



Relationship among GDP, Gross Capital Formation (GCF) and Foreign Aid in Nepal

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Abstract

The present paper aims at examining the long run relationship among the macroeconomic variables GDP, GCF and Foreign Aid in Nepalese economy. Nepal has been receiving foreign aid from both bilateral and multilateral sources since last few decades. India has been participating actively in Nepal's overall economic development including the development of physical and social infrastructure since 1951. The paper focuses on both descriptive and time series econometric analysis for the period 1975-2014. The econometric method includes testing for stationarity (unit root test), Johansen's cointegration test, FMOLS and residual diagnostic test for FMOLS. Though foreign aid is playing a vital role for overall economic development of Nepal, the relationship between foreign aid and GDP could not be established due to stationarity problem. The Johansen's Cointegration test implies that there exists a long run equilibrium relationship between GDP and GCF. Finally, the FMOLS implies that a ten percent increase in GCF causes Nepalese GDP to increase by 6.3 percent where foreign aid is taken as an additional deterministic regressor.

Keywords: Foreign Aid, GDP, GCF, FMOLS, Cointegration, Nepal

1. Introduction:

Nepal, a least developed country in south Asia, has been receiving foreign aid from both bilateral and multilateral sources since last few decades. Despite the tremendous efforts from this part, the economic growth has not been accelerated so far as it is expected. The main objective of the present paper is to investigate the relationship among GDP, foreign aid and Gross capital formation (GCF) in case of Nepalese economy. It also analyses some dimensions of the contribution of Indian aid for Nepal's economic prosperity. The next section of the paper reviews the findings of research works on this particular issue. Section 3 concerns to present a brief scenario of foreign aid from India to Nepal. Section 4 presents the source of data and methodological issues. Section 5 focuses on the findings from the

econometric analysis for concerned variables. Finally, section 6 concludes the overall findings of the present work.

2. Literature Review: Bista (2006) concluded that donors should conduct more research to country-specific problems and attributes, such as the socio-cultural factors before they disburse any kind of aid. In case of Nepal, the country would be better off if the donors assume exclusive control over the project and work directly with the local bodies, NGOs or other consulting companies, rather than the government.

Devkota (2008) found that per capita income and foreign aid have been negatively related using the panel data set over the period of 1980-2006 of developing south Asian countries. While aid has been positively related to population and external debt, the negative coefficients on per capita GDP



suggests that Donor aid favors south Asian countries in allocating aid, supporting the hypothesis that recipient needs do have an effect on foreign aid allocation.

Bhattarai (2009) used the cointegration and error correction mechanism to investigate the effectiveness of aid in Nepal during the period 1983-2002 by examining the long-run relationship between aid and per capita real GDP. He found that foreign aid has a positive and statistically significant effect on per capita real GDP in the long-run. Fasanya and Onakoya(2012) analyzed the impact of foreign aid on economic growth in Nigeria during the period of 1970-2010. Their findings show that aid flows has significant impact on economic growth in Nigeria: domestic investment increased in response to aid flows and population growth has no significant effect on aid flows. Basnet (2013) examined the role of foreign aid on domestic savings and economic growth in South Asian countries - Bangladesh, India, Nepal, Pakistan, and Sri-Lanka - by using simultaneous equation system in which growth and savings are jointly determined. The results indicate that aid has a positive and significant effect on the growth rates of the five nations studied during 1960 to 2008. Hamid Ali (2013) used Johansen Cointegration test and Vector Error Correction Model (VECM) to find the effectiveness of foreign aid in promoting economic growth in Egypt, the paper finds a negative and significant impact of foreign aid on economic growth in the long and short run. Cecen, Xiao & Adhikari (2014) investigated the dynamics of economic development in Nepal in the context of foreign aid, institutional change, and political instability. Ekanayake and Chatrna (2014)

analyzed the effects of foreign aid on the economic growth of developing countries based on the annual data on a group of 85 developing countries covering Asia, Africa, and Latin America and the Caribbean for the period 1980-2007. They found that foreign aid has mixed effects on economic growth in developing countries. Chinecherem and Ezenekwe (2015) carried out an empirical analysis of the impact of foreign aid on capital generation in Nigeria ranging from 1980-2013. Linear regression was adopted in the method with the application of Ordinary Least Squares (OLS) technique. The results derived showed that foreign aid contributed negatively to capital generation in Nigeria and the accompanying variable which was external debt also has a negative contribution to capital generation.

3. Indian Aid to Nepal: A Glance: India, one of the economic powers of the world, is the closest partner of Nepal's socio-economic development from the history. The program of India-Nepal economic cooperation was launched in 1951. The objective of this program was and remains to supplement the efforts of the Government of Nepal in the national development of the country. India's assistance program in Nepal is guided by the vision that alongside progress in political process in Nepal, it is equally important to ensure that economic deliverables, particularly in the areas of education, health and infrastructure, must reach the people without any pre-conditions in a smooth, quick and unencumbered manner. Towards this end, Government of India is providing technical and financial assistance for multi-sector development of Nepal (Indian Embassy)



The following table presents a bird's eye view on the no. of projects that reflects the Indian aid to Nepal.

Table 1: Small and Large/Medium Indian Projects to Nepal

No. of projects as on	Small	Large & Medium	Total
31.3.2004	16	10	26
31.3.2005	56	22	78
31.3.2006	100	24	124
31.3.2007	174	26	200
31.3.2008	247	28	275
31.3.2009	294	30	324
31.3.2010	340	30	370
31.3.2011	366	35	401
31.3.2012	396	35	431
31.3.2013	425	35	460
31.3.2014	450	35	485
31.10.2014	462	35	497
30.11.2014	466	36	502
31.05.2015	474	36	510

Source: Indian Embassy to Nepal, 2016

From the table, it can be observed that India is supporting for Large/ Medium and Small Projects. But India is focusing towards small projects in recent years. The Small Development Projects are implemented on the basis of a Memorandum of Understanding (MoU) signed between Government of India (GoI) and Government of Nepal (GoN) in November 2003 and now it is extended 5th August, 2017. The projects whose cost is less than 0.7 million US dollar (IRs 3.125 crores or NRs 5 crores) are categorized as small projects. These projects focused on areas of Infrastructure Development and Capacity Building in the areas of

Education, Health and Community Development.

4. Data and Methodology

Present paper utilizes the annual data of GDP, Foreign Aid and Gross Capital Formation (GCF) over the period 1975-2014 and the concerned data are derived from Economic Survey 2015/16. The variables are transformed into logarithm and hereafter these are denoted by Y_t , FA_t and CF_t respectively in level forms and by ΔY_t , ΔFA_t and ΔCF_t in first differences respectively.

Fully Modified Ordinary Least Square (FMOLS) is the main econometric methodology used in this paper to examine the impact of foreign aid and gross capital formation on Nepalese economic growth. First, ADF unit root test is performed to check the stationarity of the variables. After the ADF root is performed, present paper employs Johansen's Cointegration test to examine the long run relationship between and among the variables under study. While performing Johansen's Cointegration test, the series known to be non-stationary is used. Finally, FMOLS has been applied to examine the impact of foreign aid and GCF on economic growth of Nepalese economy with the concerned time series known to be stationary.

4.1 ADF Unit Root Test

Before carrying out any OLS regression, it is imperative to test the stationarity of the concerned time series variables. The time series is said to be stationary when it does not contain unit root. If the time series contains unit root, it can said to be non-stationary series and the regression results are spurious when non-stationary series are employed in the OLS regression. There are different methods



to test unit root. However, the present study uses the ADF unit root test.

The ADF unit root test was introduced by Said and Dickey (1984) to take into account when time series $\{Y_t\}$ follows an AR (ρ) process. Lagged values of Y are introduced in the following equations to

$$\Delta Y_t = \theta Y_{t-1} + \alpha_1 \Delta Y_{t-1} + \alpha_2 \Delta Y_{t-2} + \dots + \alpha_p \Delta Y_{t-p} + \varepsilon_t \quad (1)$$

$$\Delta Y_t = \alpha_0 + \theta Y_{t-1} + \gamma_t + \alpha_1 \Delta Y_{t-1} + \alpha_2 \Delta Y_{t-2} + \dots + \alpha_p \Delta Y_{t-p} + \varepsilon_t \quad (2)$$

Equation (2) includes both intercept term and a time trend (α_0 and γ_t). The null hypothesis of the Augmented Dickey-Fuller t-test is: $H_0: \theta = 0$ (The data needs to be differenced to make it stationary) versus the alternative hypothesis of $H_1: \theta < 0$ (The data is stationary and doesn't need to be differenced)

4.2 Johansen's Cointegration Test

Let X_t be a vector of N time series, each of which is integrated of order one, that is, $I(1)$ with a vector autoregressive (VAR) representation of order k ,

$$X_t = \pi_1 X_{t-1} + \dots + \pi_k X_{t-k} + \varepsilon_t \quad (3)$$

Where, π_i are $(m \times n)$ matrices of unknown constants and ε_t is an independently and identically distributed n -dimensional vector with zero mean and variance matrix Σ_ε i.e. $(0, \Sigma_\varepsilon)$. The estimable equation for the cointegrating relationship can be recast as:

$$\Delta X_t = \tau_1 \Delta X_{t-1} + \dots + \tau_{k-1} \Delta X_{t-k-1} + \pi \Delta X_{t-k} + \varepsilon_t \quad (4)$$

Where, $\tau = (1 - \sum_{j=1}^i \pi_j)$, $i = 1 \dots (k-1)$ and $\pi = (1 - \sum_{j=1}^k \pi_j)$

Johansen's Cointegration proposes two likelihood ratio tests to determine the number of cointegrating vectors. First is the Maximum Eigen value test and the second is Trace Statistic. The maximum Eigen value test evaluates the null hypothesis that there are at most r cointegrating vectors against the alternative hypothesis of $r+1$ cointegrating vectors. On the other hand, the Trace Statistic tests the null hypothesis of r cointegrating vectors against the alternative of r or more cointegrating vectors. The Maximum Eigen value test and Trace Statistic are given by the equations (5) and (6) respectively.

$$\lambda_{Max} = -T \ln(1 - \lambda_{r+1}) \quad (5)$$

Where, $\lambda_{r+1}, \dots, \lambda_n$ are the $n-r$ smallest squared canonical correlations and $T =$ number of observations.

take into account of the fact that (Y_t) follows an AR (ρ) process. The estimable equations for ADF unit root test in the case of flat time series and the time series with trend are represented by equations (1) and (2) respectively.

