultural sector which employed more than 50 per cent of population grew mere 2.9 per cent with a share of 17.0 per cent annually in the GDP. Share of agricultural sector in GDP declined from 24.0 per cent in 1991-92 to mere 9.1 per cent in 2015-16. Impact of services sector in overall GDP growth in the following years clearly shows that the main driver to growth of real GDP has been from services sector. The growth rate of primary and secondary sectors shows a declining trend. Its only services sector which has shown an increasing trend in the growth rate in post reforms

3.3.1 Revenue growth of IT sector in India

In 2016, global outsourcing market is worth of $2.3trillion including hardware. Revenue of IT industry increased from $59.9 billion in 2008-09 to $146 billion in 2015-16. IT exports alone contributed around $118 billion of total revenue while domestic sector contributes $28 billion of overall revenues in 2015-16.According to World Bank study, share of India in global market of information technology was around 11.9 per cent in 1990-91, which increased to 19.5 per cent in the year 2000-01 and it increased to 55 per cent in 2015-16. Indian Information technology, from a very small base doubled its growth rate when compared with that of US IT. No other country in the world except India has consistently grown by more than 50 per cent every year in the past ten year's.

Figure 3.2 Performance of IT industry: 1992-93 to 2015-16 (in $ Billion)



Source: Compiled from different issues of *NASSCOM, CSO, Economic Surveys* and other reports.

In the figure, increasing trend of IT sector's contribution to GDP for the period 1992-93 to 2015-16 is observed. The overall revenue earnings increased from mere $2 million to $130 billion at a compound annual growth rate (CAGR) of more than 31 per cent from 1992-93 to 2015-16. For the period starting from 1992-93 to 1999-00, CAGR was more than 52 per cent, from 2000-01 till 2009-10, it was 22.1 per cent and from 2010-11 to 2015-16, CAGR was at 11.4 per cent. Initially the CAGR was very high, may be because adoption of IT was high during the immediate phase of post reforms era and that was the period when IT was highly in demand. During 2000-01, the CAGR was down to 22.1 per cent, which may be due to crises like bubble burst and Year 2000 bug (Y2K) issues. The CAGR was again went down and becomes nearly 50 per cent compared to the period 1992-93. This may be due to global recession and rising value of US dollar rate against all major currencies. Exports revenue, being most significant during that phase, increased from $1 million in 1992-93 to $108 billion in 2015-16, contributing to 9.8 per cent of the GDP share of India. Domestic sector contributed approximately $1 million in 1992-93 but increased to $22 billion in 2015-16. The percentage share in GDP increased from mere 0.3 per cent in 1992-93 to 9.8 per cent in 2015-16. It was during the recession of 2009-10, the Simple Growth Rate (SGR) for the first time came down to a single digit with merely 6.8 per cent. Though the US economy revived, the growth rate has not increased substantially. The reason may be the global economy is still facing economic uncertainty. The demand dynamics for the IT industry also dramatic change due to greater competitive landscape with numerous alternatives.

Findings of the research

1. Performance of services sector in India

The success of IT industry helped services sector of India to increase its position in GDP growth rate. IT industry has become the backbone of services sector in its performance in the country's GDP growth, export earnings, FDI inflows and employment creation. IT industry has shaped the services sector through modernizations of banking, financial, education, social services and personal services. This has increased the efficiency, productivity and quality of services sector.

The data on GDP, revenue of services sector and IT sector for last 20 years (1996-97 to 2015-16) were analyzed to know whether there exists a positive relationship between the growth of IT sector and services sector in India.

Pearson's Correlation Coefficient is positive for the above period of 20 years and the value of r stands at *0.938*. This indicates that there is a strong positive correlation between the revenue growth of IT sector and the services sector revenue growth performance. Further it means that performance of services sector has positively increased due to the revenue growth of IT sector. Increasing performance of IT sector will increase the performance of services sector and vice versa. Therefore, we can conclude, that growth of IT sector is the dynamic force behind the success of the services sector.

The regression analysis was also done to understand the relationship between IT sector revenue growth and the services sector revenue growth.

Regression equation calculated:

$y = 200.013 + 5.138x$

Above regression equation shows that there is a positive linear relationship between the performances of services sector with the growth of IT sector. The significance level of the values of intercept (α) and slope (β) show that the change in growth of IT sector impacts the performance of services sector. It predicts the positive relationship in performance of IT industry in enhancement of services sector of India. Therefore, the model is a good fit to prove that the IT sector has enhanced the growth of services sector.

The value of t is *-9.123525*. The value of p is < 0.00001. The result is significant at $p \leq 0.05$. This means overall significance level for 20 years stands at *-9.123525*, which is very less than the threshold set at < *5* per cent significant level. Thus, the relationship between the revenue growth of IT sector with the services sector is significant.

2. Role and significance of IT industry in GDP growth

Significance of IT industry in enhancement of GDP and services sector has been analyzed using the structural data starting from the year 1996-97 to 2015-16. The functional relationship of IT in enhancement of GDP and services sector were measured using Pearson's Correlation Coefficient, Simple Regression analysis and t test. The level of significance has been tested and validated at < 5 per cent significance level.

Pearson's Correlation Coefficient is positive for 20 years and value of r stands at *0.9588*. This indicates that there is a strong positive correlation between the growth of IT sector and performance of GDP. This means that performance of GDP growth has positively increased due to the revenue growth of IT sector. Increasing performance of IT sector will increase GDP growth rate and vice versa.

Regression equation calculated:

$y = 345.527 + 8.429x$

Above regression equation shows there is a positive linear relationship between the performances of IT sector revenue with the GDP growth in India for the last 20 years. The values of intercept (α) and slope (β) show that the change in revenue growth of IT sector impacts the overall GDP growth of India. It predicts a positive relationship in performance of IT sector revenue in enhancement of GDP growth of India.

The value of t is -9.332920. The value of p is < 0.00001. The result is significant at $p \leq 0.05$. This means IT sector has increased the performance of GDP in India.

3. Revenue growth of IT sector in India

The revenue growth of IT sector (excluding e-commerce) reached $130 billion in 2014-15. IT exports alone contributed around $108 billion of total revenue while domestic sector contributed $22 billion of overall revenues in 2015-16. It is projected to grow at $225 billion in 2020. Revenue share increased in GDP growth rate from a mere 0.3 per cent in 1992 to 9.8 per cent in 2014-15. The share of India in global market of information technology was around 11.9 per cent in 1990-91, which increased to 55 per cent in 2015-16 from 19.5 per cent in 2000-01. It generated direct employment for nearly 3.7 million people and indirect employment of more than 10 million people in 2014-15. The apex software body NASSCOM forecasts that the IT industry will account for 10 per cent of the country's GDP and provide direct employment to over 10 million youth with indirect employment creation of 20 million by the year 2020.

Pune emerged as the second largest IT destination next only to Bangalore in India. There are approximately 600 major IT companies providing solutions to global Fortune Companies and domestic companies. Pune continues to dominate the state's IT exports, contributing more than half of the total revenue. In 2012-13, Maharashtra acquired second position in IT exports in the country. Pune and Pimpri-Chinchwad, being the leading source of IT exports of the state account for $1.7 billion of revenue. This is next to the revenue generated by Bangalore. Total software exports from Maharashtra accounted to $8.2 billion, second only to Karnataka which exported $12.65 billion in 2012-13.

4. Contribution of IT industry

The contribution of IT industry is remarkable in terms of its revenue growth, employment generation and modernizations of economy in India. Growth of IT industry has changed the landscape of economic scenario in general and the way business is conducted. IT is playing an indispensable tool in increasing the productivity, quality of service, efficiency without human error, rising living standard of the people, delivering educational opportunities among the learners, improving healthcare services, providing greater connectivity by eliminating the barriers and boundaries of the countries in the globe. The global economy has undergone a melodramatic change with the advancement of IT. Today, IT is considered as a fourth factor of production, along with land, labor and capital.

5. Revenue contribution by vertical industries

Vertical industries are the major contributors of IT industry's revenue growth in domestic and international markets. The main users of IT sector are banking, financial services and insurance (BFSI) which constitute a major market of IT sector with more than 42 per cent contribution in revenue growth. Telecom and hi-tech accounts for approximately 20 per cent contribution to the IT industry revenue. This reveals that banking and financial sector is the largest user of information technology and is the major part of service sector which relies on IT for operational excellence. Other sectors like retail outlets, generate 8 per cent, airlines and transportation 3.4 per cent, healthcare 2.5 per cent, media and entertainment 3.3 per cent, utilities 3.5 per cent and the rest of the services sector accounts for 4.7 per cent revenue of IT industry in 2015-16.

6. Global export destination of IT sector

Main global destination of Indian IT exports are USA, UK and EU for the IT software and services exports consisting approximately 90 per cent of the total IT and ITeS/BPM exports. Central Europe, Latin America, Middle East, Africa and Asia Pacific are also witnessing tremendous prospects in year on year in export market growth. Indian IT sector exports 61 per cent of software and IT services to US market and rest of the world constitute only 39 per cent of the exports.

7. Emerging new technologies

New business models like big data, emergence of social, mobility, analytics and cloud (SMAC), internet of things (IoT), artificial intelligence (AI), new buyer segments in the emerging markets and good governance will help Indian IT-ITeS/BPM maintain its position in the global market. Revival of US economy has improved IT expenditure by banks and other sectors which will result in great deals to benefit Indian IT industry to post resilient growth.

8. Large startup landscapes in India

India is considered as fourth largest base for emerging new companies with more than 4200 new IT startups. According to NASSCOM, "If the landscape continues to evolve at this pace, then by the end of 2020, more than 11,500 start-ups are expected to get established in India which will be generating employment opportunities for 2,50,000 people." The startup landscapes are mainly dominated by the young entrepreneurs with more than 73 per cent of the founders being under the age of 36 years.

9. Indian IT industry is more of service oriented

Indian IT industry is more of service based as IT services segment alone contributes more than 73 per cent of revenue of IT sector. It provides services to more than 70 per cent of global product based companies. The software products and applications development constitute only 5 per cent of the IT sector revenue.

Findings from the survey of technocrats in Pune city

Findings from the analysis of data from the profile of the respondents, collected from the 180 technocrats across 48 companies in Pune are presented in this section:

1. Almost 80 per cent of the managerial persons are male and only 22 per cent are female. The reason behind this wide disparity may be that the managers are required to go for frequent business tours in different locations of the geography. The need for extended working hours in the office makes the managerial positions in this industry less suitable for women who often have several family related responsibilities.
2. Respondents with technical educational background constitute the majority (60.6 per cent). Around 21 per cent respondents have professional degrees and more than 18 per cent have general degrees. The reason behind this disparity is because the survey is mostly conducted on software product development and IT services segment of IT companies across Pune and Pimpri-Chinchwad.
3. English is the medium of instruction in school for 80 per cent of the respondents. Marathi is the language of instruction for 29 respondents (16.1 per cent). Hindi is the medium of instruction for 6 respondents (3.3 per cent). A single respondent is from Urdu medium. The wide disparity in the medium of instruction at school level is due to the IT industry's regressive recruitment policy of recruiting only those who can speak English fluently.

4. The salary packages play a significant role in retaining the employees from attrition. The majority of companies in Pune have a high rate of attrition due to non-market standard rate of salary and annual packages. Employees working under IT projects get higher remuneration than the ITeS employees. The different variables studied reveal the following:

1. Prospects of IT industry for the future

Rapid growth of economic activity with advancement in information technology adoption, is increasing competition in the industry. Enhanced focus by the Indian government and emergence of new business models will lead Indian IT industry into a big phase of inclusive and speedy economic growth. New business models like big data, emergence of social, mobility, analytics and cloud (SMAC), internet of things (IoS), artificial intelligence, new buyer segments in the emerging markets and good governance will help Indian IT industry to maintain its position in the global market.

2. IT sector in Pune contributed significantly to GDP growth in India

Descriptive analysis shows the growth of IT sector in Pune contributed significantly to GDP growth in India. Mean value for the variable "Overall growth of IT sector" stands highest (4.19) in the group, which means that respondents strongly agreed with IT boom in Pune city. The mean for "Market capitalization" has the least score (3.50). This means perception of respondents show that they are fully aware that the growth of IT sector in Pune has shaped the revenue growth, employment opportunities, and other socio economic development.

3. IT sector enhanced the performance of service sector

Performance of IT in digitization and digital delivery of services sector are the major driver of innovation, transformation, automation, globalization of services with operational efficiency of businesses, which is outstanding. The integration of IT in services sector has made possible to interact and simplify the business processes across the globe which assist in bringing the IT business in India.

4. IT industry in Pune faces many challenges

IT industry in Pune, in spite of its large contribution to GDP growth, foreign exchange earnings and income and employment generation faces many challenges. The most prominent is the basic infrastructural facilities. The variable "general problems of infrastructure like narrow roads, traffic chaos, and transportation to the IT parks" has highest score in the group with mean value 4.42 and "unfavorable government policies" has the least score of 3.16 in the group. This means the respondents strongly agreed that the prevailing general problems of infrastructure like narrow roads, traffic chaos, and transportation to the IT parks in Pune exist. However the mean value for "unfavorable government policies" is the least in the group but more than the central value. This means the government policies and support are the least impacting factor in IT industry's performance. The analysis shows that the basic infrastructural issues are mainly impacting the growth and development of IT sector in Pune. The transportation, narrow roads, traffic chaos are the major constraints faced by the technocrats in Pune.

5. Favorable IT skilled talent/resource

The availability of right skilled talent is the pre-requisite for the growth of IT industry. To find the right skilled IT talent availability in Pune city, 8 sub-variables were formulated. The hypotheses were tested by using descriptive statistics, factor analysis and ANOVA with Friedman test. The results show that right skilled IT talent availability in Pune is favorable and significant. Mean value for variable "innovative, analytical and logical skills" stands highest at 4.07. This means the respondents strongly agreed with the current availability of innovative, analytical and logical skill sets in Pune. The mean value for “retention rate” is 3.34 which is the lowest in the entire group under talent/resource availability which may be the reason for high rate of attrition. Descriptive statistical analysis show that the manpower resources with highly innovative, logical and analytical skill set are abundant in Pune city.

6. Infrastructural facilities in Pune

Infrastructural facilities in Pune are favorable and significant with regard to IT infrastructure. However the basic infrastructure like roads, means of transportation, and connectivity of IT parks is a problem of great concern. The mean value for variable “basic facilities like power, water supply, food and catering services” scored 3.72 which is the highest in the group and “transportation facilities” scored least at 2.12. This means that basic facilities in the IT companies are very good but transportation facilities are poor, as agreed by the respondents. Locational imbalance with regard to basic facilities is the main problem. Employees working at Hinjawadi IT parks have great problem of narrow roads, means of transportation but they benefit from large campus with all the world class amenities. Employees working at Magarpatta city have no issues with transportation and roads. However they are unable to enjoy world class amenities like Hinjawadi IT parks.

7. Favorable government support and policies

Government support and policies are significant in attracting the IT industry to Pune. However, the analysis shows that immediate government attention is required in removing the infrastructural bottlenecks. The variable “current infrastructural problems like narrow roads, traffic chaos and others in Pune need immediate attention of the government” has the highest score in the group with mean value of 4.29 and “the Maharashtra state’s IT policies of 2003, 2009 & 2015 are vibrant enough for the development of IT industry in Pune” has the least score of 3.37 in the group. This means the respondents strongly agree that with the current infrastructural problems like narrow roads, traffic chaos and others in Pune need immediate attention of the government. However the mean value for IT Policies in Maharashtra has the least score in the group at 3.37 which is more than central value. Therefore, Government policies and support are favorable and significant in attracting IT investment.

8. Role of IT sector in socio-economic development of Pune city

The growth of IT sector made Pune as a ‘Knowledge Corridor’ in Maharashtra. Talents and professionals come from all over the world to study and work here. The development and urban oriented spread of IT sector in Pune, have raised the income and standard of living in semi and middle class society of urban migratory population.

The development and urban oriented spread of IT sector in Pune, have raised the income and standard of living in semi and middle class society of urban migratory population. The variable “IT sector has indirectly created more jobs in other service sector” has the highest score in the group with mean value 4.49 and “boost foreign exchange earnings” has the least score at 3.69 in the group. This means the respondents strongly agreed that there is a huge indirect job creation of IT industry. However the mean value for foreign exchange earnings is also more than central value and we can conclude that IT sector strongly contributes to the foreign exchange earnings.

Recommendations

Services sector of the economy is one of the significant and dominant contributors to the GDP growth. IT as a component of services sector plays a vital role in enhancing the services sector. Applications of IT provide effective source of sustainable competitive advantage in highly competitive environment by reducing operational cost, improving efficiency and quality of service for the services sector of the economy. Based on the findings of the study, recommendation which will have policy implications are put forward by the researcher for further enhancing the performance of IT industry in shaping the services sector. First we shall present the recommendations which are general and applicable at all India level. Later we present the recommendations which are specific to Pune for further development of IT industry here.

General recommendations

1. Increase IT adoption

Increasing adoption of information technology (IT) as a tool for improving the efficiency, productivity and quality of service in services sector is recommended: This will further increase the GDP growth, provide employment opportunities, transform and automate the manual work of the services sector. Banking, finance and insurance sector has drastically automated and transformed the manual work by reducing operational cost.