The present study employs the Johansen and Juselius (1990) technique to find the number of Cointegrating vector. The Cointegration test helps to examine the long run equilibrium relationship among the variables under study. This procedure offers maximum likelihood (ML) estimation and evaluates multiple cointegrating vectors. The Johansen's Cointegration test considers the following equations.



$$\lambda_{T_{races}} = -T \sum \ln(1 - \lambda_i) \tag{6}$$

4.3 Fully Modified Ordinary Least Square

Fully Modified Ordinary Least Squares (FMOLS) is the main econometric methodology used in this paper to examine the impact of GCF and Foreign Aid on Nepalese economic growth. In the present study, the economic growth on GCF augmented with foreign aid through FMOLS is regressed. The FMOLS is the econometric technique to find the impact of independent variable/s on dependent variable after the variables under study are cointegrated. Thus, the FMOLS shows the long run impact of independent variable/s on dependent variable.

FMOLS method was developed by Phillips and Hansen (1990) to estimate the cointegrating regressions. "This method employs a semi-parametric correction to eliminate the problems created by long run correlation between cointegrating equation and stochastic regressors innovations" (HIS Global Inc., 2015, p.259). This method is used to modify the least squares to account for serial correlation effects and for the endogeneity in the regressions that result from the existence of cointegrating relationship (ibid).

The cointegrating relationship of $(n + 1)$ dimensional time series vector process (y_t, X_t) can be represented by following equation (7) [ibid].

$$y_t = X_t \beta + D_{1t} \gamma_1 + u_{1t} \tag{7}$$

Where,

$$D_t = (D_{1t}, D_{2t})$$

$$X_t = \Gamma_{21} D_{1t} + \Gamma_{22} D_{2t} + \varepsilon_{2t}$$

The FMOLS estimator is given by:

$$\hat{\theta} = \begin{pmatrix} \hat{\beta} \\ \hat{\gamma} \end{pmatrix} = \left(\sum_{t=1}^T Z_t Z_t' \right)^{-1} \left(\sum_{t=1}^T Z_t y_t + T \begin{bmatrix} \hat{\lambda}_{12}^+ \\ 0 \end{bmatrix} \right)$$

(8)

Where,

$$Z_t = (X_t', D_t')$$

$$y_t^+ = y_t - \hat{\omega}_{12} \hat{\Omega}_{22}^{-1} \hat{u}_{2t}$$

$$\hat{\lambda}_{12}^+ = \hat{\lambda}_{12} - \hat{\omega}_{12} \hat{\Omega}_{22}^{-1} \hat{A}_{22}$$

$\hat{\Omega}$ and \hat{A} be the long run covariance matrices computed using the residuals $\hat{u}_t = (\hat{u}_{1t}, \hat{u}_{2t})'$

5. Data Analysis and Discussion of Results

5.1 Results from ADF Unit Root Test

Before carrying out Johansen's Cointegration test, it is necessary to check the stationarity of the variables. The stationarity of the concerned **Table-2: ADF Unit Root Test**

variables is checked through ADF unit root test. After the ADF unit root is tested, the non-stationary variables are employed in Johansen's Cointegration test. Following table portrays the results from ADF unit root test.



[Lag length: 0 (Automatic-SIC, Max lag:9)] Intercept in test equation

Variables	Test Critical Value at 0.05 level	ADF test statistic	Probability
Y_t	-2.9389	-0.4168	0.8963
CF_t	-2.9411	0.0164	0.9543
FA_t	-2.9389	-3.2804	0.0227
dY_t	-2.9411	-6.4852	0.0000
dCF_t	-2.9411	-8.9510	0.0000
dFA_t	-2.9411	-6.7149	0.0000

Source: Author's calculation based on the data series 1975-2014.

For ADF unit root test, the null hypothesis is 'the variable has unit root'. Except for FA_t , the null hypotheses for the variable Y_t and CF_t are not rejected at 5 % level of significance because the ADF statistics for each variables are less than the corresponding test critical values. But for the case of FA_t , the ADF test statistic exceeds the test critical value. So the null hypothesis for this variable is strongly rejected. On the other hand, the null hypotheses for all variables in their first differences are strongly rejected due to the reason that the ADF test statistics for each variable are greater than the corresponding test critical values. Thus, the ADF unit root

test implies that the variables GDP and capital formation (except foreign aid) have unit root and known to be non-stationary at level form. However, foreign aid is stationary at level form; other variables are known to be stationary at first differences.

5.2 Johansen's Cointegration Test

The variables ΔY_t and ΔCF_t (except FA_t) are known to be non-stationary. So we can use only these non-stationary variables for Johansen's Cointegration test. Before applying Johansen's Cointegration test, it is necessary to identify the suitable lag/s to be used for each endogenous variable in the VAR structure. The following table presents Johansen Cointegration test based on Max Eigen value and trace statistic.

Table-3: Test Based on Maximum Eigen Value

H_0	H_a	λ_i	λ_{Max}	Test statistic (0.05)	P-value
$r = 0$	$r = 1$	0.4880	25.4385	15.8921	0.0012
$r \leq 1$	$r = 2$	0.0748	2.9551	9.1645	0.5891

Test Based on Trace Statistic

H_0	H_a	λ_i	λ_{Trace}	Test statistic (0.05)	P-value
$r = 0$	$r = 1$	0.4880	28.3937	20.2618	0.0030
$r \leq 1$	$r = 2$	0.0748	2.9551	9.1645	0.5891

Source: Author's calculation based on the data series 1975-2014.

Using VAR lag order selection criteria, lag 1 for each endogenous variable is known to be suitable as indicated by

Schwarz information criterion (SC). With first order VAR of the variables under investigation, the hypothesis of $r = 0$ is



uniformly rejected in favor of the alternative hypothesis $r = 1$ employing the maximum Eigen-value test and Trace statistic as reported by the 4th column of Table-2 and 3. The maximum Eigen-value test of $r = 1$ versus $r = 2$ fails to reject the null hypothesis of $r = 1$ implies one cointegrating vector. In the same manner, the Trace statistic test of $r = 1$ versus $r = 2$ fails to reject the null hypothesis of $r = 1$ implying one cointegrating vector. Thus, on the basis of maximum Eigen-value test and Trace statistic, the variables Y_t and CF_t are found to be cointegrated. In other words, there exists long run equilibrium relationship between GDP and capital formation in the economy of Nepal. Though the variables under study are found to be cointegrated, foreign aid could not be included in Johansen's Cointegration test; it is because this

variable is found stationary at level form. However, the variable FA_t has been included in Cointegrating equation as additional deterministic regressor.

5.3 Results from FMOLS:

The results from FMOLS are presented through Table-4. Under FMOLS model, the results are estimated using the first difference of the concerned variables where dependent variable is ΔY_t and independent variables is ΔCF_t with FA_t as additional deterministic regressor. However, the FMOLS of ΔY_t on ΔCF_t (excluding FA_t) carried out prior to the FMOLS of ΔY_t on ΔCF_t augmented with FA_t as additional deterministic regressor fails to show the evidence of significance of the impact of foreign aid on economic growth (not necessary to mention here).

Table-4: Results from FMOLS (Dependent variable: ΔY_t)

Variable	Coefficient	Standard Error	t-Statistic	Probability
ΔCF_t	0.6333	0.0295	21.4453	0.0000
Constant	4.6802	0.2661	17.5831	0.0000

Source: Author's calculation based on the data series 1975-2014.

Form the Table-4, it is observed that the coefficient of ΔCF_t is 0.6333. It is positive as well as significant at less than 1 percent level. Thus, the results from FMOLS indicate that level of capital formation, with foreign aid as additional deterministic regressor, has positive impact on the GDP of Nepalese economy over the study period. In other words, a ten percent rise in ΔCF_t causes ΔY_t to increase by 6.3 percent.

Finally, the robustness of the estimated FMOLS is examined through residuals diagnostic test. Under residuals diagnostic test, the present paper uses

the technique of 'correlogram of squared residuals' to examine the goodness of fit of FMOLS cointegrating equation. The results from correlogram residuals are presented through Table-5.

From Table-5, it is observed that ACFs and PACFs of correlogram of the residuals are very small (nearly zero) at almost all lags and the Q-statistics at all lags are not significant with large p-values. This indicates that there is no evidence of rejecting the null hypothesis of no serial correlation.



Table-5: Correlogram of Squared Residuals

Lag	AC	PAC	Q-Stat	Probability
1	0.222	0.222	2.0697	0.150
2	0.122	0.077	2.7166	0.257
3	0.218	0.186	4.8330	0.184
4	-0.017	-0.115	4.8459	0.303
5	-0.146	-0.169	5.8465	0.321
6	-0.214	-0.211	8.0733	0.233
7	-0.081	0.050	8.4016	0.299
8	-0.102	0.010	8.9356	0.348
9	-0.037	0.083	9.0091	0.436
10	0.091	0.077	9.4684	0.488

Source: Author's calculation based on the data series 1975-2014.

This implies that the residuals of the fitted FMOLS cointegrating equation are not correlated with their own lagged values. Hence, there is strong evidence of goodness of fit of the FMOLS models that represents the impact of capital formation along with foreign aid on GDP of Nepalese economy.

6. Conclusion

Though the present paper is devoted to analyze the relationship among GDP, foreign aid and Gross Capital Formation (GCF); the cointegrating relationship could not be established between foreign aid and GDP due to the problem of stationarity. Since foreign aid has been taken as one of the important source of capital formation and there is cointegrating relationship between GCF and GDP, it can be concluded that there is long run relationship between foreign aid and GDP. Similarly, FMOLS test signifies that ten percent increase in GCF causes Nepalese GDP to increase by 6.3 percent where foreign aid is taken as an additional deterministic regressor. This indicates that foreign aid has also been playing a crucial role to enhance the GDP through the channel of capital formation. The other econometric test (correlogram of squared residual) proves the strong evidence of goodness of fit of

the FMOLS model. But Nepal should also seek alternative ways rather than focusing on foreign aid to accelerate the pace of economic development and get rid of economic backwardness.

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Impact of Economic Reforms on Revenue and Expenditure In India

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Abstract

Some of the major components of India's fiscal sector reforms include expenditure reforms, tax reform measures, public sector restructuring and systematic reforms in the government's borrowing process. This paper deals with impact of economic reforms on Growth of Tax Revenue during Pre Reform Period 1990-1991 and Post Reform Period 2014-2015, Net Tax Revenue of Centre and the States during Pre Reform Period and Post Reform Period, Tax GDP Ratio during the Pre Reform Period and Post Reform Period, Trends in revenue and Expenditure in India during the Pre Reform Period and Post Reform Period and Growth of Financial Pattern of India during the Pre Reform Period and Post Reform Period. This paper concludes with some interesting findings.

Introduction

India's economic reforms began in 1991 when a newly elected Congress government, facing an exceptionally severe balance of payments crisis, embarked on a programme of short term stabilisation combined with a longer term programme of comprehensive structural reforms. Rethinking on economic policy had begun earlier in the mid-eighties by when the limitations of a development strategy based on import substitution, public sector dominance and pervasive government control over the private sector had become evident, but the policy response at the time was limited to liberalising particular aspects of the control system without changing the system itself in any fundamental way. The reforms initiated in 1991 were different precisely because they recognised the need for a system change, involving liberalisation of government controls, a larger role for the private sector and greater integration with the world economy. The broad outline of the

reforms was not very different from the reforms undertaken by many developing countries in the 1980s. Where India's reforms differed was the much more gradualist pace at which they were implemented.

Macro-economic imbalances characterized by high fiscal deficits and a growing revenue deficit continued to remain a major source of concern for the Government during the past few years. These concerns were compounded by the impact of the Gulf Crisis during 1990-91. Aggregate resources of the Central Government including internal and extra budgetary resources of Central Public Enterprises were estimated to increase by 15.0 percent in 1990-91. Aggregate disbursements, on the other hand, were estimated to increase by 9.4 per cent in 1990-91, thereby indicating some reduction in the relative side of the gap between income and expenditure of the Central Government. This also applied to the combined Budget Estimates (BE) of the Centre, States and Union Territories



for 1990-91, which estimated a deficit of Rs. 8,999 crore compared with the Revised Estimates of Rs, 12,149 crore in 1989-90

Table 1 presents data on the growth of gross tax revenue in India during the pre reform period and post reform period. It could be noted that total direct tax revenue on India was Rs. 12260 crore in 1990-1991 and it rose to Rs. 748643 crore in 2014-2015, reflecting a growth of 98.36 per cent during the post reform period. The total indirect tax revenue of India was Rs. 75462 crore in 1990-1991 and it expanded to Rs. 1489472 indicating a growth of 94.93 per cent during the post reform period.

The total tax was Rs. 87722 crore in 1990-1991 and it enlarged to Rs. 2238115 crore in 2014-1015, reflecting an expansion of 96.08 per cent during the post reform period. The income generated through central direct tax was Rs.11030 crore in 1990-1991 and it rose to Rs. 730240 in 2014-2015, revealing a growth of 98.48 per cent. The indirect tax revenue of central government was Rs. 46547 in 1990-1991 and it enhanced to Rs. 634285 crore in 2014-2015 during the post reform period. The central government generated total tax revenue was Rs.57577 crore in 1990-1991 and it went upto Rs. 1364524 crore in 2014-2015, showing a growth of 95.78 per cent in the period of analysis.

Table 1 Growth of Tax Revenue during Pre Reform Period and Post Reform Period

Source of Tax Revenue	1990-1991	2014-2015	Growth Rate
Total direct tax revenue	122260	748643	98.36
Total indirect tax revenue	75462	1489472	94.93
Total tax revenue	87722	2238115	96.08
Central direct tax revenue	11030	730240	98.48
Central indirect tax revenue	46547	634285	92.66
Total Central taxes	57577	1364524	95.78
States' share in direct central taxes	4121	215254	98.08
States' share in indirect central taxes	10414	176467	94.90
States' share in central taxes	14535	391721	96.28

Source: Economic Survey of India 2014-2015

The states' share in direct central tax was Rs, 4121 crore in 1990-1991 and it rose to Rs. 215254 in 2014-2015 recording a growth of 98.08 per cent in the period of analysis. The states' share in indirect central tax was Rs. 10414 crore in 1990-1991 and it went up to Rs. 176467 in 2014-2015, revealing a growth of 94.90 per cent in the period of analysis. The total states' share in central tax was Rs.

14535 crore in 1990-1991 and it moved upto Rs. 391721 crore in 2014-2015 indicating a growth of 96.28 per cent in the period of analysis.

The pre reform period and post reform period. The net direct central tax income was Rs. 6909 crore in 1990-1991 and it rose to Rs. 514986 in 2014-2015, reflecting a growth of 98.65 per cent. The net



indirect tax income of central government was Rs. 36133 crore in 1990-1991 and it increased to Rs. 457817 crore in 2014-2015, indicating a growth of 92.10 per cent during the post reform period. The total net tax income of central

government was Rs. 43042 crore in 1990-1991 and it expanded to Rs. 972803 crore in 2014-2015 recording a growth of 85.29 per cent during the post reform period.

Table 2 Net Tax Revenue of Centre and the States during Pre Reform Period and Post Reform Period

Tax Source	1990-1991	2014-2015	Growth Rate
Net direct central tax revenue	6909	514986	98.65
Net indirect central tax revenue	36133	457817	92.10
Net total central tax	43042	972803	85.29
Direct net states own tax	1230	18403	93.32
Indirect net states own tax	28915	855187	96.62
Total net states own tax	30145	873591	96.55
Direct states tax revenue	5351	233657	97.70
Indirect states tax revenue	39329	1031654	96.18
Total states tax revenue	44680	1265312	96.46

Source: Economic Survey of India 2014-2015

Table 2 presents data on the growth of net tax revenue of centre and states during The direct net states' own tax revenue was Rs. 1230 crore in 1990-1991 and it enlarged to Rs. 18403 crore in 2014-2015, revealing a growth of 93.32 per cent during the post reform periods. The indirect net states' own tax income was Rs. 289215 crore in 1990-1991 and it increased to Rs. 855187 crore in 2014-2015, showing a growth of 96.62 per cent in the period of analysis. The total net states' own tax income was Rs. 30145 crore in 1990-1991 and it moved upto Rs.873591 crore in 2014-2015, recording a growth of 96.55 per cent in the period of analysis.

The total direct states' tax revenue was Rs.5351 crore in 1990-1991 and it enhanced to Rs. 233657 crore in 2014-2015, reflecting a growth of 97.70 per cent during the post reform period. The total indirect states' tax revenue was Rs.39329 crore in 1990-1991 and it rose

to Rs. 1031654 crore in 2014-2015, reflecting a growth of 96.18 per cent during the post reform period. The total states' tax revenue was Rs. 44680 crore in 1990-1991 and it enhanced to Rs. 1265312 crore in 2014-2015, indicating a growth of 96.46 per cent during the period of analysis.

It is observed that the growth of net direct centre tax income records the first rank during the pre reform period 1990-1991 to post reform period 2014-2015, growth of total states' direct tax income the second, growth of indirect net states' own tax income the third, growth of total net states' own tax income the fourth, growth of total states' tax income the fifth, growth of indirect states total tax income the sixth, growth of direct net states' own tax income the seventh, growth of net indirect central tax income the eighth and growth of net total central tax income the last.



Table 3 presents data on the tax-GDP ratio growth during the pre-reform period and post reform period in India. The total combined centre-states direct tax GDP ratio was 2.09 in 1990-1991 and it rose to 5.81 in 2014-2015, reflecting a growth of 64.02 per cent during the post reform period. The total combined

centre-states indirect tax GDP ratio was 12.87 in 1990-1991 and it declined to 11.23 consequent upon economic reforms. The total combined centre-states tax GDP ratio was 14.96 in 1990-1991 and it enlarged to 17.38 in 2014-2015, revealing a growth of 13.93 in the period of analysis.