IT tools and applications are the core enabler of industrial, manufacturing and services sector. More use of IT tools and applications will increase the revenue growth of IT which will influence the other sectors and boost the economic growth and development. This may also help in inclusive growth of IT in all the sectors.

2. Enhance government support

The Government should give more tax holidays and subsidies to small and medium size information technology startups. Government and policy makers should support the growth of emerging new startups. More than 3000 new startup IT companies came into existence in 2014-15. The startup are mainly occupied by the young entrepreneurs and technocrats. This will generate more employment opportunities among the youth and increase the revenue generation of IT sector. This will also boost the growth rate and help to extend their business centers to tier II and tier III cities. Large size companies should extend friendly hands in support of small and medium size startups in the form of best practice sharing, technical knowhow and research and development.

3. Adopt emerging business models

Indian IT industry should adopt new business models, focus on developing new products and technologies to boost the current growth rate and to compete with the global players. Indian IT industry need to be product based rather than service based. In this regard, the companies need to focus on more research and development (R&D). Also more focus should be given on adopting new business models which will lead Indian IT industry into a big phase of inclusive and speedy economic growth. New business models like big data, emergence of social, mobility, analytics and cloud (SMAC), internet of things (IoS), artificial intelligence (AI), new buyer segments in the emerging markets and good governance will help Indian IT-ITeS/BPM to sustain and maintain its position in the global market.

4. Improve the quality and standard of education among the masses

Improve the quality and standard of education among the masses. According to Jayant Sinha, partner in McKinsey & Co research firm, “the skills and quality of the workforce needs to be improved as only 25 per cent of technical graduates are suitable for employment in the offshore IT industry in India, while only 10 per cent to 15 per cent of general college graduates are suitable for employment by the ITeS industry." This is the reason why IT companies prefer to hire experienced manpower instead of fresher. Otherwise the companies need to spend big amounts in skill development and training. Once fresher are given all required training and certification. They became the source of attrition. Hence, improving the quality and standard of education at the ground level will be the solution to minimize the training and certification cost of the companies. Steps should be taken to establish more number of higher educational institutions in the form of IITs, IIMs with the industry-academia collaboration in upgrading or formulating the curriculum. This will improve the quality of education.

5. Develop new products and technologies

Indian IT companies should focus on developing new products and technologies instead of only providing IT services. Data shows 73 per cent of the revenue share came from IT service segment. In this regard, companies should spend more on research and development (R&D) for developing new products and software tools. IT sector in Pune should increase spending in R&D to innovate new products and technologies.

6. Improve quality standards through global certification

The quality standards, productivity and efficiency of the IT sector should be improved through international quality standard certification and audit. As of today, only a few companies are internationally certified.

Specific recommendations for Pune

1. Build basic infrastructure

Basic infrastructural facilities to sustain IT industry in Pune required immediate attention of the government. General problems of infrastructure, like narrow roads, traffic chaos, and transportation to the IT parks, has the highest mean value (4.42) which indicates that immediate attention of the government in providing solutions is needed. The government must facilitate the basic infrastructure to sustain and improve the growth of IT industry in Pune. In this regard, steps should be taken to construct additional roads to IT parks, introduce metro and local railway connectivity at the earliest. Privatization of city public transportation may also increase the efficiency of city transportation.

2. Share best practices among the IT companies in Pune

IT industry in Pune should adopt best practices sharing to address the current challenges and issues facing the sector. In order to sustain the current momentum of growth, several large and mid-sized IT firms started taking innovative measures to address the infrastructural issues, US anti-outsourcing policies, filling the gap of skill shortage, R&D, etc. In this regard, Hinjawadi Industries Association (HIA) came into picture and started supporting the transportation facilities for the employees of Hinjawadi IT parks. Also it took initiatives in collaboration with public authorities to improve the conditions of roads and problems of garbage. In the same way, if other parts of Pune also start initiatives, it will improve the growth of IT sector.

3. Provisions should be taken to recruit more talented and skilled females

Our survey results showed that 80 per cent of managerial positions are dominated by male and only 22 per cent are female. Provisions should be taken to recruit more talented and skilled females in managerial positions in IT companies in Pune.

4. Provision should be taken to recruit non-technical graduates

Our Survey results showed that most of the respondents in IT sector are from technical background. Provision should be taken to recruit non-technical graduates wherever possible and provide the required training and certification. This may minimize the operational cost of the IT companies as salary for non-technical graduates is much less than the technical graduates. The regressive policy of recruiting English speaking should be minimized so that other vernacular-speaking can also get chance to work and learn English and other foreign languages.

5. Control attrition through market standard salary and packages

Analysis shows most of the prominent IT companies in Pune pay non-market standard salaries to the employees and as a result there is a high attrition. IT companies must focus on paying the market standard salary to the employees to avoid or minimize the attrition.

6. Focus on new emerging markets

IT industry in Pune must focus to expand the businesses to other emerging markets like Europe, Middle East, Asia Pacific region etc. instead of more dependence on US market. The IT adoption in domestic market has also increased. Hence, the IT companies should focus on domestic market as well.

7. Balance the growth of IT sector in Pune

Locational imbalance in development and growth of IT sector in Pune should be reduced by focusing on all round development of Pune city. More focus should be given on increasing growth of IT industry in Pune to improve the source of income of the people through direct and indirect jobs.

8. Success of IT sector in Pune can be replicated in other cities of India

The success of IT sector in Pune should be implemented in other cities of India by enabling the required IT infrastructure, government support and policies, improving the quality of education, etc. Availability of skilled manpower is the core asset of IT industry. Cities which have abundant skilled manpower should focus on growth and development of IT industry. In this regard, Government should take initiatives to provide the required land allocations and other infrastructural facilities to IT companies. This will boost the growth of IT sector and will improve the regional connectivity with inclusive growth.

Conclusion

India is an emerging economy and services sector plays a dominant role in enhancing the economic growth. Services sector is the fastest growing sector contributing 66.3 per cent share in GDP of India. More than 42 per cent of services sector revenue comes from IT industry (2015-16). The paradigm shift of economic development process, from controlled economy to a free economy has helped the services sector to attain fast growth. The impressive growth of India's services sector has drawn global attention. India became one of the top ten global members of the World Trade Organization (WTO) in the services sector. India's services sector is playing a significant role in attracting FDI inflows, exports and employment creation.

The role of service sector in promoting and shaping the economic growth has been significant from the reforms period. The IT sector is the core enabler of service industry with operational excellence, transformation and automation of manual work. This improves the efficiency and profitability of service sector. Technological revolution in the form of information technology and availability of cheap skilled labor force has led to the success of services sector in India. Information technology (IT) industry plays a fundamental role in enhancement of efficiency, productivity, revenue and employment generation capacity of the entire services sector through scientific innovation and inventions. Today, entire services sector has been impacted by information technology as a distinctive and dynamic tool for economic growth and development. Implications of information technology cover entire services sectors of the Indian economy and shape it through automation and transformation of manual work. In this regard, the present study was undertaken to find the performance of IT in enhancing the services sector of Indian economy. The results of the study reveal that the productivity, efficiency and quality of services sector has been drastically increased by the IT sector. The modernization of services sector (trade, hotels and restaurants, transport, storage, communication, financing, insurance, real estate, business services, community, social, personal services and construction) was made possible through the use of IT. Thus, Information technology became the tool for modernization of services sector, generator of new jobs, trade inflows, foreign exchange earnings through exports and increased FDI inflows. Our correlation and regression analysis has proved that there exists a positive linear correlation between the IT sector growth with the services sector and overall GDP growth in India. T-test analysis also shows that the relationship is significant and the growth of IT sector directly impacts the services sector and GDP growth.

A sample survey was undertaken to validate and check the performance of IT industry in shaping the services sector in Pune. Also we wanted to find the factors impacting the growth of IT industry in Pune city. The survey results show a positive outlook for the IT industry in Pune. The respondents strongly agreed that IT industry will further boost the economic growth and development of Pune city. Global technology market remains strong. This will sustain and improve growth momentum through more innovations, IT adoptions and investment in IT sector in Pune city. The respondents strongly urged to improve the current conditions of basic infrastructure to attract the impressive growth of IT industry in Pune. The quality and standard of education needs to improve to bridge the skills gap in IT industry. Coordination among the IT industry is the need of the hour to address the current issues and problems.

The skilled talent availability is favorable in Pune. The respondents strongly agreed that the growth of IT sector in Pune has tremendous impact on its socio-economic development and changed the geographical scenario of the city. The current basic infrastructure like roads, transportation systems, traffic chaos are the issues of great concern for the commuters to various IT parks and need immediate attention for improvement. However, the IT related infrastructure is favorable and significant for IT industry to increase its current growth level. The IT sector of Pune has created many jobs directly and indirectly with increase in remuneration. The policies and support from the Government of Maharashtra is favorable to IT industrial development in Pune. The concessions and tax holidays offered by the state to IT industry are sufficient enough to attract the entrepreneurs to locate their units in Pune.

In spite of favorable growth of IT industry in Pune, there exist numerous problems for the IT sector. The various challenges faced by the IT industrial sector in Pune vary from core infrastructural issues to the customers' constraints in IT budget. More pressure for automation and transformation of manual work by reducing IT budget, US anti-sourcing and visa restriction policy, competition from the low cost countries, etc. are some of the major challenges for IT industry in Pune. To address these challenges, IT industry needs to adopt new strategies to sustain and improve the business.

Rapid growth of economic activity with advancement in information technology adoption is increasing competition in the industry in Pune. Enhanced focus by the Indian government and emergence of new business models will lead Indian IT industry into a big phase of inclusive and speedy economic growth. New business models like big data, emergence of social, mobility, analytics and cloud (SMAC), internet of things (IoS), artificial intelligence (AI), new buyer segments in the emerging markets and good governance will help IT industry to maintain their position in the global market. Revival of US economy has improved IT expenditure by services and other sectors. This will help Indian IT industry to post resilient growth in future. Our study also shows that IT companies should specialize in research and development of new IT products and technologies to compete with their foreign counterparts. Adopting new technologies according to business dynamics will reduce the operational cost and enhance the growth of IT industry in Pune.

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ECONOMIC REFORM AND SUSTAINABLE AGRICULTURE DEVELOPMENT IN INDIA: ISSUES AND CHALLENGES

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Abstract

A major premise of the economic reforms was that they would give a boost to agricultural production and exports of agricultural products by eliminating the earlier bias against the agricultural sector. However, contrary to these expectations agricultural growth plummeted during the nineties. This paper presents the results of an analysis of state-wise growth rate in value of agricultural output and trends in area, output and yield of foodgrains during the the post reform period. During the neo-liberal policy regime, Indian economy has emerged as one of the fastest economies in the world, largely driven by the service sector. There have also been wide disparities in agriculture growth across different states in India during the last two and half decades. Most of the states recorded decline in agriculture growth rate. Some states like Bihar, Orissa and Madhya Pradesh which are also poor states of India registered even negative growth rates in agriculture production in the post-reforms period. This poor and varying growth performance of different states are due to use of varying level of agriculture inputs and techniques. As a result, Government of India emphasized on faster and more inclusive growth in the 11th Plan and subsequently on faster, more inclusive and sustainable growth in the 12th Plan. The objectives of the paper are (a) to analyse the trends of India's agricultural production (b) to find out the constraints facing Agriculture growth rates (c) to suggest measures for policy implications to improve the performance of Agriculture growth and (d) To suggest ways for a sustained agriculture growth in India.We need to take simultaneous efforts on several fronts to revive the agricultural growth. These include (i) stepping up investment and using suitable institutional mechanism to increase the area of arable land that exists in most of the states (ii) increasing power supply and fertilizer to this sector (iii) improving credit facilities for farmers (iv) improvement in terms of trade for agriculture (v) measures to mitigate the risk in farming; (vi) and giving incentives to farmers for facilitating the adoption of high-value crops for production. This paper examines the main implications of the economic reforms measures on the Indian agrarian economy and suggests policy agenda for its revitalization. The rest of the paper is outlined as follows: The next section provides an overview of the agrarian reforms; section 3 compares the performance of Indian agriculture; fourth section identifies the main problems of agriculture; and the last section enlists policy agenda for sustainable agriculture development.

Key Words: *Economic Reform, Sustainable Agriculture,* Instability Index, CAGR,

Introduction

The role of agriculture in the process of economic development of a developing country like India is immense. In fact it was the mainstay of the economy on the eve of independence with accounting for 50 percent of India's national income and72 percent of total workforce. After 65 years of independence the share of this sector in the GDP has come down remarkably to about 14 percent but there is still a huge chunk of, around 50 percent, workforce which depends upon agricultural for their livelihood .thus the sector continues to be the dominant sector in the Indian economy. Besides there is a strong linkage between agricultural and industrial sectors as the sector is the suppliers of wage goods to the industrial sector, provider of raw materials to agro- based industries which have a weight of 17.6 percent in the index of industrial production (IIP)and generator of agricultural income threat enables rural demand for industrial products to take place. On the backdrop of these facts neglecting the sector the sector proves to be detrimental to the economy.

Since the beginning of the economic reforms in June 1991, the Indian economy has undergone a number of policy changes. Stabilization and structural adjustment programmes were put in place to correct the fiscal and balance of payments imbalances and to remove the rigidities of the economy and improve the resource-use efficiency. The economy has been transitioned from a regulated and planned one to a market-driven one. Initial reform measures were mostly confined to the industry, trade and fiscal areas, but subsequently other sectors like financial, labour, insurance, retail market and agriculture were also put in the reform agenda. During the last 25 years, the Government of India has introduced a number of reform measures, including significant tariff reduction (custom and excise duties), broadening the tax base through bringing the fast growing service sector under the tax-net and replacing a complex sales tax system with a more coordinated and coherent value added tax system, abolition of quantitative restrictions on trade of various goods, adoption of a liberal set of rules for foreign capital flows, full current account and partial capital account convertibility, market determined exchange rates, liberalization of interest rate, dismantling of the licensing system, and privatization of public sector enterprises. While the industrial reforms were intended to bring about a greater competitive domestic environment, the trade reforms seek to improve international competitiveness.

These reform measures have paid good dividend to the economy. In the post-reform period, the economy has grown over 6 percent per year along with macroeconomic stability. Indian companies have become more competitive in the global market. Many of them have not only been making technical and financial collaborations with foreign companies but also entered in the foreign market by taking over their foreign counterparts. Moreover, these measures coupled with huge size of domestic market in terms of GDP and availability of cheap trained manpower motivated the foreign investors to invest in the emerging Indian economy. The reforms have also created a new breed of skills in the areas of technology and management that could be seen by the remarkable success of Indian firms in the areas of information technology and outsourcing. The entry of private sector in the key infrastructure areas, such as telecom, finance, energy and civil aviation, has immensely benefited the consumers. The higher GDP growth along with a decline in population growth has considerably enhanced the per capita income which, in turn, has helped in attracting more private investment, including foreign one, in the fast growing consumer as well as capital goods industries.

Importance of agriculture in a country like India is not likely to decline due to concerns for food security, employment, rural poverty and availability of wage goods (Vyas, 2003). Successive Five Year Plans have stressed on self-sufficiency and self-reliance in foodgrains production and concerted efforts in this direction have resulted in substantial increase in agricultural production and productivity. This is clear from the fact that from a level of about 52 million tonnes in 1951-52, food grains production rose to above 241.5 million tonnes (4th advance estimates) in 2010-11 (GoI, 2011b). However, since the early 1990s, liberalization and globalization have become core elements of development strategy of the government, which had indirect policy implications and impact on Indian agriculture. As a part of economic reforms agricultural markets were freed, external trade in agricultural commodities was liberalized and industry was de-protected to create more competition thereby reducing input prices and making terms of trade favourable to agriculture. “These measures would create a potentially more profitable agriculture, which would be able to bear the economic costs of technological modernization and expansion” (Singh, 1995). The reforms have improved terms of trade in favour of agriculture but growth in agricultural sector has fallen short of targets and has been well below that of non-agricultural sectors and the gap between rural and urban incomes has been widening. Productivity gains from the Green Revolution technology have reached a platue in many regions, causing per capita food grains production to decline, which has serious implications for food and nutritional security, poverty alleviation, rural development, farm incomes and rural-urban equity. One of the important strategy challenges for faster, sustainable and more inclusive growth (9.0-9.5% growth rate) in the 12th Five Year Plan under structural changes and unfavourable global economic environment requires a significant acceleration in growth (4.0 % growth rate) in agriculture.

Statement of the Problem

What are the factors affecting agriculture production? How reforms have affected Indian agriculture?

Rationale of the Study

Study analysis the growth of agricultural sector in the pre and post-reform period. Indian economy witnessed the slowing of agriculture at a time when the rest of the economy is growing at unprecedented rates. The study address slow growth of the agricultural sector since1991.the study attempts to examine the factors contributing to the sector’s growth. Another important aspect of the study is that it will try to find out the impact of liberalized policies of 1991 on this sector.

Review of Literature

There has been extensive study undertaken to analyze the growth performance of agriculture in the pre and post reform period. The key literature includes as: Ramesh chand and shinoj parappurathu (2011), find that the post reforms period witnessed a visible deceleration of growth in most crops and this can be attributed to a significant diversion of resources away from agriculture. Both public and private investment suffered a slow down during this period and the effect was manifested in sluggish performance in the sector as a whole. A simultaneous equations model under seemingly unrelated regression equations (sure) framework has been used to quantify the impact of various factors on GDP agriculture. Ramkumar (2002) finds that the over the period of economic reform, agricultural growth rates slowed down significantly. Most importantly, the rate of growth of food grain production slowed down, and fell behind the population growth rates for the first time after independence. The per capita food grain availability fell from about 175 kg in 1992 to 163 kg in 2001. In a country where about half the children below the age of three are underweight and more than three-forth of children aged 6-35 months are anemic, the reduction in per capita food grain availability after 1991 has deeply worrisome implications. G.S.Bhalla and Gurmail singh (2010), undertook state wise and district analysis of agricultural growth. They conclude that the objective of accelerating agricultural growth has not been achieved. The state wise analysis shows that except for Gujarat and to some extent Maharashtra, the growth rates of total crop output and yields decelerated in all the states during 1990-93 to 2003-06 as compared with the 1980's S.Mahendra Dev (2004), conclude that there has been a deceleration in the growth of production and yields of food grains and all crops in the 1990s as compared to the 0980s. The growth rate in food grains production declined from 2.81 per cent in the 1980s to 1.98 per cent in the 1990s. Yield growth also declined drastically for food grains and all crops. This could have implications for farmers' income and employment.

Objectives

- To examine the trends in the growth of agricultural production in India
- To find out the sources of agricultural growth.
- To find out the impact of economic reforms on the agricultural sector
- To suggest ways for a sustained agriculture growth in India.

Proposed Methodology

Estimation of Instability Index: Applied by Chand *et al*., (2011) to estimate the instability in agricultural production. This method is given by the relation:

Instability Index = Standard Deviation of Natural Logarithm of (Y_{t+1}/Y_t)……….. (1)

Where, Y_t is the area, production and yield in the current year and, Y_{t+1} is same for the next year. This index is unit free and very robust, and it measures deviations from the underlying trend (log linear in this case). When there are no deviations from the trend, the ratio of Y_{t+1}/Y_t is constant and thus standard deviation is zero. As the series fluctuates more, the ratio of Y_{t+1} and Y_t also fluctuate widely and the standard deviation increases.

Estimation of Compound Annual Growth Rates (CAGR):

CAGR measures as annual constant percentage rate of growth over the period of time at which a variable grows or declines from year to year to reach its current value. If any variable *Y* is growing at constant proportionate rate of growth *'r'*, the value *(Y_t)* at time period *'t'* will be:

$$Y_t = Y_o(1+r)^t + e^{u_t} \qquad \textbf{(2)}$$

Where Y_t and Y_o are value of the variable at time period t and initial value respectively. By taking logarithm in both sides of equation (2)

$$\ln Y_t = \ln Y_o + t\ln(1+r) + u_t \quad \text{……………………………………………………}(3)$$

$$\ln Y_t = b_o + b_1 t + u_t \quad \text{…………………………………………………………}(4)$$

Where *'ln'* refers to natural log, Y_t is the value of the variable in t^{th} year whose annual compound growth rate is to be found out, and t is the number of years. Numbers 1, 2, 3 etc. are used for the consecutive year. And then the following formula is being used for getting compound growth rate (r):

Where: $b_o = \ln y_o$

$b_1 = \ln(1+r)$

$$r = [anti\ln(\hat{b}_1) - 1] \times 100 \text{….} \quad \text{……………………………………………………}(5)$$

Where, r = compound annual growth rate (%)

Database and instrument for data collection

The data required in order to analyze the present objectives are both primary and secondary in nature. The data is being extracted from various sources of ministry of agriculture, government of India, food and agricultural organization, central statically organization, handbook of statistics on the Indian economy, Reserve bank of India. The data is collected on agricultural production, price of agricultural produce, income of agricultural labourers and inputs used in agriculture like land, fertilizer, and irrigation.

An Overview of Indian Agriculture

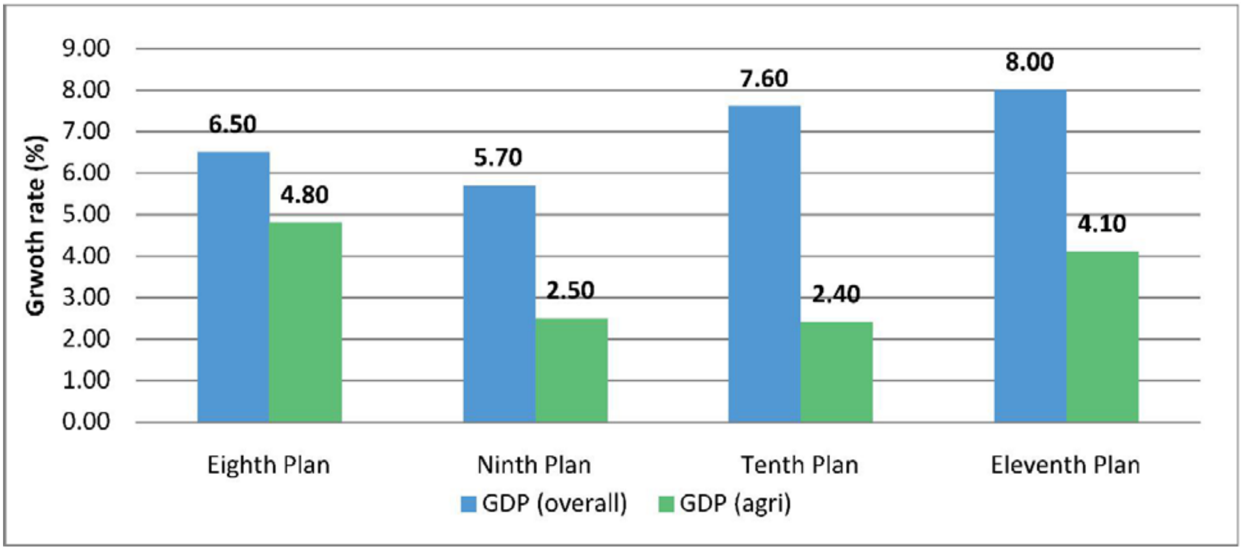
In fact, the process of agricultural reforms in India dates back in 1958 when the Government of India invited the Ford Foundation experts to examine the causes and remedies of India's food problem. The Foundation team in its report emphasised that India should focus more on those areas where potential of enhancement of agricultural productivity was very high. Consequently, some already developed areas were selected for intensive cultivation to grow more food grains. In 1961, Intensive Agriculture Area Programme (IAAP) and in 1964, Intensive Agricultural District Programme (IADP) were launched, which paved the way for Green Revolution (GR) in 1967. The GR was based on imported technology, seeds, fertilizers and other inputs, including expert advices. The pattern of State Agricultural Universities, which have been set up in all the major States, was borrowed from Land Grant University System of USA that links research with extension and brings research from the laboratories to the farms through an extension network. During the GR period and thereafter, the Government has adopted suitable supply-side (such as, land reform, development and diffusion of new farm technologies, price support, credit, public investment in irrigation and other infrastructures) and demand-side policies (such as, state intervention in agricultural markets and operation of public distribution system) to achieve higher production and productivity. These policy interventions along with sincere and persistent efforts of agricultural scientists and extension workers, and the enthusiasm and dynamism of the farmers in the adoption of new farm practices have been instrumental in the agricultural development and achieving self-sufficiency in food grains (Singh, 2006).

The GR technology has made significant increase in food grains production, especially in the production of superior cereals. Now, India is self-sufficient in food grains and is even in a position to export. But unfortunately, benefits of the GR technology were distributed disproportionately in favour of the wealthier farmers, especially of agriculturally developed regions, bypassing the small and marginal farmers in particular and agriculturally under-developed regions in general. The reason for by passing the small and marginal farmers was that the GR strategy was not resource-neutral, and due to their inadequate access to the resources such as water, HYVs, fertilizers, plant protection, they could not fully extract the benefits from it. Moreover, the strategy of GR has, now, been questioned on the ground of sustainability of agriculture economically, ecologically and technologically. The post-GR experiences in Punjab, Haryana and other GR-regions reveal that the productivity of land has significantly declined and cost of cultivation has increased many-fold, thus creating distress among the farmers of these regions. As the GR technology was largely depend on the purchase inputs such as seeds, fertilizers, pesticides, diesel, farm machines, etc., the input-intensification in the GR-regions has tremendously enhanced the credit requirement of farmers which they got from institutional as well as non-institutional sources. Further, due to inadequate agriculture extension services from the State governments, they largely depended on the input dealer who not only supplied inputs to them but also provided credit and advice for usage of inputs. This supply-induced extension service extended by him induced the farmers to apply more quantity of the purchased inputs that enhanced the credit requirement and hence indebtedness among them. Thus, the process of GR took the essential inputs out of the hands of farmers and put them into the hands of institutions and corporations, to be sold at a price sometimes out of reach for the poorest farmers. The first decade of the GR technology was confined to the superior cereals—wheat and rice in the agriculturally developed regions. As a result, inter-regional disparities in the agricultural development increased. Therefore, in decade of 1980's policy interventions were made to enhance agricultural growth in the low productivity regions.

Performance of Agriculture the Post-Reform Period

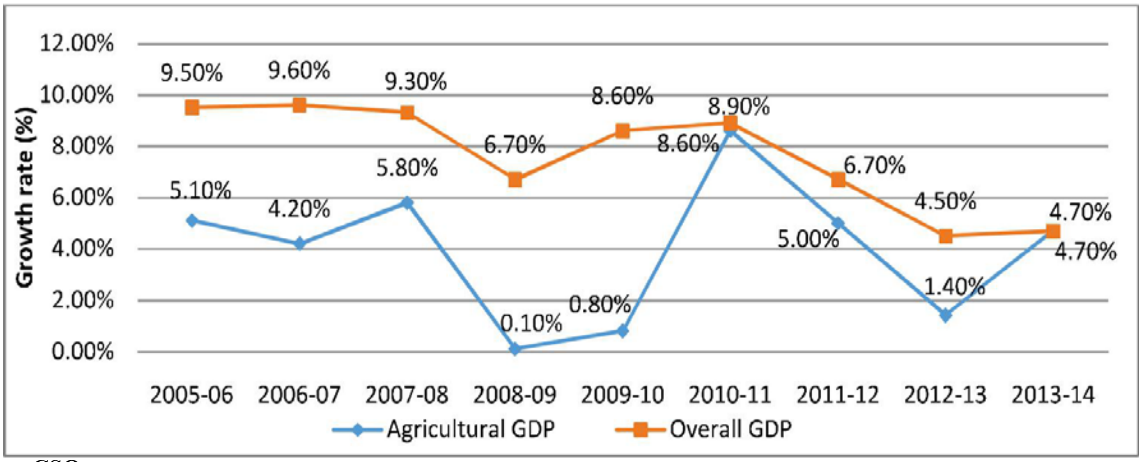
Since the beginning of economic reforms in 1991, growth in agricultural GDP has shown high volatility. It has fluctuated from 4.8 percent per annum in the Eighth Five Year Plan (1992-96) to a low of 2.4 percent during the Tenth Plan (2002-06) before rising to 4.1 percent in the Eleventh Plan (2007-12), as shown in Figure 1**.**To assess the performance of the agricultural sector during the last decade, the period since 2004-05 is divided into two—the first period being between 2004-05 and 2007-08 and the second period being between 2008-09 to 2013-14. The annual average growth rate of the agriculture sector was 5 per cent between 2004-05 and 2007-08, but fell to 3 per cent between 2008-09 and 2013-14. During the same periods, the economy grew at an annual average of 9 per cent and 7 per cent, respectively. Volatility in economic activity is normal but it was much higherin the agriculture and allied sector. Between 2005-06 and 2013-14, the coefficient of variation was only 0.27 in the case of overall GDP growth but 0.69 for agricultural GDP. One major factor to which this high volatility may be attributed is the continued dependence on the vagaries of the monsoon. The preponderance of small and marginal holdings makes this high volatility even more worrisome for policy makers, as small and marginal farmers are highly vulnerable to adverse climatic conditions.

Figure1: Sector-wise Annual Compound Growth Rates at constant price 2004-05



*Source: **Central Statistics Office (CSO)***

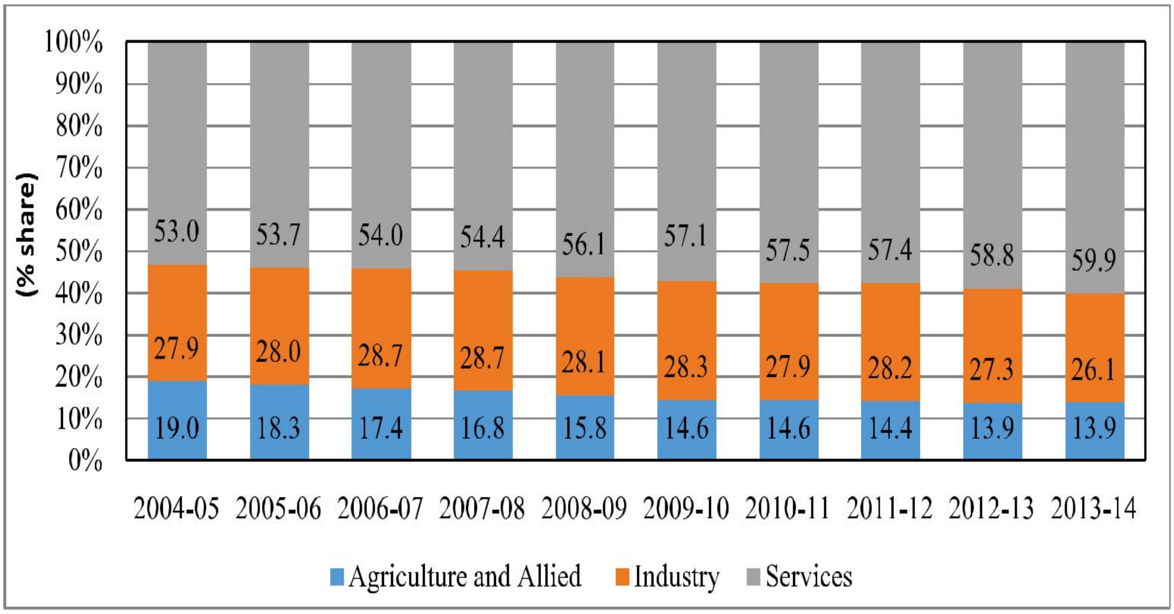
Figure 2: Agricultural GDP Growth Rate at Constant (2004-05) Prices



Source: CSO

As a natural consequence of economic growth and structural changes in the economy, the share of agriculture and allied sectors in the total GDP declined from around 19 per cent in 2004-05 to 14 per cent in 2013-14, calculated at 2004-05 constant prices (Figure 3). If the shares of forestry andfishing are removed, agriculture (including livestock) accounted for about 12 per cent of the national GDP. However, with around 50 percent of the population still dependent on agriculture for its livelihood, the sector continues to play a vital role through its multiplier impact on the economy.