Table 3 Tax GDP Ratio during the Pre Reform Period and Post Reform Period

Tax GDP Ratio	1990-1991	2014-2015	Growth Rate
Total direct tax GDP ratio	2.09	5.81	64.02
Total indirect tax GDP ratio	12.87	11.57	-11.23
Total tax GDP ratio	14.96	17.38	13.93
Direct central tax GDP ratio	1.88	5.67	66.84
Indirect central tax GDP ratio	7.94	4.93	-61.05
Total central tax GDP ratio	9.82	10.60	7.35
Direct states' share central tax GDP ratio	0.70	1.67	58.08
Indirect states' share central tax GDP ratio	1.78	1.37	-29.92

Source: Economic Survey of India 2014-2015

The direct central tax GDP ratio was 1.88 in 1990-1991 and it enhanced to 5.67 in 2014-2015, indicating a growth of 66.84 per cent during the post reform period. The indirect central tax GDP ratio was 7.94 in 1990-1991 and it decelerated to 4.93 in 2014-2015, reflecting a shortfall 61.05 per cent in the period of analysis. The total central tax GDP ratio was 9.82 in 1990-1991 and it rose to 10.60 in 2014-2015, indicating a growth of 7.35 per cent during the post reform period. The states' share in direct central tax GDP ratio was 0.70 in 1990-1991 and it rose to 1.67 in 2014-2015, reflecting a growth of 58.08 per cent in the period of analysis. The states' share in indirect central tax GDP ratio was 0.70 in 1990-1991 and it rose to 1.67 in 2014-2015, reflecting a growth of 58.08 per cent in the period of analysis. The states' share in indirect central tax GDP

ratio was 1.78 in 1990-1991, and it declined to 1.31 in 2014-2015, showing a shortfall of 29.92 per cent during the post reform period.

Data presented in table 4 indicates the trends in revenue and expenditure in India during the pre-reform period and post reform period. The combined centre-states' non development expenditure of India was Rs. 69195 crore in 1990-1991 and it rose to Rs. 1654457 crore in 2014-2015, reflecting a growth of 95.82 per cent during the post reform period. The combined centre-states' development expenditure was Rs. 74000 crore in 1990-1991 and it expanded to Rs. 1847828 crore in 2014-2015, indicating an enhancement of 95.94 per cent during the post reform period. The loan advance amount of India was Rs. 11946 crore in 1990-1991 and it rose to Rs. 35220 crore



in 2014-2015, indicating a growth of 66.08 per cent in the period of analysis.

Table 4 Trends in revenue and Expenditure in India during the Pre Reform Period and Post Reform Period

Tax GDP Ratio	1990-1991	2014-2015	Growth Rate
Combined non development expenditure	69195	1654457	95.82
Combined development expenditure	74000	1847828	95.99
Loan and advances	11946	35220	66.08
Total expenditure	156226	3537504	95.58
Tax revenue	87723	2238115	96.08
Non tax revenue	12287	316322	96.11
Revenue development expenditure	64368	1547374	95.84
Revenue non development expenditure	57498	1424609	95.96
Capital non development expenditure	5378	121725	95.58
Capital development expenditure	16502	423219	96.10
Combined capital receipt	42384	875641	95.15

Source: Economic Survey of India 2014-2015

The total expenditure during the pre-reform period was 156226 crore in 1990-1991 and it expanded to Rs. 3537504 crore in 2014-2015, reflecting a growth of 95.58 per cent. The total tax revenue was Rs.88723 crore in 1990-1991 and it expanded to Rs. 2238115 crore in 2014-2015, showing an increase of 96.08 per cent during the post reform period. The total non-tax revenue was Rs. 12287 crore in 1990-1991 and it rose to Rs. 316322 crore in 2014-2015, indicating an enhancement of 96.11 per cent in the period of analysis.

The revenue development expenditure was Rs. 64368 crore in 1990-1991 and it moved to Rs. 1547374 crore in 2014-2015, showing an enhancement of 95.84 per cent in the period of analysis. The revenue non development expenditure of India was Rs. 57498 crore in 1990-1991 and it enlarged to Rs. 1424609 crore in 2014-2015, indicating an increase of 95.96 per cent during the post reform period.

The capital non development expenditure of India was Rs. 5378 crore in 1990-1991 and it enhanced to Rs. 121725 crore in 2014-2015, reflecting a hike of 95.58 per cent during the period of analysis. The capital development expenditure of India was Rs. 16502 crore in 1990-1991 and it increased to Rs. 423219 crore in 2014-2015, showing a rise of 96.10 per cent in the period of analysis. The combined capital receipt of India was Rs. 42384 crore in 1990-1991 and it rose to Rs. 875641 crore in 2014-2015, indicating a growth of 95.15 per cent during the period of analysis.

Table 5 presents data on the financial pattern of India during the pre reform period and post reform period. The total central government expenditure was Rs. 1000878 crore in 1990-1991 and it rose to Rs. 1779442 crore in 2014-2015, indicating a growth of 43.75 per cent. The total central government revenue was Rs. 54990 crore in 1990-1991 and it expanded to Rs. 1184164 crore in 2014-



2015, reflecting a growth of 95.35 per cent. The budget deficit of India was Rs. 45888 crore in 1990-1991 and it enlarged to Rs. 595278 crore in 2014-2015, revealing a growth of 95.29 per cent. The states' total expenditure was Rs. 80232

crore in 1990-1991 and it enhanced to Rs. 2142708 crore in 2014-2015, recording a growth of 96.25 per cent in the period of analysis.

Table 5 Growth of Financial Pattern of India during the Pre Reform Period and Post Reform Period

Tax GDP Ratio	1990-1991	2014-2015	Growth Rate
Total expenditure	1000878	1779442	43.75
Total revenue	54990	1184164	95.35
GDP	45888	595278	92.29
States' total expenditure	80232	2142708	96.25
States' total income	62081	1847396	96.64
GDP	18151	295312	93.85

Source: Economic Survey of India 2014-2015

The states' total income was Rs. 62081 crore in 1990-1991 and it moved to Rs. 1847396 crore in 2014-2015, revealing an increase of 96.64 per cent in the period of analysis. The states' budget deficit was Rs. 18151 crore in 1990-1991 and it rose to Rs. 295312 crore in 2014-2015, indicating a growth of 93.85 per cent in the period of analysis.

Conclusion

It could be seen clearly from the above discussion that the growth of central direct tax revenue ranks the first order during the pre reform period 1990-1991 to post reform period 2014-2015, growth of combined centre-states' direct tax the second, growth of states' share in direct central tax the third, growth of states' share to total central tax the fourth, growth of combined centre-states tax revenue the fifth, growth of combined centre-states indirect tax the seventh, growth of states' share in indirect central tax the eighth and growth of central indirect tax the last.

It is observed that the growth of net direct centre tax income records the first rank during the pre reform period 1990-

1991 to post reform period 2014-2015, growth of total states' direct tax income the second, growth of indirect net states' own tax income the third, growth of total net states' own tax income the fourth, growth of total states' tax income the fifth, growth of indirect states total tax income the sixth, growth of direct net states' own tax income the seventh, growth of net indirect central tax income the eighth and growth of net total central tax income the last.

It is evident from the tabular data analysis that the combined centre states' indirect tax GDP ratio and states' share in indirect central tax GDP ratio have become negative during the pre reform period 1990-1991 to post reform period 2014-2015. A more than 50 per cent growth has been observed with respect to combined centre-states direct tax GDP ratio, states' share in direct central tax GDP ratio during the pre reform period 1990-1991 to post reform period 2014-2015. It could be noted that higher the tax GDP ratio indicates the better performance of taxation system in India.



It is evident from the tabular data analysis that the growth of non tax revenue ranks the first order during the pre reform period 1990-1991 to post reform period 2014-2015, growth of capital development expenditure the second, growth of tax revenue the third, growth of combined centre-states development expenditure the fourth, growth of revenue development expenditure the fifth, growth of combined centre-states non development expenditure the sixth, growth of total expenditure and capital non development expenditure the seventh and growth of loan and advances the last.

It is concluded that the growth of states' total income ranks the first position during the pre reform period 1990-1991 to post reform period 2014-2015, growth of states' total expenditure the second, growth of central revenue the third, growth of states' budget deficit the fourth, growth of central budget deficit the fifth and growth of total expenditure the last.

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Challenges and Opportunities in Micro, Small and Medium Enterprises in India

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Abstract

Micro, small and medium enterprises play a provincial role in the economic and social development of the country. Micro small and medium enterprises play a key role in the industrialization of a developing nation. This is because they provide immediate large scale employment and have a comparatively higher labour- capital ratio. They need only a shorter gestation period and relatively smaller markets, to be economic, they need lower investment. the MSMEs play an important role in assisting the bigger industries and the project so that the planned activity of the development work is timely attended to the setting up and the growth of all types of industries have the basic objective of profit making. However, it also contributes towards social justice and the development of the particular area, by way of trade and commerce. These industries also develop lots of entrepreneurs who in future, any play a bigger role in the development activities. MSMEs contribute 45% in the Industrial output, 40% of the export, employing more than 8,000 quality products for the Indian and International markets. It contribution to words GDP in 20% was 18% which increased 22% in 2012. These paper analyses in various challenges and opportunities associated with MSMEs in India.

Key Word: Economic Growth, consumption, GDP, MSMEs, Enterprises.

Introduction:

In developing economies, the small savings of rural areas are contributing more in establishing the small and micro enterprises in India. In the light of demise of rural artisanship, entrepreneurship has been given much importance as well as empowerment too. The women empowerment has been important role of Governments and other non-governmental organizations. The women are endowed with innate power that can make them successful entrepreneurs. Women entrepreneurship is inherent and also a natural process. Entrepreneurship is considered as one of the most important factors contributing to the economic development of the society. There are evidences to believe that countries which have proportionately higher percentage of

entrepreneurs in their population have developed much faster as compared to countries, which have lesser percentage of them in the society. In India, women constitute around 48 percent of the population but their participation in the economic activities is only 34 percent. As per the Human Development Report (2007), India ranks 96th on the gender related development index of 137 nations. The gender empowerment measures, which estimate the extent of women participation in the country's economic and political activities, rank India as 110th of the 166 nations. In the emerging complex social scenario, women have a pivotal role to play. Now women have taken up entrepreneurial role in order to create a meaning for themselves. The traditional roles of housewives are gradually changing into women



entrepreneurs. Some of the factors responsible for these changes are better education, changing socio cultural values and need for supplementary income. When proper exposure, education and knowledge are imparted to them, Indian women will prove themselves to be highly potential productive force for the development of the nation.

Concept of Women Entrepreneurs

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as —an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women||. Women entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their own legs. A sense towards independent decision-making on their life and career is the motivational factor behind

this urge. Saddled with household chores and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such a situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them.

Review of Literature: Singh, 2008, identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles

in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. 2. Tambunan, (2009), made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature.

Objectives of the paper:

The study was planned with the following objectives:

- ❖ To identify the reasons for women for involving themselves in entrepreneurial activities.
- ❖ To make an evaluation of people's opinion about women entrepreneurship.
- ❖ The performance of micro small and medium entrepreneur in India.
- ❖ To study the Opportunities of MSMEs.
- ❖ Micro Small and Medium Enterprises (MSMEs) Challenges.

Methodology:

The study is based on secondary data which is collected from the published reports of RBI, NABARD, Census Surveys, SSI Reports, newspapers, journals, articles, websites, etc.

Policies and Schemes for Women Entrepreneurs in India

In India, the Micro, Small & Medium Enterprises development organizations, various State Small Industries Development Corporations, the nationalized banks and even NGOs are conducting various programmes



including Entrepreneurship Development Programmes (EDPs) to cater to the needs of potential women entrepreneurs, who may not have adequate educational background and skills. The Office of DC (MSME) has also opened a Women Cell to provide coordination and assistance to women entrepreneurs facing specific problems. There are also several other schemes of the government at central and state level, which provide assistance for setting up training-cum-income generating activities for needy women to make them economically independent. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs. In addition to the special schemes for women entrepreneurs, various government schemes for MSMEs also provide certain special incentives and concessions for women entrepreneurs. For instance, under Prime Minister's Rozgar Yojana (PMRY), preference is given to women beneficiaries. The government has also made several relaxations for women to facilitate the participation of women beneficiaries in this scheme. Similarly, under the MSE Cluster Development Programme by Ministry of MSME, the contribution from the Ministry of MSME varies between 30-80% of the total project in case of hard intervention, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be up to 90% of the project cost. Similarly, under the Credit Guarantee Fund Scheme for Micro and Small Enterprises, the guarantee cover is generally available up to 75% of the loans extended; however the extent of guarantee cover is 80% for MSEs operated and/ or owned by women.

Result and Discussion:

IMPACT OF GLOBALISATION ON SMEs

Globalization denotes the integration of the domestic economy with the world economy. It enables the free movement of goods, services, ideas, capital and technology across national borders. The process of globalisation accelerated since the beginning of 1980s and Subsequent to the establishment of World Trade Organisation (WTO) on 1st January 1995. The globalisation in itself is controversial. It has gains and losses as well. The strategy of every country is to maximize the gains and minimize the losses. Globalization has paved the way for unequal competition – a competition between giant multinational companies and Warf Indian enterprises.

The employment potential of micro, small and medium enterprises is really surprising. The employment potential was so robust even at the time of global economic crisis. However this could also be due to the increase in fixed investment in that period. The impact of fixed investment on the exports sector is very low as compared to the manufacturing and employment sectors.

➤ Micro Small and Medium Enterprises (MSMEs) Challenges

Micro Small and Medium Enterprises facing many problems in their day - to - day operations. They found it difficult to sell their products, and they cannot spend on Advertising, Marketing, and Research, etc. They are also facing stiff competition from large and other country which is exported their products into our country like China, Thailand, and Germany. Financial Institutions have limited Exposure on MSMEs. There are multiple options for MSMEs sector get assistance, but they are unable to



survival. They are selling their products immediate because of weak bargaining power and need quick money. MSMEs are unable to get required support from the concern Government Financial Institutions, Banks. The challenges are

1. Access to finance
2. Collateral Requirements
3. Access to Infrastructure
4. Facing stiff competition from large firms
5. They cannot spend on Advertising, Sales, Promotion, Marketing, and Research
6. Ineffective Marketing Strategy

7. Don't have own marketing networks
8. Limited access to Equity capital
9. High Cost of Raw Materials
10. Problems of Storage, Designing, Packing
11. Lack of Access to Global Markets
12. MSMEs are difficult in recruiting motivated and technical personnel
13. Lack of latest Technology
14. Tough competition from large firms
15. MSMEs are difficult to compete with another country Imported Goods
16. Low production capacity

Table-1
Performance of Micro, Small and Medium Enterprises in India

Year	MSMEs	Fixed	Production	Employment	Exports
1992-93	73.51	109623	84413	174.84	17784
1993-94	76.49	115795	98796	182.64	25307
1994-95	79.6	123790	122154	191.4	29068
1995-96	82.84	125750	147712	197.93	36470
1996-97	86.21	130560	167805	205.85	39248
1997-98	89.71	133242	187217	213.16	44442
1998-99	93.36	135482	210454	220.55	48979
1999-2000	97.5	139982	233760	229.1	54200
2000-01	101.1	146845	261297	238.7	69797
2001-02	105.21	154349	282270	249.33	71244
2002-03	109.49	162317	314850	260.21	86013
2003-04	113.95	170219	364547	271.42	97644
2004-05	118.59	178699	429796	282.57	124417
2005-06	123.42	188113	497842	294.91	150242
2006-07	261.01	500758	709398	594.61	182538
2007-08	272.79	558190	790759	626.34	202017
2008-09	285.16	621753	880805	659.35	NA
2009-10	298.16	693532	982919	695.35	NA
2010-11	311.52	773487	1095758	732.17	NA
2011-2012	316.82	843389	1016859	843.18	NA

Source: Annual Report of MSME – Ministry of micro, small and medium enterprises. New Delhi

Micro Small and Medium Enterprises (MSMEs): Opportunities

Nowadays many people depend on upon the MSMEs sector this sector is self-

employment sector for people most of the MSMEs are from rural areas every year MSMEs sector generating 3,000 employments for the people. The MSMEs sector forever Classic. Many problems are encountering the MSMEs but still



this sector is growing continuously. The opportunities of MSMEs are:

- Ideal Platform for entrepreneurs to produce more products
- Strong Growth Potential
- Low Investment Requirements
- Operational Flexibility
- High contribution for the domestic market
- Technology oriented Enterprises
- Exporting products from country
- Raising Domestic Sales
- Increasing National GDP
- Vibrant Domestic Demand
- Helps to Emerging Economy and
- MSMEs are expected to become one of the fastest growing sectors in India

CREDIT & FINANCE

Credit is a crucial input for promoting growth of MSME sector, particularly the MSE sector, in

View of its limited access to alternative sources of finance. Various estimates on the credit availability to the MSME sector however indicate a serious credit gap. Though the heterogeneous and unorganized nature of the sector poses inherent challenges for a credible estimate, the fact remains that there is considerable credit gap, which is a matter of serious concern and needs to be bridged if the sector has to foray into the next level of growth trajectory. While acknowledging the efforts of the Government, RBI and Financial Institutions in providing adequate, timely and affordable credit to the sector which has resulted in substantial increase in the number of accounts and total credit flow, the Working Group felt the need for serious policy prescriptions that goes beyond traditional ways of fixing targets alone. Building an eco-system for facilitating credit flow to

MSMEs is important. Government needs to strengthen credit flow to the MSE sector, particularly micro sector by strict implementation of guidelines for year-on-year growth of MSE credit and its prescribed flow to the micro-sector.

Technology Up gradation And Support:

There is a need to support innovative ideas to develop them to marketable products, facilitate linkage of MSME Clusters/Mini Clusters to public and private R&D institutions and finally subsidize the cost of technology available in the international market. Liberal Government policies and assistance are pre-requisites for nurturing innovative ideas.

Infrastructure Development

Cluster based intervention has been acknowledged as one of the key strategies for comprehensive development of Indian industries, particularly the Micro and Small Enterprises (MSEs). The Ministry of MSME has adopted the cluster approach as a key strategy for enhancing the technical and physical infrastructure as well as capacity building of micro & small enterprises and their collectives in the country to strengthen and expand existing IID Scheme of M/o MSME, the Group recommends that the eligible project cost for infrastructure development (excluding cost of land) for Government of India assistance should be enhanced from present limit of Rs. 10 crores to Rs.15 crores. To complement the efforts of State and Central Government, private sector (companies and SPVs) should also be allowed for development of infrastructure development, with Government of India assistance under MSE-CDP. Assistance for up gradation of existing industrial estate may be made more attractive in order to get proposals from State



Government for up gradation of existing and demand based additional IID projects may be permitted in district, subject to 90% allotment and 50% setting up of units in approved IID projects in one district. The Group recommends continuation of the Infrastructure development scheme with increased allocation.

INSTITUTIONAL STRUCTURE

The Institutional and legal framework for promotion and development of Micro, Small & Medium Enterprise (MSME) sector of India is spread both at the National & State level. The primary responsibility for the development of MSMEs lies with the State Governments. Government of India supplements their efforts through a range of initiatives. The employment intensive MSME sector has suffered extensively due to plethora of laws, rules and regulations that have accumulated during the years of control regime. Ensuring the compliance with so many regulations coupled with Inspector Raj has stifled growth of the sector considerably. Prime Minister's Task Force, in its report, have made significant recommendations on liberalizing the policy regime for the MSME sector, viz., introduction of Insolvency Act, liberalization of labour laws, liberalisation of Apprenticeship Act.