Figure 3: Sector-wise Share in GDP at Constant (2004-05) prices



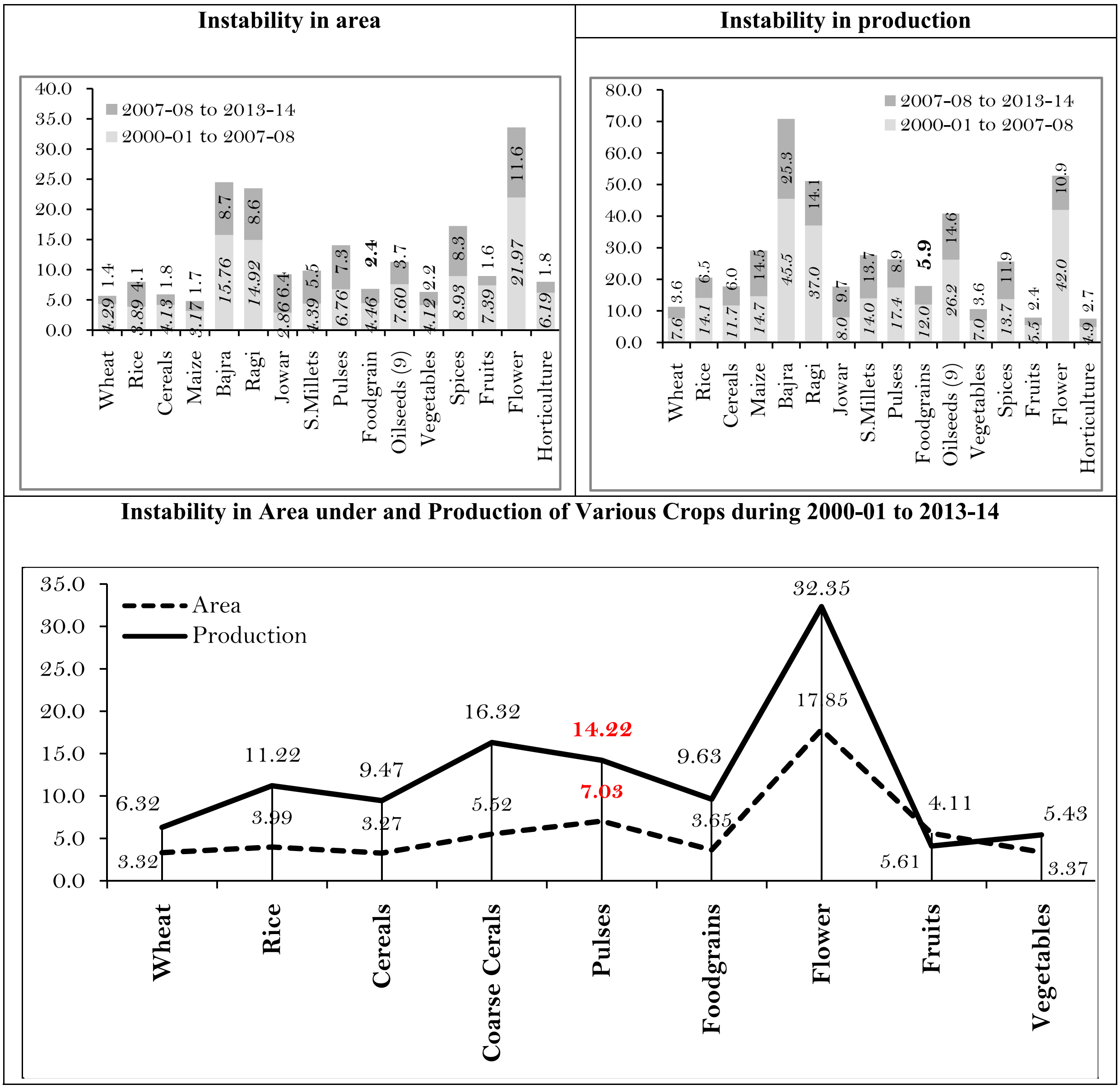
Source: CSO

In order to understand how the economy has grown in the post-reform period, a sectoral comparison of GDP growth of the post-reform period is made with that of the decade preceding reform. Table-1 demonstrates that a higher GDP growth rate in the post-reform period is basically led by growth in the service sector. As agriculture and industry have more forward and backward linkages in the economy, deceleration in their growth has far reaching implications for employment generation and poverty alleviation. Moreover, a part of service sector growth may be termed as "spurious" in the sense that it is simply reflected the revaluation of valued added in the public administration, defense and other government departments due to upward revision of their employees' salaries. The table shows that both agriculture and industry have experienced slow-down in their growth. However, decline is more pronounced in case of agriculture. According to the Mid-Term Review of the Tenth Plan, the yield growth in the two important cereal crops—rice and wheat—decelerated throughout the 1990s to about one per cent from the three per cent during 1980s, indicating a potentially serious exhaustion of technological progress (Government of India 2005). Although, trade liberalisation has its impact on almost all the agricultural crops, it is the production of cotton, pulses and oilseeds which is affected badly due to it. Growth rate in the production of food grains had declined from 2.99 per cent between 1981-82 and 1990-91 to 1.25 per cent between 1991-92 and 2003-04. The production of cotton, pulses, coarse cereals and oilseeds did not achieve any growth in the post-reform period (Singh, 2006). According to the approach paper to the 11th Plan, deceleration in the agricultural growth is the root cause of rural distress that has surfaced in many parts of the country (Government of India, 2006a).

Instability of Agriculture Performance in India:

The estimation of instability Index for area and production of various food and non-food crops computed for pre, post and over-all period at all-India level for precision of agricultural performance of India has been presented in Figure-4. At all-India level, the instability growth has shown, in terms of standard deviation, in area and production of food grains respectively (2.36 and 5.90) is higher as compared to fruits (1.56 and 2.40) and vegetables (2.2 and 3.6) during the post-period (Figure-4). However, the instability in area under food grains increased to 4.5 per cent during pre-period, which remarkably declined by two-times during the post-period. Similarly, the instability in production of food grains was also declined by more than two-times i.e., from 12 per cent to 5.9 per cent during pre and post-period respectively. Thus, the instability in area and production of food-grains decelerated during post-period, but it is still high in comparison to non-food grains like fruits and vegetables during the same period.

Figure-4: Instability in Area, Production of Agriculture in India during Pre, Post and Over-all Period



Source: Computed by authors

It is important to highlight that among the food-grains, the instability in area under pulses has increased from 6.8 per cent in pre-period to 7.30 per cent in post-period. Although, despite an increase in instability in area under pulses (which is higher among the food-grains), this crop remarkably succeed to turn-down the variability in the production by 48.65 per cent i.e., from the standard deviation of 17.4 per cent to 8.9 per cent during pre and post period respectively. Yet, it is still higher than that of the cereal-crops, such as wheat and rice during the current period. The study by Chand *et. al* (2011) also reported in all respects the growth rate in instability between cereals and pulses; the later has shown higher instability during all the periods i.e., 1951 to 2007.

Table-1: Trend and Growth in Area, Production and Productivity of Agriculture in India

Crops	Triennium Ending			CAGR (%)		
	2000-01	**2007-08**	**2013-14**	**Pre**	**Post**	**Over-all**
Area (in Million Hectare)						
Cereals	101.45	100.05	99.21	0.15	-0.21	0.06
Pulses (All)	21.66	23.07	24.32	1.85	1.26	1.31
Food-grains	123.11	123.13	123.53	0.45	0.06	0.29
Oilseeds (9)	24.41	27.02	26.95	3.43	0.30	1.53
Fruits (Total)	3.80	5.58	6.97	6.93	3.46	5.22
Vegetables	6.04	7.55	9.20	3.94	3.43	3.75
Spices & Condiments	2.41	2.48	3.15	-0.09	4.18	1.90
Horticulture	15.35	19.43	23.71	3.55	3.35	3.26
Production (in Million Tonnes)						
Cereals	190.27	204.76	242.26	1.93	2.63	2.44
Pulses (All)	13.14	14.12	18.23	3.31	5.17	3.75
Food-grains	203.41	218.89	260.49	2.02	2.80	2.52
Oilseeds (9)	21.30	27.34	31.16	7.44	2.49	4.55
Fruits (Total)	44.23	60.17	82.23	6.48	4.84	6.11
Vegetables	90.74	118.28	160.47	5.45	4.85	5.60
Spices & Condiments	3.18	4.01	5.87	5.11	7.25	5.49
Horticulture	148.54	195.29	267.83	5.57	5.16	5.67
Yield (Kg./Hectare)						
Cereals	1875.37	2046.30	2441.90	1.78	2.85	2.38
Pulses (All)	604.56	610.91	750.30	1.43	3.89	2.43
Food-grains	1652.22	1776.92	2109.01	1.55	2.73	2.22
Oilseeds (9)	869.43	1011.67	1156.14	3.88	2.18	2.97
Fruits (Total)	11649.58	10773.28	11790.22	-0.43	1.33	0.85
Vegetables	15026.86	15659.96	17449.00	1.45	1.37	1.79
Spices & Condiments	1317.85	1615.35	1862.62	5.21	2.94	3.53
Horticulture	9679.22	10039.68	11292.56	1.95	1.76	2.33

Source: Computed by authors

Note: Pre: 2000-01 to 2007-08, Post: 2007-08 to 2013-14 and Over-all: 2000-01 to 2013-14.

It has been observed that the major reasons of increase in instability in the production of pulses which was highest among the food grains due to the climate changes including arrival of al-nino cyclone, recurrence of natural disasters, such as floods, droughts and rainfall during the recent past. Apart from this, the ignoring behaviour in favour of pulses cultivation was due to given the high priority to grow cereal crops (rice and wheat) and because of the more area brought under these crops which definitely led to decline in the area under pulses. Besides, the another major reason for variability in pulses is usually grown as mixed crops along with crops such as cotton, mustard, or as catch crops between two cereal crops, because of which, expenditure on application of inputs such as fertilizers, pesticides, labour and water was less for the pulse-based cropping systems in the country (Reddy et.al, 2013). Hence, this study attempts to identify of these responsible factors which create the instability in area as well as production of Indian lentil (*Masoor*). This study also stress on the formulation of suitable strategies and how these strategies will help for remaining of these fissures.

Towards Sustainable Agriculture

In the context of agriculture, "sustainability" refers to the capacity to remain productive while maintaining the resource base. According to Gips 1986, "*agriculture is sustainable if it is ecologically sound, economically viable, socially just, humane and adaptable*." Nevertheless, agriculture development in India, continues to guided by the principle of increasing agricultural production rather than promoting sustainability. Towards the end of the sixties, the government adopted the agricultural strategy which produced the "*Green Revolution*". Green Revolution in India ushered the use of hybrid seeds that were particularly responsive to chemical fertilisers. Crop production and crop productivity improved significantly but widened the regional imbalances. The benefits of green revolution remained largely confined to the North and North-West parts of the country. The eighties saw the effect of green revolution waning, with problem of stagnation and decline of yields on irrigated land, rapid rate of land degradation, contamination and over-exploitation of groundwater resources which rendered large areas vulnerable to drought, coming to the forefront. The huge water requirement of the hybrid seed varieties propagated under green revolution led to conditions of water-logging, increased soil salinity and in extreme cases, even desertification. Extensive use of chemical inputs has polluted both surface water and groundwater, causing environmental and health hazards. After years of heavy use of fertilisers, the fertility of soil declined and progressively to obtain the same yields, chemical fertilisers need to be applied excessively. As a consequence, the organic matter in sandy loam soils reduced from normal 0.5% to 0.2%, and has encouraged luxuriant growth of weeds and their fast spread. Conventional methods such as manual weeding and inter-cultural operations have now become almost impractical.

Further, the application of pesticides led to increased pest resistance and development of new pest forms with aggravated virulence. The inappropriate and indiscriminate use of pesticides have become so widespread and an issue of serious concern that, the United Nations administered an international code of conduct on the distribution and use of pesticides. Strikingly, pesticide use in India is only 3.75% of the total quantity consumed in the world but almost half the world's pesticide poisoning cases and almost three quarters of the deaths take place in India as a result of improper handling by the farmers. Today, agriculture experts, planners and policy-makers reluctantly acknowledge the failure of the green revolution and its lopsided concentration of resources on irrigated agriculture at the expense of rainfed agriculture which, paradoxically, constitutes 70% of India's cultivated area.

Over the last three decades, increased reliance on groundwater and surface irrigation, chemical fertilisers, pesticides and insecticides, transformed agriculture in India to a capital intensive occupation. The spread of Green Revolution has led to local-economies getting broken up. Farmers were encouraged and often coerced into producing goods primarily for the market. There was an erosion of indigenous, traditional agricultural practices and knowledge developed over the centuries. Taking their place was the quick technological fix provided by HYV agriculture with its heavy use of chemicals and pesticides on mono-cultured farms. The farmers became entirely dependent on the producers and distributors for these external inputs. The end result of such resource-intensive agriculture was the increased cost of production per unit of output, which in turn has led to higher consumer prices for food. With recognition of the onset of "green revolution fatigue" evident in the stagnating yields of many crops, the impending task is to mitigate the ill-effects of green revolution, which if unchecked may wreck complete havoc with Indian agriculture. Simultaneous efforts need to be made to promote a more sustainable form of agricultural and identify sources for future spurt in agricultural productivity.

Make Smallholder Farming More Productive and Sustainable

Using agriculture as the basis for economic growth requires a productivity revolution in smallholder farming. Improving the productivity, profitability, and sustainability of smallholder farming is the main pathway out of poverty in using agriculture for development. Agricultural productivity determines the price of food, which in turn determines wage costs and competitiveness of the tradable sectors. Productivity of food staples is thus key to growth. But accelerated growth requires a sharp productivity increase in smallholder farming combined with more effective support to the millions coping as subsistence farmers, many of them in remote areas. Three core assets are land, water, and human capital. Yet, the assets of the rural poor are often squeezed by population growth, environmental degradation, expropriation by dominant interests, and social biases in policies and in the allocation of public goods. Hence, priorities should be to increase the assets of poor households, make smallholders and agriculture in general more productive, and create opportunities in the rural nonfarm economy that the rural poor can seize. This requires improving the asset position of the rural poor, making smallholder farming more competitive and sustainable, diversifying income sources toward the labour market and the rural nonfarm economy, and facilitating successful migration out of agriculture. The farm population demands subsidies and protection. But weak fiscal capacity to sustain transfers large enough to reduce the income gap and continuing urban demands for low food prices create a policy dilemma, (Hayami 2005).The opportunity cost of subsidies (which are three times public investments in agriculture in India) is reduced public goods for growth and social services in rural areas. Raising incomes in agriculture and the rural nonfarm economy must be part of the solution. Managing the aggregate response of agriculture to rising demand will require good policy and sustained investments, not business as usual.

Besides, improve price incentives and increase the quality and quantity of public investment. Make product markets work better. Improve access to financial services and reduce exposure to uninsured risks, enhance the performance of producer organizations, promote innovation through science and technology. With the right incentives and investments, agriculture's environmental footprint can be lightened and environmental services harnessed to protect watersheds and biodiversity. Rapidly expanding domestic and global markets; institutional innovations in markets, finance, and collective action; and revolutions in biotechnology and information technology all offer exciting opportunities to use agriculture to promote development. But seizing these opportunities will require the political will to move forward with reforms that improve the governance of agriculture.Addressing income disparities requires a comprehensive approach that pursues multiple pathways out of poverty—shifting to high value agriculture, decentralizing nonfarm economic activity to rural areas, and providing assistance to help move people out of agriculture. Doing this calls for innovative policy initiatives and strong political commitment.

Judicious Management of Agricultural Inputs

Intensive agricultural practices, over the years, to enhance agricultural productivity have been eroding native agro-ecosystems through soil erosion, water depletion/contamination, biodiversity loss and disruption in flow of various ecosystem services threatening the agricultural bio-security. The intricate interdependence between agriculture and the natural resources especially in the context of the looming threat of Climate Change make it imminent to revisit the present agricultural strategies to evolve measures for judicious use of various agricultural inputs to ensure sustainable agriculture. There should be a major effort on educating the farmer on the critical role the soil health plays in productivity. Moreover soil testing is essential to determine the exact requirement of type and quantity of Macro and Micro Nutrients. Suitable fertilizer selection, proper dose, appropriate methods of application and judicious use plays a significant role in plant physiology and crop productivity. The need for achieving optimal seed replacement rates throughout the country should be one of the focus areas besides putting in place mechanisms for supplying quality and appropriate seed varieties taking into account the native agro-ecosystems and the pest profile of the region. Appropriate practices for enhancing the quality of the crop by right choice of seeds and seed health practices should be developed and the knowledge disseminated to the farmers.

Finally, the response to better price incentives depends on public investments in market infrastructure, institutions, and support services. But the quality of public spending is often low and needs improvement. To mobilize political support for better use of public expenditures in agriculture, an initial step is greater public disclosure and transparency of budget allocation, and analysis of impacts.

Conclusion

The production of food grains in India has slowed down in the post-reform period as compared to that in the pre-reform period. The decline in the growth rate of area devoted to food grains and yields of its components particularly of wheat which has been main contributor to the growth of food grains production has conditioned this slow down in the production of food grains. Decrease in public investment as a percentage of GDP on agriculture, slow rate of decline in rural poverty, application of low doses of fertilizers in the states with high incidence of poverty, slow growth in cropping intensity due to lack of irrigation facility aggravated by ground water depletion, and land degradation are some major factors which have been weakening the sustainable food grains production in India. The faulty agricultural subsidy structure has led to over-exploitation of ground water and salinity of soil. The rural poverty and low agricultural growth rate are interlinked and one leads to other.

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GREEN MARKETING – A SIGNIFICANT TOOL FOR SUSTAINABILITY

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"The most sustainable way is to not make things. The second most sustainable way is to make something very useful, to solve a problem that hasn't been solved."

– Thomas Sigsgaard

Abstract

Businesses are in a unique position to capitalize on the environmental anxieties of customers. As a 2015 study by The Nielsen Company suggests, despite high unemployment rates and low wages, customers are willing to spend more for products that are environmentally friendly. Just over the span of one year, customers willing to pay more for products and services from companies committed to positive environmental and social change increased from 55% in 2014 to 72% in 2015. Although seen by some as a niche minority, eco-minded consumers are now a major concern and opportunity for marketing departments across the country. Such a rapid expansion in green-conscious customers has spurred a surge of companies making green claims, sparking gridlock at the United States Patent and Trademark Office. Between 2006 and 2007, filings for eco-friendly labels doubled and stores offered 73% more green products in 2010 compared to 2009. Thus, even if a business owner does not believe the threat of climate change is real, businesses should nevertheless invest in eco-friendly practices so they may advertise and sell to green-minded customers.

This paper discusses the concept of green marketing and makes clear the concept of green product or service. The paper gives the examples of few important corporate initiatives with regard to green marketing. The paper also focuses on the present trends of green marketing in India and states the reasons why companies are adopting it and concludes that green marketing is something that will continuously evolve and grow in both practice and demand.

Key Words: - Green Product or Service, Green Marketing, Corporate Social Responsibility (CSR), Sustainability or Sustainable Development.