Conclusion: MSME sector of India is today at the gateway of global growth on the strength of competitive and quality product range. However, facilitation from the Government is required to minimize the transaction costs of technology up gradation, market penetration, modernization of infrastructure etc. History shows that only with persistent and effective Government support in these areas, the

SMEs of countries like Japan, Korea etc. emerged as global players. The PM's Task Force has already taken significant initiatives in this regard. The above recommendations of this Working Group for the 12th Plan period will be vital enabler towards implementation of the initiatives of the Task Force through participative, transparent and scalable policies and schemes of Government of India. Micro, Small and Medium Enterprises (MSMEs) contribute to economic development in various ways such as creating employment opportunities for rural and urban population, providing goods & services at affordable costs by offering innovative solutions and sustainable development to the economy as a whole.

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Agricultural credit in India: An overview of rural credit analysis

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Abstract: The main objective of this paper is to know and critically analyse the progress and achievements of the agricultural rural credit in India. The analysis states that the credit delivery to the agriculture sector continues to be insufficient. It appears that the banking system is still hesitant on various grounds to provide credit to small and marginal farmers. Due to declining in public capital formation in the rural and agriculture sector and the persistent unenthusiastic attitude of rural bankers towards formal financing, the planners and policymakers are believe on microfinance to suitably supplement formal banking in rural India. In India strengthening of agriculture is important for elimination of rural poverty, food insecurity, unemployment and sustainability of natural resources. The time has come to redefine agriculture as the integrated activities relating to production, processing, marketing, distribution, utilization and delivered at each level individually. Agricultural credit development strategy till today was addressing institutionalization of credit at farmer's level in marketing, trade, processing and agribusiness.

Keywords: Agriculture, Rural Credit, Institutional Agencies, Scheduled Commercial Banks and Co-Operatives.

Introduction:

Indian agriculture has been always in need for credit and dependent on traditional credit with high interest rates. This norm of high interest rate for agriculture credit has caused serious exploitation resulting in rural indebtedness causing serious concern over a century. This problem of providing cheap and institutionalized credit has called attention of the British government in early 1870s. The government has started providing credit in the form of Takkavi loans during the drought years. The first step for institutionalization has begun with the cooperative societies act in 1904. Based on the report of the Maclagan Committee on Cooperation in 1915 by the end of 1930 a 3-tier cooperative credit structure has been established in all provinces. Even The Royal Commission on Agriculture in

1926-27 emphasized on access to rural credit. The Reserve Bank of India Act, 1934 was passed leading to establishment of the Reserve Bank of India in 1935 like any other central banks it has specific provision for agricultural credit. As a first step towards rural institutionalized credit Reserve Bank of India has conducted different studies in 1936 and 1937 and found that major share of the credit required by the rural community was financed by the non-institutional and share of institutional credit was negligible. Until 1950 the Reserve bank has taken several steps to strengthen the cooperative societies to provide institutionalized credit to the rural community, a new structure was evolved to provide two types of time bound credits namely short term and loan term credit. Despite of many measures till 1951 the institutional credit stood at 4.2



per cent of total agriculture credit, out of which 3.3 per cent contributed by cooperatives, and 0.9 per cent by commercial banks. The All India Rural Credit Survey (1954) has observed in its survey that agricultural credit fell short of the right quantity, was not of the right type, did not serve the right purpose and often failed to go to the right people. The nationalization of major commercial banks in 1969 (and in 1980) has encouraged the commercial banking system to involve in extending agricultural credit. To encourage the neglected sectors the concept of priority sector was introduced in 1969 which included agriculture. Even today the RBI is insisting for target of 40 percent net bank credit towards priority sector with a sub sector target for agriculture with 18 percent (out of which 13.5 per cent for direct agriculture and 4.5 per cent for indirect agriculture). To have better planning at the ground level the lead bank scheme was introduced under which each district is a unit and a commercial bank with highest number of branch coverage is appointed as District lead bank to monitor and report the performance in the targeted sectors like agriculture. The green revolution has called for high credit requirement for the purchase of high yielding seeds, irrigation systems, fertilizers and chemical pesticides. Along with crop yields the cost of production has raised drastically calling huge credit requirement. This huge credit requirement was not met by the cooperatives or commercial banks for their own limitations.

Review of Literature:

Credit is a crucial input process of development. For historical reasons, Indian farming community failed to make huge investments in agriculture. There is an adage which says that

“Indian farmer is born in debt, lives in debt and dies in debt”. In order to mitigate the problems of the farming community, the Cooperative Credit Societies Act was passed in 1904, which permitted the formation of credit societies. They provided institutional support to farmers for short, medium and long term purposes. Subsequently, tiers at state and district levels were too conceived to strength these credit cooperatives. Apart from these cooperative institutions, nationalization of commercial banks and introduction of regional rural banks also helped increasing credit supply to farmers. As mentioned before, by now the Indian credit cooperatives have a century long history. During this period these institutional financing agencies failed to a large extent, to meet the requirements (consumption and production) of the farmers. Some of the factors responsible for their failure are inadequate supply of credit, poor recovery, demand - supply gaps, interference by politicians, lack of monitoring, mis-utilization of credit, problems in identification of target groups, high transaction costs, and lags in time, natural calamities and competition from informal credit agencies.

A number of committees such as the Rural Banking Inquiry Committee (1949), the All India Rural Credit Survey Committee (1954), the Committee on Cooperative Credit (1960), the All India Rural Debt and Investment Survey (1962), the All India Rural Credit Review Committee (1969), the Working Group on Rural Banks (1975), the Committee to Review Arrangement for Institutional Credit for Agriculture and Rural Development (1981), the Agricultural Review Committee (1989) and the Narasimhan Committee (1991 and 1998)



were constituted by the Government of India to look into their working and made several recommendations to improve their health and functioning of the total credit provided by these institutions 44 per cent was met by the cooperative banks and 48 per cent by the commercial banks leaving a paltry amount by the regional rural banks.

Objective of the study:

- The overall objective of the study is to evaluate the impact of banking and financial sector reforms on the rural credit delivery system.

Towards the end of objective mentioned, the following is the methodology adopted.

Research Methodology:

The nature of research is exploratory. The study is based on secondary data, which were collected from these secondary source of the data were collected from various sources. Secondary data have been collected from published and unpublished records of Government Departments, RBI, Lead Bank Offices, branches and regional offices of commercial banks and NABARD office.

1947-1969: Focus on Cooperatives:

The historic All India Rural Credit Survey (AIRCS) carried out in 1954 confirmed that formal credit institutions provided less than 9% of rural credit needs in India Moneylenders, traders and rich landlords accounted for more than 75% of rural credit. Cooperative credit societies had already been in existence for 50 years but their share in rural credit was still less than 5 percent. The 1945 Cooperative Planning Committee had discerned early signs of sickness in India's cooperative movement, finding that a large number of cooperatives were "saddled with the problem of frozen

assets, because of heavy over dues in repayment". Even so, in the 1950s and 1960s, the way forward was seen to lie in cooperative credit societies. These cooperatives were to take the lead in the Integrated Scheme of Rural Credit suggested by the AIRCS. The share of cooperatives in rural credit did rise to cross 20% in 1971. Today, India's cooperative credit structure (CCS), with over 13 crore members (including 6 crore borrowers), constitutes one of the largest rural financial systems in the world. The over 1 lakh Primary Agriculture Credit Societies (PACS) can, in many ways, be regarded as the veritable bedrock of India's rural economy. The CCS has 50 percent more clients than commercial banks and Regional Rural Banks (RRBs) put together. Directly or indirectly, it covers nearly half of India's total population. The CCS services farm input distribution, crop production, processing and marketing as also dairying, weaving and textiles.

However, the CCS has never realized the enormous potential opened up by its vast outreach. According to the Task Force on Revival of Rural Cooperative Credit Institutions, this owes mainly to a "deep impairment of governance" (GoI, 2005, p.18). While they were originally visualized as member-driven, democratic, self-governing, self-reliant institutions, cooperatives have over the years, constantly looked up to the state for several basic functions. The Task Force describes in detail how state governments have become the dominant shareholders, managers, regulators, supervisors and auditors of the CCS. The concept of mutuality (with savings and credit functions going together), that provided strength to cooperatives all over the world, has been missing in India. This "borrower driven" system is beset



with conflict of interest and has led to regulatory arbitrage, recurrent losses, deposit Erosion, poor portfolio quality and a loss of competitive edge for the cooperatives. Domination by richer elements in the rural elite that characterized cooperatives in the colonial period continues to be an abiding feature of these institutions even after independence.

1969-1991: Nationalization of Banks:

In 1951, the AIRCS found that the share of banks in rural credit was less than one percent. Even through the 1950s and 1960s, the role of private commercial banks in rural credit remained minimal and indirect. The AIRCS itself had wanted involvement of these banks in agricultural marketing and processing but not directly in farm output. Rural branches of commercial banks were few and far between despite a 1954 RBI directive for them to open at least one branch in unbanked rural and semi-rural areas for every branch opened in previously banked areas (Meyer and Nagarajan, 2000, p.172). The Imperial Bank of India was nationalized in 1955 and the new State Bank of India was asked to open 400 branches in semi-urban areas and start agricultural lending, even if at a loss. Even so right up to 1971, the share of banks in rural credit was no more than 2.4 percent and most of these loans were made to plantations. Their main activity was to finance agro-processing firms and purchase of bonds floated by land development banks. Until the end of the 1960s, the overwhelming share in commercial bank credit was that of industry (62 percent) and trade and commerce (26 percent). Within industry, the distribution of credit was skewed in favour of large borrowers (Sen and Vaidya, 1997). It has also been alleged

that "advances by private banks were diverted to sister companies of the banks or to companies in which their directors had an interest" (Chandrashekhar and Ray, 2005, p.12). Thus, cooperatives remained dominated by the rural elite and banks continued to have an urban bias throughout the twenty years after independence. In trying to understand the case for nationalization, it is useful to remember that government control over banking was the norm in most low-income countries in the four decades after the First World War (Burgess and Pande, 2002,p.3). Similar state-led rural finance programmes spread across the developing world in the post-colonial period. State control over banking to act as an engine of structural change and the attack on poverty was part of the orthodoxy of development economics at that time (Besley, 1995). Even though they lament it, La Porta et al (2002), assemble data on government ownership of banks around the world, which show that such ownership is large and pervasive. In the average country, more than 40 percent of the equity of 10 largest banks remained in government hands even as recently as 1995.

Problems of Rural Credit in India:

- i. **Insufficiency:** In spite of expansion of rural credit structure, the volume of rural credit in the country is still insufficient as compared to its growing requirement arising out of increase in prices of agricultural inputs.
- ii. **Inadequate Amount of Sanction:** The amount of loan sanctioned to the farmers by the agencies is also very much inadequate for meeting their different aspects of agricultural operations. Considering the amount of



loan sanctioned as inadequate and insignificant, the farmers often divert such loan for unproductive purposes and thereby dilute the very purpose of such loan.

iii. Lesser Attention of Poor

Farmers: Rural credit agencies and its schemes have failed to meet the needs of the small and marginal farmers. Thus, lesser attention has been given on the credit needs of the needy farmers whereas the comparatively well-to-do farmers are getting more attention from the credit agencies for their better credit worthiness.

iv. Growing Over-dues:

The problem of over-dues in agricultural credit continues to be an area of concern. The recovery of agricultural advances to various institutions is also not at all satisfactory. In 1997-98, the recovery of agricultural advances of commercial banks, co-operative banks and regional rural banks were 63 per cent, 66 per cent and 57 per cent respectively. Such growing over-dues have also been resulted from poor repaying capacity of farmers. As a result of that, the credit agencies are becoming wary of granting loan to farmers.

v. Inadequate Institutional

Coverage: In India, the institutional credit arrangement continues to be inadequate as compared to its growing needs. The development of co-operative credit institutions like Primary agricultural credit societies, land development banks, commercial banks and regional rural banks, have failed to cover the entire rural farmers of the country.

Agriculture credit in India is integrated with marketing, storage, processing and trading. The reforms in agriculture credit have been confined to institutionalized credit. Similarly, in marketing only in regulate to create efficient and effective marketing channels. Different public sector organizations, cooperatives and other formal/informal bodies have beeninvolved in the process. There have been many Public sector organizations which include Food Corporation of India (FCI); Cotton Corporation of India; Jute Corporation of India; Commodity Boards; APEDA; STC; MPEDA; Commission for Agricultural Costs and Prices; Directorate of Marketing and Inspection; Departments of Food and Civil Supplies; State Agricultural Marketing Boards; Central and State Warehousing Corporations; and Agricultural Produce Market Committees. The role and functions of each of these differ and include policy formulation, implementation, supervision, facilitation and direct entry in the market. In spit of such structural regulated markets the farmers are being exploited in all means. The integrated rural credit approach is focusing on providing credit for all the requirements of the farmer through an institutional credit to all his requirements at all the levels so that time, place, and form utilities are passed to the farmers depending on the produce. But this is not an easy task as operating these many credit limits by financially illiterate farmer. To overcome these problems new avenues in information technology have to be used for the purpose. The major principle in this approach is to provide all the credit requirements of the farmer as per the produce cultivated and level of his credit requirement depending on the extent he

**Integrated Rural Credit Approach
For Food Security and
Sustainability in Agriculture:**



want to go for storage or processing or both this will change according to produce and farmers knowledge and Environment. Once these things get decided the farmer has flexible to use the credit requirement as per the environment he is operating from time to time. To smoothen the process the total financial transactions are done through single account.

Infrastructural Requirements:

In this approach a credit hub is formed by integrating all the requirements of the farmer. The hub consists of consumables & input supplies, a regulated market with processing facility and ware house. Additional service provider like veterinary services and extension services are added advantage to the hub. All these are interlinked and integrated with tie ups with credit provider. The facilities vary from hub to hub depending on the crop produced in the area. But this requires huge credit investments for infrastructure development. This can be achieved by public private partnership. This constitutes to form physically integrated credit hubs. Information Technology also provided avenues to create virtually integrated credit hubs. These require low investments than the physically integrated credit hubs because in these hubs all the service providers are located at different locations and integrated through common software.

Conclusion:

In India strengthening of agriculture is important for elimination of rural poverty, food insecurity, unemployment and sustainability of natural resources. But till today strengthening of agriculture was meant to be increasing productivity by introduction of high

yielding seeds, application of chemical fertilizers and pesticides, mechanization and making availability of institutionalized credit for purchasing the preceding inputs, as result the Indian agriculture has become commercialized but not profitable to the producer. This commercialization has attracted more number of middle men making the marketing channels inefficient by delivering the produce at inflated prices to the consumer and negligible margin to the producer making him indebt. This is discouraging the farmer to move towards capital intensive commercialized agriculture practices which only can serve the future food requirements of the country. This has assumed added importance to integrate efficient marketing and rural credit systems. The time has come to redefine agriculture as the integrated activities relating to production, processing, marketing, distribution, utilization and delivered at each level individually. Agricultural credit development strategy till today was addressing institutionalization of credit at farmer's level in marketing, trade, processing and agribusiness. As a result of efforts in the agriculture credit delivery system, the share of private money lenders (non institutional credit) has decreased substantially from 93 percent in early 1950's to 31 per cent by 1991. But showing their presence as an important and most attracted source of credit by increasing their share to 39 percent by 2002. One main reason for this is they have been always integral part of rural supply chain for inputs and marketing channels. The All India Rural Credit Survey (1954) has quoted that agriculture credit in India fell short of the right quantity , was not of the right type, did not sever the right purpose and often failed to go to the right people,



even today this spells right rural credit with infrastructural requirements for production (input) , processing, marketing , distribution, utilization , trade with value added service like technology transfer at single point to form the rural credit hubs or virtual integration by utilization of the information technology create new Indian sustainable agriculture for food security.

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Previous Decades of Economic Reforms strategies in India

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Abstract

Indian economic reforms were gradual in nature and were primarily directed to trade and industry, though in Indian economy foreign trade never constituted a major part and though India was a large country with continental dimensions, her share in the global trade was always negligible, being less than even one percent. India adopted current account convertibility which was as one of the main conditions of strategy of globalization. But this feature was considered as the main saviour of the Indian economy during the 1997 East Asian economic crisis and probably also during the 2008-09 global melt down though many like to attribute such achievements to the strong fundamentals of the Indian economy which were not very correct as claimed by such experts. It is to be noted that though globalization increased both imports and exports for India exports could never over took imports. In this paper analyzed about previous two decades economic reforms strategies in India

Keywords: India, Economic Reforms, Globalization, Business, Market etc.,

Introduction

Economic reforms initiated in India since 1991 may be considered, borrowing the terminology of Professor Amiya Kumar Dasgupta, as one of the economic epochs after the inception of economic planning in 1951 and the so-called 'Green revolution' in wheat and paddy in 1969 which substantially changed the features and structure of the Indian economy in a permanent manner. Some peoples also consider the incidence of bank nationalization in 1969 as another significant economic incident of comparable magnitude impact. The economic reforms in India basically depended, at least theoretically, on the gains from a competitive market, global free trade and efficiency of the private sector. In fact, even as late as in 1976 through the 42nd Amendment of the constitution, India declared herself as a socialist country; this nomenclature and the system of centralized economic planning are still continuing even now, though she adopted since 1991 a

complete U-turn in economic policy. Where the neo-liberal market capitalism actually held the sway. In this situation it was presumed that market-based economy replaced the state guided one and presumed that a country is best governed where there is least governance from the state. In this context it was also felt that the government should have no business in business.

Nature of Economic Reforms

It have now completed two decades of experience with this economic reforms strategy, also known as New Economic Policy (NEP), and India experienced varied impacts in every sphere of the economy and human society. This has been achieved through the policies of structural adjustment coupled with LPG strategies namely liberalization, privatization and globalization.

However, she also retained the centralized planning technique as mentioned earlier with decentralization at the panchayat level. Of course, it has been said that this planning is now



changing its character from its original commanding type to a new indicative type which will actually facilitate that working of the market economy. At the same time, the policy of globalization has not been full-fledged one. If we mean by globalization a free movement of factors of production as far as possible. The current nature of globalization has been a partial or a truncated one because under the present system. Globalization meant free movement of finance and capital and not for labour in which India has comparative advantage and not in capital like the high income industrialized countries of the west.

The question arises specially among the students of the present generation about the causes of adopting such epochal changes which nearly moved the economy through a new way not experienced till independence. It should be remembered that from the very beginning, India depended on the virtues of trickle-down theory of benefits where it was expected that the additional growth of income will ultimately trickle down to the bottom level of society and it will benefit all economically and, in turn society. It was expected that if we take care of the GDP, GDP will take care of the everything else including employment and Human Development. But, ultimately it was observed that through successive 5 year economic plans India could achieve on average a growth rate of 3.5% for year which was bound to be too low to provide the benefits of the bottom level. Naturally a section of Indian economics and policy makers started to search for policies to achieve a higher rate of income growth and some of them like Raj Krishna even called this rate have the Hindu rate of growth. To achieve this end officially also policies were adopted to relax the restrictions in

the economy, especially in the foreign trade sector since 1980s. But as a consequence of the unwise import liberalization policy, India confronted with a very acute balance of payments crisis with only foreign reserves adequate to meet two weeks of imports payments and she had to pawn national gold to a foreign bank to tide over the crisis at least temporarily. India's credit rating also came down shapely and she had no other alternative but to take conditional assistance from the IMF and the world bank leading to this upheaval in Economic policy in 1991, which we have already preferred to be called an epoch in Indian economic history.