Green Marketing – A Significant Tool for Sustainability

"We have to cultivate contentment with what we have. We really don't need much. When you know this, the mind settles down. Cultivate generosity. Delight in giving. Learn to live lightly. In this way, we can begin to transform what is negative into what is positive. This is how we start to grow up."

– Jetsunma Tenzin Palmo

Environmentally-responsible or "green" marketing is a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. Green marketing campaigns highlight the superior environmental protection characteristics of a company's products and services. The sorts of characteristics usually highlighted include such things as reduced waste in packaging, increased energy efficiency of the product in use, reduced use of chemicals in farming, or decreased release of toxic emissions and other pollutants in production.

Marketers have responded to growing consumer demand for environment-friendly products in several ways, each of which is a component of green marketing. These include: 1) promoting the environmental attributes of products; 2) introducing new products specifically for those concerned with energy efficiency, waste reduction, sustainability, and climate control, and 3) redesigning existing products with an eye towards these same consumers. Marketing campaigns touting the environmental ethics of companies and the environmental advantages of their products are on the rise.

Most observers agree that some businesses engage in green marketing solely because such an emphasis will enable them to make a profit. Other businesses, however, conduct their operations in an environmentally-sensitive fashion because their owners and managers feel a responsibility to preserve the integrity of the natural environment even as they satisfy consumer needs and desires. Indeed, true green marketing emphasizes environmental stewardship. Green or environmental marketing may be defined as any marketing activity that recognizes environmental stewardship as a fundamental business development responsibility and business growth responsibility. This expands, to some extent, the traditional understanding of a business's responsibilities and goals.

As a result of this businesses have increased their rate of targeting such consumers. The consumers also integrate environmental issues into their buying decisions. This has compelled companies to design and manufacture products or services in response to the changing consumer behavior and buying decisions. Moreover, green marketing has got strategic importance in establishing sustainable brand and to ensure sustainability of business.

Objectives: -This paper will attempt -
1. To introduce concepts of green product or service and green marketing;
2. To study different examples of green initiatives taken by business organizations.
2. To identify reasons why businesses are adopting green marketing philosophy; and
4. To point out present trend about green marketing in India.

Research Methodology: - This paper has solicited the information gathered in the form of secondary data. The sources used mainly consist of reference books, journals, websites etc. The required information is collected in order to fulfill the designed objectives.

What is Green Marketing? Unfortunately, majority of the people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Echo or Environment Friendly are some of the things which most often associate with green marketing. In general green marketing is a much broader concept, which can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as 'Eco-tourist' facilities, i.e., facilities that specialize in experiencing nature or operating in such a fashion that minimizes their environmental impact.

Thus, green marketing incorporates a broad range of activities, including product modification, changes to production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task. Indeed the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing. While Green Marketing came into prominence in the late 1980s and early 1990s, it was first discussed much earlier. The American Marketing Association (AMA) held the first workshop on 'Ecological Marketing' in 1975. The proceedings of this workshop resulted in one fine book on Green Marketing titled 'Ecological Marketing', written by Henion and Kinnear in 1976. Since then a number of other books on the topic have been published and a number of definitions have been introduced. Following are some important and relevant definitions:

1. "Green marketing is the marketing of products that are presumed to be environmentally safe". - American Marketing Association (AMA)
2. "The study of positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion." - Henion and Kinnear
3. "Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment." – Polonsky
4. "Environmental marketing or sustainable marketing refers to organizations' efforts at designing, promoting, pricing and distributing products that will not harm to environment." - Pride and Ferrell
5. "Green consumer is one who avoids products that are likely to endanger health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries." Elkington

Thus, green marketing should look at minimizing environmental harm, not necessarily eliminating it. Moreover, 'Green Marketing' refers to holistic marketing concept wherein production, marketing, consumption and disposal of products and services happen in a manner that is less detrimental to environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. While the shift to green may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run.

What is Green Product or Service?Products those are manufactured through green technology and cause no environmental hazards are called green products. Similarly, green service is that which uses green technology in the process of delivering a service and causes less harm to natural environment. Promotion of green technology and green products or services is necessary for conservation of natural resources and sustainable development of the society. Green product or service generally possesses the following characteristics:

- Those are originally grown,
- Those are recyclable, reusable and biodegradable,
- Products with natural ingredients,
- Containing recycled contents, non-toxic chemical,
- That does not harm or pollute environment,
- That will not be tested on animals,
- That has eco-friendly packaging i.e. reusable, refillable containers etc.
- Those ensure optimum utilization of resources and leads to minimum of waste.
- Those conserve resources or preserve them.

Green Initiatives taken by Business Organizations and Government: -Some of the representative examples of green initiatives taken are as follows:

1. SBI Green IT Project: - State Bank of India by using eco and power friendly equipments in its 10,000 new ATMs, has not only saved power costs and earned carbon credits, but also set the right example for others to follow. SBI is also entered into green service known as "Green Channel Counter". SBI provides services like; paper less banking, no deposit slip, no withdrawal form, no checks, no money transactions through SBI shopping & ATM cards. By turning to wind energy the bank has became the first Indian bank to harness wind energy through wind farms developed by Suzlon Energy. The wind farms are spread across three states – Tamil Nadu, with 4.5 MW of wind capacity; Maharashtra, with 9 MW; and Gujarat, with 1.5 MW. The wind project is the first step in the State Bank of India's green banking program dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the bank's clients.

2. Lead Free Paints from Kansai Nerolac: - Kansai Nerolac Paints Ltd. has always been committed to welfare of society and environment and as a responsible corporate citizen has always taken initiatives in the areas of health, education, community development and environment preservation. Kansai Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss. So they deliberately manufacturing lead free paints.

3. Indian Oil's Green Agenda: - India's largest oil company has taken following green initiatives.

• Indian Oil is fully geared to meet the target of reaching EURO-III compliant fuels to all parts of the country by the year 2010; major cities will upgrade to Euro-IV compliant fuels by that time.

• Indian Oil has invested about Rs. 7,000 crore so far in green fuel projects at its refineries; ongoing projects account for a further Rs. 5,000 crore.
• Motor Spirit Quality Improvement Unit commissioned at Mathura Refinery; similar units are coming up at three more refineries.
• Diesel quality improvement facilities in place at all seven Indian Oil refineries, several more green fuel projects are under implementation.
• The R&D Centre of Indian Oil is engaged in the formulations of eco-friendly biodegradable lube formulations.
• The Centre has been certified under ISO-14000:1996 for Environment Management Systems.

They have also provided for green fuel alternatives.In the country's pursuit of alternative sources of energy, Indian Oil is focusing on CNG (Compressed Natural Gas), Auto Gas (LPG), Ethanol blended petrol, Bio-diesel, and Hydrogen energy.

4. India's 1st Green Stadium: - The Thyagaraja Stadium stands tall in the quiet residential colony behind the Capital's famous INA Market. The stadium is going to be the first green stadium in India, which has taken a series of steps to ensure energy conservation and this stadium has been constructed as per the green building concept with eco-friendly materials. This has set an example for others.

5. Eco-friendly Rickshaws before CWG: - In Delhi before the Common Wealth Games starts battery operated rickshaw have been launched by Delhi government. These “E-rick” are sponsored by a cellular services provider, to promote eco-friendly transportation in the city ahead of the Common Wealth Games. This has set the examples for other state governments in India.

6. Government of India’s Policy: - Indian government has launched a "Green Court” on October 19, 2010 to make polluters pay damages. That time India was only the third country in the world after Australia and New Zealand to set up such a tribunal. This is the first body of its kind (in India) to apply the polluter pays principle and the principle of sustainable development. The Central government has also made a provision of Rs. 25,000 crore to mitigate the effects of climate change, a serious problem that India will face in the coming decades in 2010. Besides it, the Finance Ministry has also sanctioned Rs. 5,000 crore as recommended by the 13th Finance Commission to tackle this serious problem. Presently, about 220 scientists from 120 research institutions are working on assessing the impact of climate change on agriculture, water, health and forests. By taking into consideration the increased pollution levels associated with industrialization and urbanization, a number of proactive steps have been proposed in the Union Budget 2011. One of the major steps includes the establishment of National Clean Energy Fund (NCEF) for funding research and innovative projects in clean energy technology. Allocation for National Ganga River Basin Authority has been doubled in 2010-11 to Rs.500 crore. The “Mission Clean Ganga 2020” under the National Ganga River Basin Authority (NGRBA) with the objective that no untreated municipal sewage or industrial influent will be discharged into the National River has already been initiated. Thus, a number of government initiatives can be discuss.

7. Wipro Green IT: - Wipro can do for you in your quest for a sustainable tomorrow - reduce costs, reduce your carbon footprints and become more efficient - all while saving the environment. The company has introduced Wipro's Green Machines (In India Only). Wipro

Infotech was India's first company to launch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Greenware. Wipro has launched wide range of eco-friendly desktops under the Wipro Green Ware initiative. These products aim to cut down e-waste in environment. Moreover, these products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment. Here, the systems launched are toxin free and operate under total recycling policy. Company says that with removal of the toxins, recycling of the electronic products would be safer. Wipro has 17 e-waste collection centers in India where products are collected and recycled. Also, 12 Wipro campuses in the country have been certified as green buildings.

8. Agartala to be India's first Green City: - The government of Tripura announced plans to make all public and private vehicles in Agartala run on Compressed Natural Gas (CNG) by 2013, thus making the capital "India's first green city". Tripura Natural Gas Co. Ltd. (TNGCL), a joint venture of Gas Authority of India Ltd (GAIL) and Tripura and Assam governments, has undertaken a project to supply CNG to all private and government vehicles. CNG will also be available to those now using electricity, petrol and diesel to run various machineries. TNGCL has also planned to provide connections to 10,000 new domestic consumers in the city and outskirts. The aim was to make Agartala the first green city in India within next three years.

9. Going Green: Tata's new mantra: - The Indian Hotels Company, which runs the Taj chain, is in the process of creating eco-rooms which will have energy efficient mini bars, organic bed linen and napkins made from recycled paper. But there won't be any carpets since chemicals are used to clean those. And when it comes to illumination, the rooms will have CFLs or LEDs. Earth friendliness is the hallmark of the Vivantaline, just as it is at all Taj hotels. The parent company follows guidelines established at a United Nations Earth Summit and endorsed by nearly 200 countries. These green benchmarks are monitored by a leading worldwide certifier, Green Globe. Taj aims to bring the total of its Vivanta hotels to 30-plus in the next 2 years, totaling 5,000-plus guest rooms.

One of the most interesting innovations has come in the form of a biogas-based power plant at Taj Green Cove in Kovalam, which uses the waste generated at the hotel to meet its cooking requirements. Tata Motors is setting up eco-friendly showrooms using natural building material for its flooring and energy efficient lights. Tata Motors said the project is at a preliminary stage. Another eco-friendly consumer product that is in the works is Indica EV, an electric car that will run on polymer lithium ion batteries. Tata Motors plans to introduce the Indica EV in select European markets.

10.TheHCL Initiative: - HCLhas launched its range of eco-friendly notebooks, HCL ME 40. HCL claims that this was India's first PVC free and eco-friendly notebook. This notebook is completely free from Polyvinyl chloride (PVC) material and other harmful chemicals. Further, Bureau of Energy Efficiency has given HCL eco-friendly products a five-star rating, and they also meet REACH (REACH is the European Community Regulation on chemicals and their safe use) standards and are 100 per cent recyclable and toxin free.

11. Voltas India Ltd.: - In 2007, Voltasinitiated the 'Green' range of air-conditioners, following which the government made it mandatory for home appliances to have energy star ratings. Energy Star is an international standard for energy efficient consumer products that originated in the US. Thus, devices carrying the star logo, such as computer products and peripherals, kitchen appliances and other products, use about 20-30 per cent less energy than the set standards.

12. MRF Tyres: - Next in the line to join the eco-friendly product wagon is the Indian tyre manufacturer MRFwith its ZSLK series. The premium eco-friendly tubeless tyres MRF ZSLK are made from unique silica-based rubber compounds and promises to offer fuel efficiency for vehicle owners. The tyres had been tested extensively on Indian road conditions with emphasis on endurance, wet and dry braking. At present, the ZSLK series are available for models including Honda City/Civic, Ford Fiesta, Hyundai Santro, Maruti SX4, Wagon R, Skoda Octavia, Tata Indica, Nissan Micra.

13. ACC Cement: - India-based cement manufacturer ACChas recently launched its eco-friendly brand, "Concrete+". This brand uses fly ash (a hazardous industrial waste) to help conserve natural resources, thus making it an eco-friendly product. The new product has been designed exclusively to ensure high durability and resistance of structures under extreme climate. This has not only increases the life of buildings but also generate major savings. And the most important thing is that it causes less harm to the environment.

14. Fevicol India: - Fevicol, a leading brand of adhesive in India, has introduced environment friendly synthetic resin adhesive. Claiming to be India's first eco-friendly adhesive, Fevicol AC Duct King Eco Fresh, boasts of being an all-in-one adhesive. The company says that this water-based adhesive has exceptional bonding strength and spreads smoothly at room temperature without emitting any toxic fumes. It is an ideal adhesive for AC Duct insulation for all residential and industrial projects.

14. Grassroot: Eco-friendly Clothing: - Eco-friendly line of clothing is fast growing fashion trend. Though it had a slow take off, it now has many takers. Anita Dongre has now joined the line of eco-fashion with her brand, Grassroot. "My eco-friendly brand Grassroot is a 100 per cent environment-friendly brand. We use certified eco-friendly and organic fabrics; we have partnered with number of NGOs who are engaged into providing and promoting the work of local artisans," says Anita Dongre. For the uninitiated, eco-fashion is a process of creating garments with environment friendly techniques and processes which are non-hazardous to the environment. Largely, eco-clothing uses organic cotton, bamboo jersey, viscose and linen, etc.

So, from LCDs to clothing, every brand is giving you an opportunity to ride the green wave. Go ahead, make a choice and join the green revolution.

Why Business Organizations Go for Green Marketing? In the present scenario, challenge is to keep customers in fold and even keep our natural environment safe – which is the biggest need of time. Companies may lose many loyal and profitable customers due to absence of green management. In today‘s innovative business world of high technology due to growing community and consumer interests in green and socially responsible products, increased community pressure on companies to internalize externalities, such as health issues, neighborhood amenity, climate change; environmental and governmental legalizations and initiatives; innovative technologies and approaches of dealing with pollution, improved resource and energy efficiency, and to retain old customers, it is very much urgent to implement green marketing. Further, green management produces new environment friendly customers which lead to increase in sales and profits of an organization that leads to growth and development of business; it also leads to good public image of the organization. In the present times when the government regulations around the globe are very strict and the whole world is talking about global warming, climate change and environment protection the companies would be left with no option but to adopt green marketing otherwise it might be too late to survive in the greener world. The consumer‘s world over in general and India in particular are increasingly buying eco-friendly products. In a nutshell most of the companies are venturing into green marketing because of the following reasons:

1. Organizations perceive green marketing to be an opportunity that can be used to achieve its business goals and objectives;
2. Organizations believe that they have a moral obligation to be more socially responsible and such activities are the part of their CSR;
3. Governments around the globe are becoming environmentally conscious and the governmental bodies are forcing business organizations to become more responsible;
4. Competitors' environmental activities pressurize the organizations to change their environmental marketing activities as well as concern for environment; and
5. Cost factors associated with waste disposal, or reductions in material usage forces organizations to modify their behavior.

Some Problems with Going Green: -No matter why an organization uses green marketing there are a number of potential problems that they must overcome. One of the main problems is that organizations using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. At the same time they must have to ensure that pressure from consumers for green products is fair, just and reasonable. There is a need to undertake scientific study and investigation into the activities which organizations undertake and are labeled as ‘Green’. Therefore, green marketing claims must;

• Clearly state environmental benefits;
• Explain environmental characteristics;
• Explain how benefits are achieved;
• Ensure comparative differences are justified;
• Ensure negative factors are taken into consideration; and
• Use only meaningful terms and pictures.

Current Trend in India: -Many analysts are predicting that coming period will be a make-or-break-it for many green businesses as increasing competition in the green sector drives some businesses to new heights of innovation and service while other businesses lag behind. Trends may come and go. But it is impossible for any green business to stay on top of all of them. However, they must have to continue with their efforts. Keeping track of green business trends is a great way to ensure that your business stays fresh, flexible, and creative in the face of new challenges and opportunities, the surest way to green business success.

Consumers - As per research, India is the only country to choose deforestation and air pollution as the most important green issue. India is the only country in which more consumers say it should be developing countries that should focus on green innovation versus developed countries. The results of the three years back released 2011 edition of the Global

Image Power Green Brands Survey show that concern about the environment by the consumers, is translating into a willingness to pay for a premium for green products. Majority of Indian consumers indicate that they plan to spend more on green products. Furthermore consistent with emerging countries, Indians are willing to pay a green premium price, and increasing number of Indians willing to spend more on a product simply because it is green. Consumers in India are trusting on green advertising compared to other countries, and they are of the opinion that advertising about green products help them in making choices.
Producers – AMUL has been rated as the Top Indian Green Brand by Global Green Brands Survey. The International Dairy Federation has also awarded AMUL Green movement as the best Environment Initiative in the ―Sustainability Category in 2010. It also has been awarded Srishti's Good Green Governance Award. The 2011, top 10 Green Brands in India are:

1. AMUL
2. Dabur India ltd.
3. Infosys
4. Taj Hotels
5. Britannia Industries ltd.
6. Suzlon India
7. Hindustan Unilever Ltd.
8. Wipro technologies ltd.
9. Maruti Udyog ltd.
10. Godrej Consumer Products

The findings emphasize that in today's situation being both green and consumer friendly is the only mantra for long term success.

Government - The Indian government has also done its mite in promoting green marketing and eco friendliness by way of banning plastic bags from daily use, helping its automotive industry to develop greener vehicles by supporting hybrid and electric vehicles (EVs), by investing in greener cars the Government of India is capitalizing on an underutilized segment and building an infrastructure that will generate economic growth and reduce emissions. The government took the initiative of promoting green buildings construction, usage of alternate sources of energy by companies. Governmental Bodies are forcing organizations to become more responsible. In most cases the government forces organizations to adopt policy which protects the interests of the consumers by reducing production of harmful goods or by-products, modify consumer and industry's use and /or consumption of harmful goods; or, ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

Conclusion: **-** It is well accepted fact that in the modern era of globalization, protecting interest of consumers and keep our natural environment safe is the biggest need of time. Both business organizations and consumers have to shoulder this responsibility. In addition the Indian Government has to play an important role in this regard.

Business organizations should not consider green marketing as just one more approach to marketing, instead should pursue it with greater vigor as it has societal and environmental dimensions. Organizations are now aware with the fact that without adopting green in the core of their strategy they cannot survive in the present world of competition. Indian FMCG companies are also adopting green to retain their image in the market. So, companies are attracting towards green marketing at a faster rate. It is found that only few of the marketing messages from 'Green' campaigns are entirely true and there is a lack of standardization to authenticate these claims. Therefore, there is a need to have some regulatory body. Also there is a need for determination and commitment from the all the stakeholders of companies. Marketers also have the responsibility to make consumers understand the need for and the benefits of green products as compared to the non-green ones and the benefits which they can reap in the future. Moreover, consumers, industrial buyers and suppliers need to promote the positive effects of green marketing on the environment. Green marketing assumes even more importance and relevance in developing countries in the world like India which should be path breakers and trendsetters for all others to follow.

Green marketing has to evolve since it is still at its infancy stage. Adoption of green marketing may not be easy in the short run, but in the long run it will definitely have a positive impact on the organizations. Green marketing is still in the stage of childhood in Indian companies. Lots of opportunities are available in Indian market. Indian literate and urban consumer is getting more aware about the merits of green products. But it is still a new concept for the masses. It should reach to the rural consumers so that they will come in the main stream. The new green movements need to reach the masses and that will take a lot of time and effort.

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INNOVATIONS IN BANKING SECTOR IN INDIA IN THE 21ST CENTURY – A CASE STUDY OF COSMOS CO-OPERATIVE BANK LTD, PUNE

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ABSTRACT

Banking technology has grown rapidly over the last decade. We went from pockets full of change to using debit and credit cards as a norm. The days of carrying cash on hand are slowly disappearing and emerging are the new banking technologies that make life for the consumer and the merchant easier.Banking technology involves planning new banking strategies and evolving with the new technologies that emerge. Investments and investment plans depend largely on what the next new banking technology that is going to be introduced to consumers and investors.

Banks are providing innovative services tothe customer so that they can get proper benefit in this sector. The objective of this paper is to analyze the services provided by the cosmos co-operative bank ltd, and toobserve that how innovative and new services they are giving to the society, and to know that howmuch these facilities or services are beneficial for the society as well as banks. This paper isdescriptive in nature and data has been collected through secondary source. The paperexplains the objective with the help of case study of the Cosmos Co-operative Bank Ltd Pune. The paper concluded that the banking sector has been changing rapidly. Now you can get bankingservices anytime and anywhere, wherever and whenever you want.

Key words: Banking sector, customer satisfaction, Innovative services, Tele banking, ATMs, Internet Banking, Mobile Banking and E - banking.

- INTRODUCTION :

Banking sector has became an emerging sector in India, their services are affecting the human life and their life style, no one can deny that now the banks are becoming the necessity of everyone, in this era the need and satisfaction level of human has moved beyond the previous benchmark, and banking sector is providing lot of services to the customer, traditionally banks were providing only saving facility to the public and there were less number of banks are available, now scenario has been changed, there are 171 banks which are working in India, in which some are public sector banks and some are private sector banks are working. Earlier the banks worked only for urban side of the country, but now they are focusing on the rural side, they are providing much facility for upliftment of their life style and their economic conditions, and its happening, see how the villagers are producing the crops and they have no fear of money lender, who were made fool them, but apart of these we cannot ignore the technological challenges for every sector, and banking sector are also facing the great challenges, that's why they are more serious about the innovation policy and strategy. This paper deals with all the innovative strategy and the policy which are made by banks to retention of the existing and valuable customer and the backward side society.

The Cosmos Co-operative Bank was established in 1906. It is the second oldest & second largest co-operative bank in the country. This Bank has recently completed its glorious 108 years of service successfully. It has attained multi state scheduled status in 1997. The Bank is a professionally managed 'Financial Institution', a benchmark of credibility and innovation.

Bank has nurtured its traditional values in business practices and in serving the small customers. At the same time it has adopted new technologies and advanced banking tools to add value to its services. Cosmos Bank has engraved a position in the banking sector due to its rich heritage, integrity, devotion to prudent banking practices, technology advancement, customized products and services and most of all due to its experienced, qualified and professional Board of Directors.

❖ ACHIEVEMENTS OF COSMOS CO-OP BANK :

1. Cosmos Bank is the first Multi-state Co-operative Bank to implement Centralized Banking System.
2. All Branches, Extension Counters, all Regional Offices and Head Office are interconnected through the Data Center situated at Head Office and has gone live on "FINACLE".

Cosmos Bank has brought optimum benefits to the Bank's customers like :

- Anytime banking through our ATM network.
- Installation of onsite/offsite ATM's at our Branches/ Extension Counters.
- More than 120000 plus ATMs are connected through Banks & NFS Tie Ups.
- Facility to transfer funds instantaneously to any account in any of our branch network.
- RTGS / NEFT Service for quick transfer of Funds.
- Periodic interest on Fixed Deposits in disbursed through the Electronic Clearing Scheme(ECS).
- Account Statements available through E-mails.
- SMS facility for Account Balance, View of Last Three Transactions and Cheque Status.
- Availability of Franking Facility.
- Pune Corporation Tax acceptance facility.
- Utility Bill Payment facility for Telephone, Electric, Mobile Bills, Insurance premiums, Donations etc.
- Availability of E-Tax Payment facility.

  Apart from these, we are making payments of Direct taxes and Indirect Taxes on behalf of our customers on their behalf to the Government through the on-line payment system linked with HDFC Bank Ltd./IDBI Bank Ltd.

❖ BANKING SERVICES PROVIDED BY COSMOS CO-OP BANK :

Core Banking Solution has enabled to launch lots of customer friendly services, such as...

1. Inter Branch Transactions - Core Banking Solution has facilitated Any-where Banking facility through all the Branches and Extension Counters.

2. ATMs - Installation of ATMs at each of the branches / extension counters, Off-site locations is in process, out of which 105 on - site ATMs have already been commissioned.
3. Multi - city cheque book facility - This facility has helped many of the corporate / commercial clients in their business. Multi-city cheques are often known as 'at par' cheques payable at all branches of the bank' within the framework of the clearing norms.
4. Instant Funds Transfer - This helps many of the customers to transfer their business / personal funds instantaneously to any of the branches.
5. Depository Services of NSDL & CDSL - Depository participant of NSDL & CDSL. Bank has provided the facility of IDeAS and SPEED-e.
6. Foreign Exchange Business- Authorized Dealer Cat- I license. Maintenance of NRE, NRO, NRI accounts, Dealer in Travelers Cheque and Foreign Currency. Swift Message correspondence, Issuance of Foreign Letter of Credit, Issuance of Packing Credit in foreign currency.
7. Electronic Clearing Services - Periodic payments such as monthly / quarterly interest on fixed deposits, dividend on the shares etc. can now be instantaneously credited to the beneficiaries account at any of the branches or at any other bank -branch.
8. RTGS / NEFT - To facilitate transfer of funds from any bank branch to any other bank branch participating in NEFT. Presently this facility is provided with nominal charges for Outward NEFT transaction and free of cost for Inward NEFT transactions.
9. E - Payment Of Taxes - In this facility our the customers can pay their Direct Taxes and Indirect taxes debiting their account through the Bank.
10. NECS (National Electronic Clearing System) - In this system the ECS file will be uploaded centralized at MRO. Initially only the credit transactions will be uploaded. The settlement cycle for the same is one day only.
11. General Insurances- Reserve Bank of India has permitted to engage in General Insurance business as a corporate agent. There is a tie - up with Bajaj Allianz General Insurance Company Ltd. for offering its policies to the customers. These General Insurance products are available at all of the branches.
12. Life Insurance Business- Reserve Bank of India has permitted to engage in Life Insurance business as a corporate agent. There is a tie - up with M / S Bajaj Allianz Life Insurance Company ltd. These life insurance products are available at the all branches.
13. Mutual Fund - Bank provides assistance for investment through Mutual Funds. Tie up agreement with various mutual fund houses.
14. Franking Facility - Franking facility is available at Pune, Mumbai and Gujarat based Branches.
15. SMS Banking- Information regarding balance in account, details of last 3 transactions and status of cheque deposited for clearing etc. can be obtained through SMS Banking.
16. MSEB Bill Payment Facility - Customers from Pune region can pay their electricity bill by way of electronic debits to their accounts. This service is offered free of cost to the customers.
17. Municipal Property Tax Collection - at Pune based Branches.

18. Cosmo Quick Pay- Cosmo Quick Pay facility is launched at all the Pune, Mumbai and Ahmedabad branches in collaboration with India Ideas.Com (Bill Desk). Various Bill Payment viz. Electricity, Telephone, Mobile, Credit Card, Insurance, Taxes, ISP, Gas, Depository, Charity, Donation etc. are done free of cost.
19. Pan Card Service- Bank Has Started Pan Card Services as Authorized agent for Pan Card Service.

❖ COSMOS E - SOLUTIONS :

Cosmos eSolutions & Services Pvt. Ltd. is a fully owned subsidiary of The Cosmos Bank, Pune. The company was established in May 2007 with an objective to provide end-to-end business and technology solutions to its clients in various areas of expertise and mainly catering to the needs of the Banking and Financial Services Industry in the areas of Software Development, Training, IT Audit, IT Consultancy & Professional services.

The corporate headquarters is based in Pune, India with strength of 100 + professional staff. It works with clients in a variety of fields and provide multi - platform application solutions. IT provides the best definitive solutions that build true value for our clients by innovative business and technology strategies.

It has the unique ability to offer the client the highest quality services of the best software developers, information technology (IT) and business professionals with all of the skills and experiences, needed to satisfy the requirements of all of your project / s in cost effective manner.

Cosmos eSolutions is also establishing itself in Information Security area by leveraging its techno functional expertise.

❖ Quality Objectives :

- To become the leader in providing the excellent technology services.
- To understand the project and client requirement clearly.
- To facilitate the valuable client through superior Solutions.
- To focus on new areas of operation which could lead to profit.
- To keep the customers satisfied & grow consistently through new business.

❖ SERVICES AND SUPPORT

- Core Banking (Finacle) implementation and Support

Cosmos eSolutions focuses to constantly research develop and introduce broad range of banking functions, security, technology and modern web experience, so the development roadmap in business features and technology can ensure continuous evolution and longest lifecycle.

- ATM Switch Sharing Services

It has an industry standard, time tested robust switch for routing transactions originated from various delivery channels like ATM, Point of Sale (POS) terminals etc. This switch is capable of providing different value added services like Mobile Top Up, Interface for connecting to other switch networks etc. All the facilities are manned and monitored on a 24x7 basis.

Cosmos eSolutions provides :

1. Consultancy for networking of ATMs and joining NPCI network.
2. Driving the ATMs through COSMOS Switch.
3. ATM management and monitoring.
4. Switch to drive the ATMs installed for your bank and route transactions for online authorization.
5. Switch would also enable ATM sharing arrangement.
6. Daily Settlement responsibility.
7. Assist in reconciliation and DMS.
8. Responsibility for disputes management.

➢ CONCLUSION :

The cut throat competition and increasing expectation of customers had resulted in increased awareness on information technology among the commercial banks in India. The arrival of foreign and new private sector banks with their superior technology based services has also forced the commercial banks in India to switch over to the new technology in their day to day operations. The use of technology in expanding banking sector in India is one of the key focus areas not only for commercial banks but for the policy makers also. The banks in India are using Information Technology not only to improve their own internal processes but also to improvise facilities and services to their customers. The efficient use of technology has facilitated accurate and timely management of the increased transaction volumes of banks which comes with larger customer base. Indian banking industry is greatly benefiting from I.T. revolution all over the world. It enabled sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and has helped the financial intermediaries to reach geographically distant and diversified markets.

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JOB SATISFACTION AMONG COLLEGE TEACHERS: A STUDY ON SENIOR COLLEGES OF PUNE CITY*

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Abstract

Well-being of any society depends upon the role played by the Teacher College. Teachers are the most important group of professionals for our nation's future. They are the source of guidance in all the crucial steps in academic life of the students. People are interested to work in the institutions as well as in the services where they feel satisfied. Job dissatisfaction leads to reduced level of performance and turnover intentions and also leads to absenteeism .But in reality how far such job satisfaction is ensured in college teachers' jobs is an important issue in recent times. When teachers are satisfied with their job, they can perform their responsibilities with more concentration and devotion. Job satisfaction is one of the most widely discussed and enthusiastically studied constructs in such related disciplines as industrial-organizational psychology, organizational behaviour, personnel and human resource management and organizational management. In simple terms, it is the extent to which one feels good about the job. Job satisfaction is in regard to one's feelings or state of mind regarding to the nature of their work. The source of job satisfaction is not only the job, but it creates also from working environment, supervision style, interpersonal relationship, and organizational culture also. The researcher interest is to analyze job satisfaction from organizational perspective. Looking job satisfaction from women perspective will also be interesting to present research.

1. Introduction

'Motion is life and rest is death' in this perspective, life is always in motion. Growth and development are essential and natural features of human being. Reformation and innovation are the only truth, which are occurred in the nature. The process of reconstruction is constant either in a slow motion or in a fast motion. There are some variables, which existed and affect to the process of development. Teacher is known as a 'Shining star'. No one is able to do as the teacher can work for the benefits of the society and human being. It is said that Hitler and Mussolini were felt the fear of their nation's teachers in compare of other nation's power. Still the teacher's position could not get the ideal place in the country like India. Teacher felt deficiency of enthusiasm and despair towards duties are found in teacher's behavior. For this, it is necessary that teacher's problems should be understood to create the awareness.

Universities create and cultivate knowledge for building a modern world where leaders are groomed to lead the nation with social justice. There are many factors that should be considered especially with regards to the welfare of human resource in achieving the mission and vision of the universities. One of these factors is job satisfaction, as it is important for retaining employees. In Bangladesh, private universities are enjoying the superior position to public universities in terms of the number of students' enrolment and establishment growth Unfortunately, the turnover of academics at most of these private universities is critical in Bangladesh . An article written by Jalil published in the national daily newspaper of Bangladesh, focused on the turnover of academics because of job dissatisfaction and noticeably supported earlier research. The author stated that academics' turnover per year was only 2% to 3% for public universities; while it was 16% to 17% and sometimes the rate was even higher for some private universities in Bangladesh. Because job satisfaction is one of the main factors affecting the tenure of employees, it is important to consider job satisfaction in establishing an employee retention plan. Satisfied employees tend to be more creative and committed in the organizations . Therefore, job satisfaction must be considered important in managing university academics. This article aims to provide a modest contribution to the understanding of factors and mechanisms that influence academics' job satisfaction in private universities in Bangladesh.

An employee bears a positive view for his work responsibilities because of his job satisfaction. Definitions of job satisfaction given vary between authors. Job satisfaction is defined as the emotional status and attitude of an employee towards his work Klassen, Usher and Bong [6] identified academics as a distinct sample subset of human resources because of their dissimilar working environments in comparison to typical employees of an organization. Moreover, academics have personal and professional interests with regard to their universities, including pressure to pursue excellence, to make the right decisions regarding the research agenda and course load, and ensure steadiness between work life and family life As a consequence of job dissatisfaction of academics, their performance will be decreased and they will be incapable to contribute to education sector. For this reason, this study focuses on disclosing the factors of job satisfaction of academics.

2. Review of Research and development in the subject.

a. **National**

- **Education Commission (1966**), cautioned that dissatisfaction of individual, whatever may be the occupation in which he is engaged, results in professional stagnation and becomes harmful to theclientele. A dissatisfies teacher spells disaster to the country's future. Dissatisfaction among theworkers is undesirable and dangerous in any profession. It is suicidal if it occurs in the teachingprofession.
- **Ramkrishnaiah (1980**) has found that 93 percent of the college teachers who were highly satisfied with their job expressed that they have cordial relationship with their colleagues
- **Mohamed Imran Rasheed (2010**), found that the factors like job design, work environment, feedback, recognition, decision making participation are the potential factor for satisfying teachers in higher education.

b.International Status:

- **Perie& Baker (1979**), in their study concluded that student achievement may be directlyconnected to teachers' job satisfaction. Bloch (2009), in his study found that there is a constructive association among promotion and job satisfaction. Academicians are more motivated and committed to perform a job and also more satisfied if promotion opportunities are available to them.
- **Blum and Naylor (1968),** found that job satisfaction is the result of various attitudes possessed by an employee. In a narrow sense, their attitudes are related to the job and are concerned with such specific factors as wages supervision, steadiness of employment, conditions of work, opportunities for advancement, recognition of ability, fair evaluation of work, social relations on job, prompt settlement of grievances, and fair treatment by employer and similar other items.
- **Ting (1997**), in his study shows that job characteristics such as salary, promotional opportunity, task clarity and significance, and skills utilization, as well as organizational characteristics such as commitment and relationship with supervisors and co-workers, have significant effects on job satisfaction .
- **Kumar and Patnaik (2004)** determined the organizational commitment, attitude towards work and job satisfaction of post-graduate teachers to explore the relationship of the organizational commitment with job satisfaction and attitude towards work. No significant differences were found related to sex, age group and teaching experience of the teachers, the mean scores revealed slight differences between male and female teachers below 40 years and above 12 years experience of teaching only in two factors i.e. job properties and organization policy and practices. The study revealed a moderate correlation between organizational commitment and job satisfaction, organizational commitment and attitude towards work whereas job satisfaction and attitude towards work were found to be highly correlated.

2.1 Definition of significant terms

- **Corporate governance** refers to the manner in which the power of a corporation/institution is exercised in management to achieve the objectives and win the respect of the stakeholders. Governance refers to the manner in which power is exercised in the management of economic and social resources for sustainable human development.
- **Perception** as used in this study refers to ones understanding and interpretation of experiences within the college environment.
- **Performance** refers to students' percdent as per university of Pune.

Operational Definitions of some key terms related to study:

I. Job Satisfaction:

For the purpose of the study, Job Satisfaction means a tangible level of self appreciation and positive feelings of college teachers towards their occupying job in the certain factors included in this study. The satisfaction expressed by college teachers with their job of teaching is measured by Likert type summated rating scale for the present study.

II. **College Teacher:**

For the purpose of the study, College Teacher means the Professor, Associate Professor, and Assistant Professor who is either full-time or on consolidated basis in any College affiliated to Savitribai Phule Pune University.

III. Grant-in-aid College:

In the present study Grant-in-aid College means the college recognised and funded by State Government and affiliated to Savitribai Phule Pune University and in which teachers are paid according to state government norms.

IV. Affiliated College:

Affiliated college means a college which has been granted affiliation by the Savitribai Phule Pune University, Pune.

V. College Management:

As per Pune University Statue, College Management means the trustees or the managing or governing body, by whatever name called under the management of which one or more colleges or recognized institutions are operated.

VI. **Principal**

It refers to a senior college head who carries out management roles

VII. **Profession**

It refers to specialized services a person offers in relation to his training, knowledge and skills that are in demand by his clients.

VIII. **Teacher compensation**

It is used to refer to salaries, benefits and other opportunities for income

3. Significance of the study:

The purpose of the study is to know the factors impacting job satisfaction among the college teachers in Pune because; it may have a direct effect on student learning of the colleges. The quality of instruction received by students may be impacted by the level of job satisfaction a teacher experiences. Considering the possible correlation between teacher job satisfaction and the quality of student instruction/teaching, it is important to understand the factors that may affect job satisfaction. Most of the research of job satisfaction is related to management of industrial, banking and business organization. The study of college teachers' job satisfaction is not many. Hence, more research is needed in college teachers' job satisfaction, if we are interested to provide quality education to our students at the college level. This study is hoped to contribute to that extent

4. Objectives:

i) To know the level of job satisfaction of the college teachers of SPPU with respect to designations, Gender, income, earning members in the family and family size.

ii) To know whether female college teachers are more satisfied than male college teachers of SPPU

ii) To identify the factors which impact the job satisfaction of the college teachers of SPPU

5. Research Methodology: This study will be done by using both the qualitative and quantitative approach of Research

- **Hypothesis:**
  - There is correlation between job satisfaction & factors affecting the job satisfaction of the college teachers of SPPU
  - There is no significant difference in the job satisfaction between male and female teachers of SPPU

a. Sources of data collection

i) **Primary Data**: Primary data has been collected by Questionnaires circulated to the teachers of senior colleges & their interviews.

ii) Secondary Data: Secondary data was collected from Survey reports, newspaper articles, and information given on websites, blogs and micro blogs & Reference Books. A physical visit was made to DCRC, NIBM library& jaykar library and consultancy & expertise was sought of the industry as well as academy.

b. Method of data Collection.

Data for study was collected from a select group of 60 teachers from 15 different colleges from Pune city through questionnaires, interviews, discussions and observations.

c. Techniques of analysis of data

The collected data has been analyzed by using 5 Points Likert Scale& percentage method of data analysis.

d.Analysis & interpretation of Data

This study is conducted among academic staffs, appointed as full-time Lecturers, Assistant Professors, Associate Professors and Professors from colleges affiliated to SPPU Pune of three districts were selected namely Pune, Nasik & Ahmadnagar.

For selecting sample size, some factors such as population size, precision and confidence, time and cost constraints were considered. 100 questionnaires were sent out based on a non-probability sampling technique. The response rate was 86.5% with 346 useable questionnaires. The respondents were from different faculties and a mixture between business and non-business academics. In this study, personal interviews were further conducted to acquire the necessary information from the respondents.

In this study, a closed-ended questionnaire on job satisfaction was developed for academics of SP P universities, pune in using a Likert scale (where1 = strongly disagree and 7 = strongly agree). The questionnaire was developed based on literature of job satisfaction to suit the local context. Here, 100 questiontionaire /variacles were included on job satisfaction following the The questionnaire was split into two segments: demography and job satisfaction.

This study consists of two analytical steps. Step 1 compiles the demographic data of the 100 respondents which includes gender, age, marital status, rank, education and monthly income. Step 2 consists of exploratory factor analysis (EFA) to determine the most significant factors for academics' job satisfaction. In addition to these two steps, Pearson product moment correlations were tested among the extracted factors to determine which of them have a high correlation with the dependent variable—academics' job satisfaction. Finally, a multiple regression analysis was run to examine which of the extracted factors have the strongest impact on academics' job satisfaction in SPP University , Pune These analyses were computed using the software SPSS version 21.0.

The demographic results show that 50% (n = 50) of the participants are male academics, while 5 0% (n = 50) are female academics. In relation to position, (n = 50) of the respondents identify as "Assistant Professor", 50 % (n = 50) as "Associate Professor. In terms of education, 50% (n = 50) respondents are only NET /SET Holders 50 % (n =50) have MPhil or PhD degrees. Cronbach's coefficient (α) for each dimension of the survey ranged from 0.72 to 0.91 (typically 0.6 and above is acceptable), which indicates the internal consistency of each dimension (factor) of job satisfaction .The Central Limit Theorem is applied for this large sample (100), and therefore, there is no issue surrounding the normality of the data. In this relationship, MacCallum, Widaman, Zhang and Hong stated that if all communalities of a sample are above 0.5, the sample is perfectly adequate. The extracted communalities (h^2) of the variables were found to be between 0.531 and 0.799. Therefore, the sample size (100) of this study was suitable for factor analysis.

Section –A represents 7 questions on various factors, namely, Gender, Age, and Demography, qualification, length of service, income and earning members in the family. Starting with gender 80 percent of female teachers were satisfied with the current jobs where as 30 percent of male teachers are dissatisfied with job in current scenario Secondly average length of service of teachers is 10 years. Thirdly Majority of them draw salary between Rs 50,000 & 100,000. Finally, 33 of the respondents have fewer than 3 earning members in the family.

Section-B deals with characteristics of job & Emotional Intelligence based on following criteria

Factor A- intrinsic aspect of job,

Factor B- salary, promotion, avenues and services conditions,

Factor C- physical facilities,

Factor D- plans and policies,

Factor E- satisfaction with authorities,

Factor F- satisfaction with social status and family welfare,

Factor G- rapport with students,

Factor H- relationship with co-workers.

C. Factors Influencing Job Satisfaction Of Teachers.

Because employees work harder and perform better if satisfied in their jobs, knowing the factors related to jobs satisfaction could help prevent staff frustration and low job satisfaction . These factors include; characteristics of the job itself, characteristic of the organization, characteristics of the person i.e. age and education. The various factors to be considered in this study are; gender, age, marital status, professional qualification, job experience, subject combination, pay, working conditions, job security, leadership and organization culture.

D.Sample and data collection procedure

7. Finding

- The finding from this study indicates females are more satisfied with their jobs than male teachers. These results provide support for the earlier studies of Raisani (1988) and Demato (2001) that female teachers were more satisfied than their male counterparts.
- Male teachers less satisfaction is understandable because of their greater demand for their services, hence increased employability in the market, they have better chances of getting a good pay.
- College location showed no significant difference between urban and rural teachers to job satisfaction.
- This finding supports the findings of Hughey and Murphey (1982). They found rural teachers to be satisfied but not significantly.
- Generally, teachers were less satisfied with advancement, compensation, supervision human-relation, and working conditions. These findings support the findings of Stephen and Fish (2010).
- They showed that most of the interviewees reported satisfaction with in their job, but noted excessive demands and lack of administrative support as contribution to job dissatisfaction.
- It becomes more important for principals to be aware of the importance of their supervisory styles in relation to teachers' job satisfaction and should adopt the supportive principal behavior such as criticism should be handled constructively, praise should be given genuinely, and principal should listen and accept teachers' suggestions. An atmosphere of trust, confidence and cooperation should be fostered, where teachers can interact with each other than disengage behavior.
- The finding that female teachers are more satisfied with their job is encouraging, but at the same time, the data indicating that male teachers are less satisfied is disappointing and requires a careful consideration. Efforts should focus on to improving job attraction for talented male population and retaining those already in the profession.
- The data clearly indicate that teachers derive less satisfaction from advancement, compensation, supervision human-relation, and working conditions, so government

should take more interest in advancement, compensation, supervision human-relation and working conditions than other factors. Similar type of researches should be conducted at elementary schools, colleges, universities and professional institutions levels.

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A CRITICAL STUDY OF CURRENT STATUS OF MUMBAI PUNE EXPRESS WAY

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Abstract

The study of the Mumbai-Pune Expressway points out that delivery of infrastructure like roads and highways totally through the private sector is presently difficult. Foreign construction companies have not shown a direct interest and involvement by responding to potential contract opportunities with competitive bids. Domestic private sector companies too appear unable or unwilling to submit bids that have comfortable but acceptable profit margins that indicate a genuine interest in these projects as good business ventures. Mega projects of the scale of the Mumbai-Pune Expressway (Rs.1600 crore) currently appear to be beyond the capacity of the Indian private sector to assume as one integral project. This paper does not attempt the formidable task of defining privatization. It seeks rather to understand what can be learned from the way privatization has been implemented by the Government of Maharashtra in the soon to be completed Mumbai-Pune Expressway with a view to delineate: what worked; the elements of success; the prognosis for replication; the caveats; and, what is implied for the role of the public sector, the private sector and their partnership in the efficient delivery of physical infrastructure. The intent is to critically examine the model for incorporating the private sector in physical infrastructure development that is emerging in the Mumbai-Pune Expressway, and make an assessment of benefits as well as concerns.

Key words: infrastructure, private participation. Domestic private sectors & physical infrastructure etc

1. Introduction

The importance of the road sector in India cannot be underestimated. It is one of the key factors in the economic and social development of the nation. India with 33,00,000 km of roads has the third largest network of roadways in the world half of which are unsurfaced roads. As per economist 1% growth in infrastructure leads to an equivalent growth of 1% in the GDP. We are aiming for a GDP growth rate of 9 % in the future. Hence the infrastructure sector should also grow at this rate. But the figures have so far been disappointing. Road transportation in India carries 80% of the passenger traffic and 60%1 of the goods traffic. Due to the cross subsidization in the railway sector (the cost of subsidy on passenger travel being loaded on the freight transportation), more freight traffic is being diverted to the road sector. Moreover the state and national and state highways, which carry 70% of all passenger and freight traffic in India, constitute a mere 1,80,000 km or just 6 percent of this total network and of these the national highways constitute only 2 per cent but carries 40 per cent of total traffic. Moreover the vehicular traffic in India is growing at a rate of 10% while the road sector in India is growing at 6%. Compounding the problem of under capacity in the physical infrastructure of transportation has been the perceived inability to finance, manage and create new infrastructure. The inadequacies and deficiencies in the road sector affect the global dispersal of development and affect global competitiveness. In light of the growing evidence of such shortcomings the transportation sector was declared a priority sector for privatization. This was seen as the best strategy for addressing deficiencies and to:

- Minimize the ever-increasing gap between demand and supply for investment capital, technological know-how and human capital in the infrastructure sector through private participation. ??
- Eliminate bureaucratic delays and other administrative bottlenecks so that that the time frame between conceptualization and completion of a project is reduced. ??
- Optimal utilization of funds that are available as well as private sector finance companies and international funding agencies like Asian Development Bank and International Finance Corporation.

2. Review of literature .

- Dr. Hemalata C. Dandekar (2001) opines that Mega projects of the scale of the Mumbai-Pune Expressway (Rs.1600 crore) currently appear to be beyond the capacity of the Indian private sector to assume as one integral project.In the absence of such private sector capacity to take on the responsibility of delivering needed physical infrastructure the role has been creatively shouldered by the Maharashtra Government by forming and supporting MSRDC in its primary mission – build essential projects in a timely fashion.
- Sulakshana Mahajan (2001)The experience of Mumbai Pune Expressway clearly indicates that the public sector freed of political intervention and outdated organizational structure and given command and authority to innovate, is able to deliver needed products efficiently by outsourcing to the private sector not only construction but also co-ordination and oversight functions.

3. Objectives of the study

- To study the present status of Mumbai Pune expressway
- To study compliance of certain provisions of agreement between developers & government of Maharashtra

4. Background of Mumbai Pune Expressway

The Mumbai Pune Expressway, (officially known as the Yashwantrao Chavan Mumbai Pune Expressway) is India's first six-lane concrete, high-speed, access controlled tolled expressway.It spans a distance of 94.5 km (58.7 mi) connecting Mumbai, the administrative capital of Maharashtra and the financial capital of India, with Pune, an industrial and educational hub.The expressway, which was fully operationalized in 2002, introduced new levels of speed and safety in automobile transportation to Indian roads.It is one of India's busiest roads.

The expressway has reduced the travel time between the cities of Mumbai and Pune to approximately two hours.For most practical purposes, it has replaced the older Mumbai-Pune stretch of the Mumbai-Chennai National Highway (NH 4), which had become extremely congested and accident-prone over time. The expressway starts at Kalamboli (near Panvel), and ends at Dehu Road (near Pune). It cleaves through the scenic Sahyadri mountain ranges through passes and tunnels. It has six interchanges: Shedung, Chowk, Khalapur, Lonavala, Kusgaon and Talegaon.

The credit of idea to build a road which takes travel between Mumbai and Pune to less than 3 hours goes to Shiv Sena chief Balasaheb Thackeray. Earlier with the regular roads, it used to take more time. This is a dream project to carve a road within Sahyadri
In 1990, the Government of Maharashtra appointed RITES and Scott Wilson Kirkpatrick to carry out feasibility studies for the new expressway to be operated on toll basis. RITES submitted their report in 1994 with the estimated cost of project at ₹11.46 billion (US$170 million).

The Government of Maharashtra entrusted the work of the construction of Mumbai-Pune expressway to MSRDC in March 1997 on Build-Operate-Transfer basis with permission to collect toll for 30 years. The environmental clearance from the Ministry of Environment and Forests, Government of India was received on 13 October 1997. The Forest Clearance was received on 11 November 1997.
The tender notice was published in leading newspapers all over India and also on the Internet. Due to the wide publicity, 133 tenders were sold and on 18 December 1997, 55 tenders were received. After technical and financial evaluation, tenders were accepted and work orders were given on 1 January 1998 to four contractors. Thereafter tenders for widening of Khandala and Lonavala-Khandala bypass works were invited. The tenders were received on 24 August 1998 and orders were issued on 4 September 1998.

The expressway has two carriageways with three concrete lanes, each separated by a central divider and a tarmac or concrete shoulder on either side. Vehicles with fewer than four wheels and agricultural tractors are not permitted, although tractor-trailers (semi-trailer rigs) are permitted. The expressway handles about 43,000 PCUs daily, and is designed to handle up to 1,000,000 PCUs. This road has improved transport between these 2 metro cities and helped the economy.

The need for the Mumbai-Pune expressway was established by a study conducted by the ministry of surface transport (MOST) during the seventh five-year plan (1985-90) which identified this corridor as amongst the three most congested national highway corridors and proposed it to be developed, as a part of the "National Expressway System". Accordingly, it was decided to explore the possibility of providing a new expressway between Pune and Mumbai. The need for constructing the Mumbai Pune express highway was borne by the fact that Mumbai was commercial capital of India and pune was developing into a major industrial and commercial center. The vehicular traffic in the Mumbai thane pune belt was 60755 PCU in the year 1996 and is expected to reach 100000 PCU by the year 2004 requiring a ten-lane corridor between Mumbai and pune.3 This belt also contains 72 per cent of factories, provides 77 per cent of industrial employment, control 88 per cent of working capital, and yielded 86 per cent of total state industrial output. More recently this link between Pune and Mumbai has become crucial 9 for the development of the computer and information sector that is perceived to be a key element in facilitating globalization and international business linkages. The distance between the two cities is some 180 km and it takes about four and a half to five hours to cover it under good traffic conditions. However due to flooding and landslides in the Western Ghats the roads get frequently and unpredictably paralyzed by accidents, which block the narrow and winding curves of the two-lane highway. These increase the traveling time to somewhere around 10 to 15 hours. At present 400 persons are killed due to accidents on the existing Mumbai-Pune National Highway each year

5. Loopholes in the systems

- According to details of the contract agreement of 864 pages between MSRDC and IRB for the operation and maintenance of the Mumbai-Pune Expressway, procured through the Right to Information (RTI) Act, extensive work has to be done by IRB to ensure convenience and safety of commuters.
- However, even if you take a cursory glance along the Expressway while you are travelling on it, you will instantly realise that despite the IRB having pocketed around Rs1,000 crore of our toll money between 2004 and 2011, maintenance is woefully lacking.
- That IRB is enjoying the fruits of our toll money without adhering to the stringent terms and conditions laid down by the Maharashtra State Road Development Corporation (MSRDC) in the operation and maintenance of the Mumbai-Pune Expressway, is extremely clear as per the voluminous 864 pages of the contract agreement which this writer procured under Section 6 of the RTI Act.
- Chapter 4 of this agreement (on page 145) clearly places crucial responsibilities on IRB, the private agency which has taken over operation and maintenance of the Expressway for a 15-year period between 2004 and 2019. Its responsibilities include the upkeep of the road and traffic management.
- Some of its other crucial duties include patrolling, safety including accident prevention, cleanliness and fencing. IRB also has to plant one lakh trees along both sides of the Expressway, ensure ban on cattle and prevent villagers from straying onto the Expressway.
- Here is a description of IRB's specific responsibilities (all relevant sections of the agreement are also provided) along with my observations immediately after each section: .

Some of the Important sections of the agreements are as follows

Road Maintenance, both routine and emergency, and inspection

This includes cleaning of the road surface by a self-propelled mechanical sweeper with a vacuum system in order to remove all the dirt, small aggregates and pieces of different material fallen on the road. Elements that cannot be removed by the mechanical sweeper will have to be removed by manual sweeping or by hand. This activity will be carried out at the time of least traffic. Cleaning of road surface will be carried out through the year. The areas where the collection of dirt is more frequent such as ear-bridge parapets, underpasses, etc, shall be attended to at least twice a week.

Garbage collection

This task includes collection of paper, plastic and other such type of material from the area at the way, median, shoulders, at the sides of the road, rest areas, public facilities, interchanges, connector, emergency telephone areas, etc. This activity shall be done manually or mechanically. The garbage so collected shall be put in a yellow or white plastic bag and the bags shall be placed on the beams in order to be removed at the end of the day. The pickup truck that collects the garbage shall transport them to an authorised rubbish dump.

Garbage collection shall be carried once a fortnight at median, shoulders, on the carriageway and at sides of the road. At the toll plaza or places close to the wayside, amenity centres or petrol station area, where many objects are thrown from cars, garbage collection will be done on a daily basis except on holidays.

Renewal of paved shoulders

The following renewal treatment to bituminous surfaces including thermoplastic painting and other road markings will be provided by the contractor when the roughness index is more than 2,000 or after every four years, whichever occurs earlier. Renewal cost of 25mm thick Open Graded Carpet (OGC) layer on paved shoulders with necessary camber corrections. shoulders have not been resurfaced even once during the 10 years that IRB has been in charge. The approximate cost of resurfacing is apparently Rs100 crore).

- Replacement and repairing of road furniture and road signs
  - Repair and replacement of road signs and mileage posts
  - Repair and replacement of safety reflectors
  - Repair and replacement of metal crash barriers
  - Repair and replacement of fences
  - Repair and replacement of lights
  - Repair and replacement of light-posts
  - Repainting of road marking and other structures
  - Replacement of reflective tapes on metal beam crash barriers & kerbstones
- Repair and replacement of safety reflectors/delineators
  - The above consists of repair or replacing damaged, faulty, stolen or old safety reflectors. This activity includes the providing of new safety reflectors, delineators, removal of damaged or faulty safety reflectors and installation of new safety reflectors.
- Repair and replacement of metal crash barriers and guard rails
  - The above consists of repair or replacing damaged or faulty metal crash barriers due to traffic accidents and vandalism.
- Repair paint and replacement of fences

  The above consists of repair, painting or replacing damaged, faulty or stolen fences located on both edges of the right of way all along the toll road. The activity includes providing and transporting necessary fences to the job site, painting of existing fencing for every three years by two coats of approved paint, removal of damaged or faulty fences.
- (As per 1.16.1.3: Fence survey consists of inspecting the existing fence located on both edges of the right of way and reporting of quantum of damage or defect. The patrol inspectors on duty will carry out the inspection twice a day).

Repair and replacement of lights

The above consists of replacing faulty lights, including transporting light to the toll plazas, tunnel inside area, removal of the old lights and installation of new lights. Lights replaces shall be of the same, better type and quality than the ones initially installed. Repair and replacement shall be carried out as necessary.

Traffic control and communications

A traffic control room should be established, manned 24x7, which will be the hub of the communication centre, located at the Road Operations and Maintenance office at Kusgaon (near Pune), which will be linked with important persons at all times, by radio or telephone or both.

The control room will also be linked to emergency call telephones installed along the Expressway at regular intervals.

- An independent engineering consultant-Setupp Consultants Pvt Ltd-has been appointed by the MSRDC to monitor the work implemented by the IRB.
- For this, it receives a payment of Rs10 lakh per month. However, despite stringent norms on action to be taken by Stupp in case IRB falters, the former seems to be a mute witness to the inefficiency and the incompetency of the IRB which has shown pathetic maintenance and woeful lack of passenger safety going by the ever-increasing number of serious and fatal accidents.
- The RTI Forum has demanded termination of the contract by the MSRDC on both counts-lack of transparency in toll collection amount; lack of proper operation and maintenance of the Expressway and implementation of the latest Central government order issued by the ministry of surface transport where toll collection has been streamlined. For example, a car can be charged a toll of only 65 paisa per km.

6. Suggestions

Here are some value-added work orders IRB is required to carry out on the Expressway, but much of it has yet to see the light of day:

- Construction of a compound wall in lieu of fencing 5,570 running metres. (Reason: Fencing at certain stretches is being damaged again and again hence it is proposed to construct a compound wall in lieu of fencing.)
- Providing cattle traps: Providing metal beam crash barriers as per accident prevention committee report for 15,152 metres (Reason: To prevent entry of animals on the Expressway.)
- Concrete crash barriers across the ghat for 3,500 running metres. (An Accident Prevention Committee (APR) proposed that metal beam crash barriers should be erected around the catch pits, around piers of cross structures, at high embankments and at curves, inside and outside.)
- Provision of road safety procedures: Cat eyes, thermoplastic paint, etc. (The APR and other government agencies have suggested information and cautionary boards at important locations on the Expressway for a distance of 20km.)
- Wayside plantation: It is proposed to provide plantation of 100,000 trees on both sides of the Expressway, near the fencing, up to the side-slopes of the embankment. The plantation was to have been completed in two years.
- Redoing paved shoulders: The existing paved shoulders are on an average 2.5 metres wide on both sides of the Expressway and under distress in a number of areas. It has been proposed that the defective portion would be removed, the paved shoulders milled

wherever required and the entire length would be provided with a 25 mm thick Open Graded Carpet (OGC) with liquid seal coat to the desired camber.

7. Conclusion

The agreement between Maharashtra State Road Development Corporation and ideal road builder needs revision considering noncompliance of various sections of the agreement. Toll taxes has to be discontinued and terms of agreement need to terminated so as to create an independent and separate agency for such giant project.

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JOB INTERVIEW: PERSPECTIVE ALONG WITH PASSAGE OF TIME

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Most of the prominent organizations are preferring recruitment strategy by adopting campus interview strategy. This compressive programme is ingenious and slowly and steadily gaining more importance and acceptability.

Renowned institutes, upcoming and forward educational organizations are generally preferred. The institutes are investing and the students are leveraging the chance. The industry and HR professionals of the respective firms focus on quality of talent. For the talent search the organizations are now moving even in semi urban areas to hunt the right quality personnel. This action is reciprocal.

The reasons attributing to accept-adopt-adapt-adept this strategy are multifold e.g. exploring the possibility of deepened ties & engagement. It helps to focus shared vision,team learning, system approach, learning from failures and mistakes.

Campus recruitment programmes are essential for institutes to build their image because it is a placement assistance activity and also create a brand to attract students get placed. Moreover this is cost effective strategy. This also enhances retention. Retention embraces at later stage the three things viz. Respect, Reward & Recognition. But at the pre stage of the selection - recruitment – placement both the parties (i.e. institute and placement agencies) feel it has added benefits established. It is a collaborative & mutually beneficial.

This process is a combination of wisdom, sound principles & integrity. Great things are never done by one person. They are done by team of people. New opportunities are unlocked via going further ahead. It also helps to think about brand content which relies on control system exercised by institution.

This is the brighter side. The other side, which is feeble, illuminated is employability. It encircles, explicit knowledge & the other in comparison is “Tacit Knowledge.”

Tacit knowledge is practical know – how – that comes within the personal experience. Tacit knowledge is context specific. This is acquired by expatriation – that resides within employees who possess logical thinking, prone to practical intuition, learning ability.

The second thing is vast scope in the market & prolongation in the process of placement. This ultimately results in joining & dropout rates.

The third hidden cost aspect is training cost & budgetary allocation.

Organizations hunt the latent who possess good communication skills, ability to work & continue in team. They must possess & attain acceptable level of domain knowledge, apart from it, the importance of leadership qualities, analytical bent of mind, creativity cannot be undermined. Potential recruiters are away considering authentic & differential aspect. They also focus on preliminary demand drive & demand sustenance.

India is the cursor of a turnaround & as a result for development- growth- sustainability organization(s) embrace(s) a mindset such as innovation driven, agility, delivering super value & potential candidates right approach for ground execution.

Campus recruitment is by & large, executed to strengthen the bottom of pyramid of organization & hierarchy. Therefore the preference of recruiters is to those potential candidates who are

a) Hardworking – who are able to drift & go after the tasks assigned does not matter how unattainable others think of it.
b) Co – curricular activities
c) Good communication i.e. stimulating nature, Confidence in their potential future.
d) Innovative (Out of box) thinking. Innovative need not always bring radical change. It can be simple alterations that add to efficiency, effectiveness, economy, comfort, condour, convergence that define our conversation. The role of potential candidate should not to stifle creativity or vibrancy of culture.

In organizational life, each & everything is bound by riti, hiti, rules, tradition, and codes of conduct, duties & rights. The candidate has to follow that track.

If two candidates are selected & one is to be chosen from them behavioral & altitudinal examination is conducted. In fact, Job fit, skill fit, culturally fit, attitude fit are searched.

You are required to be an architect for the future. The potential candidate should be teacher-coach-mentor-educationalist. i.e. he should build the capabilities of the spirit of inquiry, creativity, moral leadership, entrepreneurship & become their role model.

Ability teaches us “how to do” Motivation teaches us “Why to do “. Attitude determines “How well we do” build your attitude.

The author read somewhere that in “B” schools, some valuable things are not learnt. But these are invaluable& indispensable. Hence note them & practice them. Those are capsuled below.

1) Listening skills
2) Be always goal focused
3) Acquire dexterity in compute & net skills
4) Corporate business etiquette
5) Humility
6) Patience & persistence
7) Team work skills
8) Gratitude

9) Resilience
10) Social responsibility

Culture is related with coordination. Coordination relates to synchronization. Synchronization relates to harmony. Culture is not a song but it is fine tuning of language, expression gestures, approach, and attitude. Culture is a trait. Culture can be developed. Cultured is a most pleasant part of a personality.

Determined person is a winner by attitude.

For success you need to have a goal. Work hard & follow a step approach focusing on objective & mission. Stick to the values, all the time. Coupled with it., you have to be enthusiastic, optimistic& spirited. Be young at heart.

One has to dare to dream BIG and Endeavour in a smart way. A focused approach means consistency of purpose & being consistent persistent resolved to succeed. Determination catalyzes to sculpt the future.

Some way, getting a good career is a destiny. However your destiny is a result of the sum total of right choice, determination (devotion, dedication), optimism, ability to take challenges, preparedness for accountability. Believe in you. Trust yourself that good things will happen never get unnerved because of failures, set back, stumbling blocks. Success does not happen by chance. You need to take an opportunity when you are faced with a chance. Pessimistic people when face a setback look to it as a stumbling block. Whereas optimistic people look to it as opportunity for advancement – a stepping stone.

Learn something new every day. Undettered confidence assists in moving. Your time is extremely valuable utilize it for success, career development, growth, realization of dream(s) & future, vibrant colours of achievement. The key to success is awareness, inspiration, moving to action encouragement. It is different for everyone. Interviewers always judge whether the candidate can keep an upbeat attitude are willing to face challenge & whether possesses determination to win. Is the candidate able to stay united, be submissive & moulding as per the system?

Job Interview:

So when you are presenting yourself for an interview, prepare answering questions related to you are of expertise, qualification, background. The interviewer coupled with the above may delve into your credit history too. While screening the prospective candidates, the interviewers check multidimensional facts of candidate personality. The companies are looking for, in the candidate the subject knowledge. Interviewer wants a candidate who has integrity. Thus the person can be trusted. Interviewer wants a candidate who has integrity. Thus the person can be trusted. The interviewer desires a prospective employee is well organized & one who can focus on the job/task/assignment assigned obviously any organization, seriously avoids employing someone who is having criminal background is debt ridden or in other words not trust worthy.

By and large organizations resort to a common practice of getting the feedback from previous employer about a candidates performance. This helps the interviewer examining, assessing, screening the prospective employee – be getting the opinion from peers or seniors with whom the candidate worked in the past. It also offers valuable insight into the financial status & personality traits. The impending or ongoing financial crises may be considered that the candidate may not concentrate & focus on the job. The interviewers also seek the candidate (for higher position preferably) whether he/ she demonstrate unquestionable loyalty – integrity- honesty as they are dealing with sensitive information & funds of other people. Top management is the trustee of the organization. Be prepared & have a plausible & honest explanation.

Be open and communicate. Do not hesitate to share (if asked) your dreams, achievement fears that will help to understand you more. Be a good listener. This is for the understanding another's point. Pay attention. Make eye contactor nod while listening. Respect is one of the important factors. The words which you use should not hurt, degrade by using unkind words. Think for each other or as a team for a win-win approach. Never hesitate to be vocal if you have made a mistake. The recent trend is they are asking interviewee, what is the best mistake that you have made. Silly ego is not desirable. Be patient.

Interviewers are tries to assess the tacit knowledge in comparison to explicit knowledge. Tacit knowledge is the practical know how that comes with & within personal experience.

At times, opinion about controversial and sensitive issue, is asked while answering such questions, always believe in what you know about them and not what you heard about them what is needed is the spirit of tolerance, the spirit of forgiveness capacity to maintain positivity, even in negativity of environment and situation

Organizations always hunt winners, focus on wars and not on battles winners their passion, sincerity, commitment to the cause and resilience are something that set them apart A oneself and ones convictions winners are decisive they have a clear compass on why they keep trying.

Depending upon the function and position in the hierarchy, for which recruitment/selection is being made assessment, is done for leadership/managerial attributes.

Leaders have to make decisions quickly. Management has to act rapidly. Only academic excellence is not considered alone. A scholar is not cherishes love of comfort, is not fit to be deemed as scholar.

Organizations segments the roles into two groups viz core role & support roles. Core roles are concerned about revenue generation. Support roles encircle activities related to finance, HR, CSR etc. Authorities opine that in future process based jobs will die. High skilled jobs are important. Employees in mid skill segment should sincerely think about upskilling in line with longer run.

Your next interview may be taken by a candidate interviewed by web cam; send their response; to firms for review. There is no surprise; that your next interview can be taken by robots. Candidates interviewed by webcam; send their response to the firm for review with audio – video clipping[s]. The human free video interview software works with large number of companies. The webcam interview feels more like performing for an invisible audience than having a conversation. All this saves company's money. It is the spot but still living in the shadow.

Even in the public sector; the government has a transparent and robust system to interview and short list the candidate. The scores of all panels are normalized and moderated using statistical methods developed. In short; selection of candidates is a challenge who will be right employee at the right time; at the right location; for the right job specification to work in the right culture and right environment. The pendulum will swing.

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