Direction of Reforms

Indian economic reforms were gradual in nature and were primarily directed to trade and industry, though in Indian economy foreign trade never constituted a major part and though India was a large country with continental dimensions, her share in the global trade was always negligible, being less than even one percent. India adopted current account convertibility which was as one of the main conditions of strategy of globalization. But this feature was considered as the main saviour of the Indian economy during the 1997 East Asian economic crisis and probably also during the 2008-09 global melt down though many like to attribute such achievements to the strong fundamentals of the Indian economy which were not very correct as claimed by such experts. It is to be noted that though globalization increased both imports and exports for India exports could never overtook imports. It has been quiet natural as the truncated pro-capital globalization process could help rich capital intensive western countries (though not up to the expected /



predicted levels) and put the labour intensive Indian economy under stress. As globalisation process had distinct preferences, it led to gradual and rapid increase in inequalities among the nations, regions and the people. All such inequalities actually reduced positive impacts of higher rates of income growth that took place since economic reforms in our country. The inherent contradictions of this globalization process have come in to fore front during the recent global meltdown were the financial institutions and the corporate sectors had to frantically approach the much despised government for grants for their survival, a feature which goes against basic philosophy of globalization.

Inadequate Growth

Though one of the main objectives of the current Indian economic reforms was to initiate a higher rate of GDP growth, yet it should be remembered that Indian GDP started to grow a higher rate only since the beginning of the second decade of economic reforms and that too coinciding with a phase of jobless growth leading to initiation to NREGA in 2005, a flagship programme to counter unemployment and poverty which has been largely ecological in rural areas. In fact, due to structural adjustment programme adopted in the initial years of economic reforms, growth rate of GDP actually received a setback and later on it grew at a rate of comparable with the rate of growth registered in 1980's. The high rate of income growth again came down since 2007 as a consequence of global melt-down though it was claimed by the authorities that India would remain relatively unaffected from the undesirable consequences of such events due to her strong fundamentals. In fact, under the present globalization it is difficult to avoid the impact by other

countries if some event takes place in the country with global consequences. Moreover, during the initial phase of economical reforms it has been obtained that we require on average a 7% annual growth of GDP to eradicate poverty from our country but this did not take place and India's newly elected president in his inaugural speech had to give emphasis on finding out ways to put the word poverty in the past and also admitted that the trickle-down theory of benefits did not work in India as expected.

Neglect of Agriculture

Neglect of investment in agriculture since 2nd Five Year Plan and also the negative impacts of green revolution revealed that since the mid-1980's and the 2007-08 global food crisis which led to food security crisis in as many as 37 countries as identified by the FAO transformed the food sufficient Indian economy in to one facing food inflation and food insecurity. The Government of India has planned to enact food security Act to provide food security to maximum possible number of people and also to implement the highly debatable second green or ever green revolution based on corporate led gene – technology. It may be mentioned here that the enactment of this very crucial pro-people legislation is taking an unduly long time due to the debate on the subsidy that the government had to bear to bring maximum number of people under its purview. Moreover, the Government is prone to act not only on the same lines of the green revolution but also is depending on the same expert who initiated in 1969 green revolution with all its negative consequences. The faith on the gene technology for enhancement of for agricultural productivity is yet to be properly tested for the Indian soil as



we have noticed the adverse effects of such techniques in case of cotton and we have to postpone the process of its implementation encase of brinjle. On the other hand, the authorities are not paying attention to rapidly reduce the rain fed cultivable areas increase agricultural productivity by converting more crop system into a multi cropping one. The government always depended on big areas for irrigation but at the same time it had to take its evil consequences due to submergence of huge areas of land and forest and also uprooted large sections of the population, mostly tribal and SC's from their habitats leading to the emergence of the new paradoxical terminology development oustees in the literature of economic development. On the other hand the proper emphasis on medium and minor irrigation through excavation of tanks, rain water harvesting and similar other measures was not given due emphasis. Naturally even after 65 years of independence our finance minister in his budget 2-11-12 had a pray for the blessing of Lord Varuna for adequate and proper rainfall in the country. In the current year also we find that our country is facing the onslaught of a severe drought when there is a dearth of rainfall in different parts of the country at the beginning of the rainy season.

Changing Pattern of Industrialisation

The major emphasis of Indian economic reforms was on the rapid industrialisation of the economy and uplift of the Indian economy to a higher level. While it has been true that India excelled in its IT industry, its overall rate of growth in the manufacturing sector has been much below expectations. Moreover, the nature of the whole

pattern of this sector, which is considered to the major segment of the economic growth of any modern economy, has been changed drastically since the beginning of the economic reforms in India. We noticed that gradually the entrepreneur based competitive industrialization process has been substituted by corporate led and MNC dominated process which ultimately shifted the operating areas from manufacturing to mining and export oriented agriculture with emphasis on SEZ and contract forming which exhibited other proves from of economic growth. As a consequence of the transformation we observe that gradually the benefits of competitive industrialisation are no longer available and there is a reign of terror in mineral rich tribal dominated areas of MP, Chhattisgarh, Orissa, Jharkhand and other areas for acquisition of such areas by evicting the tribal's from their traditional habitat of land and forest which provided them their livelihoods, though its subsistence level. This has also led to the rapid growth of extremism in the form of Naxals and /or Maoists extending their influence to more than one third districts of India. This growth of extremism due to lack of development of the down –trodden people has been treated wrongly by the authorities as a law and order problem, only leading to a situation where a long term solution is becoming more and more difficult.

Scams and Corruption

The reforms process has actually bypassed two crucial areas like legal and governance which made results obtained particularly Skewed. Specially, the liberalisation process which expected to relieve the economy from buerocratic corruption has actually led to a tsunami of scams and scandals since the very



beginning of the reform era with the Harshad Mehta case. Now, it is observed that there has been highest accumulation of block money by the Indians, not by the richest countries like USA or Japan in the Swiss banks. It is really unfortunate that important personality like Chief Advisor of the Finance Ministry has publicly recommended the legalization of bride and he has been supported by another important personality of the industrial sector. An idea of the level of corruption can be obtained from the satyam case where the company usurped the salary of 20,000 fake employees and this has been certified year after year by an internationally reputed auditor firm. It is really a question whether this is an exception or a discovery by change.

Non-Economic Impacts

The non-economic impacts of economic reforms are considered by many some times as more serious than the negative economic impacts. In particular, in the environment sector, which is not included in the proper mark, the guiding regulations are gradually relaxed for the sake of establishment of new industries in areas forbidden so far. The Ministry of Environment and forest often criticized by the corporate sector for not giving clearance to their projects within a span of time. Another point deserves our attention considering its undesirable effects for distorting the social fabric and cultural values. On the one hand we speak about the empowerment of women through spread of education and employment but on the other hand there is rapid spreads of semi-nude western culture were commoditization of women through advertisement and internet is a common feature which is eroding the age old Indian values. As an illustration we may mention the attitude of the main

stream media which held in the recent past the achievement of adulthood by Bengali cinema containing bed-scenes in a perverse form.

Conclusion

The two decades of economic reforms in India did result in to both positive and negative impacts no doubt. But what we observe is that nearly three fourth of the population had to live under abject poverty even after two decades of economic reforms and now India is facing a situation where some are comparing it with 1991 as some credit rating agencies have reduced India's rank in view of the lower growth rates. It can be said that we urgently need an effective strategy of reforming the reform process itself when the state can keep the market free and introduce a human face in it is LPG strategies. It is well known that if we allow market to operate in a completely free manner it is bound to degenerate in to monopoly or monopolistic competition. It is the duty of the state to take steps in a manner, so that the market can remain free to avail the benefits of competition by the society and the common people in particular. All these urgently need a redefinition of the state market relationship before it is too late while India started her reform process with a TINA (there is no alternative) syndrome, it now needs to reform the reform process as the present situation is another types of TINA (this is no alternative) after two decades.

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Emerging trends in consumption pattern - A study in Warangal rural area

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Abstract: Globaliasation, liberalization and privatization have transformed the Indian Economy into a vibrant, rapidly growing consumer market. The rural markets, which were earlier ignored by most of the big international market players, are now being seen as a land of great business opportunity. As the disposable income of the masses is growing, more and more corporate house are entering into the rural markets with their new goods and products leaning to Consumption pattern of the rural households depends on many factors like assets, level of change in consumption patterns in rural area education, occupation and demographic characteristics beside income. Using the MMRP (modified mixed reference period) method of measurement of MPCE (monthly per capita consumer Expenditure), average MPCE in 2009-10 was estimated as Rs.1053.64 in rural India.

Introduction

Globaliasation, liberalization and privatization have transformed the Indian Economy into a vibrant, rapidly growing consumer market. The rural areas, which were earlier ignored by most of the big international market players, are now being seen as a land of great business opportunity. Business organizations have been embarrassing number of new trends in modern marketing such as E-marketing, Mobile marketing, Digital marketing, Green marketing, Corporate Retailing and so on. However, the very important trend happened in India is the tremendous growth in rural areasing. Indian Rural economy emerging as biggest contributor to economic growth of India it is estimated that it will be around 45% of GDP by 2020.

The rural economy has provided a cushion to the Indian economy. Indian economy is able to sustain inspite of all the crisis happened in other parts of the world is because of the backup of rural

areas. Rural consumers, who were on the receiving end so far, are now slowly getting into position to dictate the terms for the first time. Rural areas is like goldmine with lot of difficulties. This needs to formulate a well designed strategy to feel the pulse of the rural consumers and to tackle the mystic rural areas. As the disposable income of the masses is growing, more and more corporate house are entering into the rural areas with their new goods and products leaning to Consumption pattern of the rural households depends on many factors like assets, level of change in consumption patterns in rural area education, occupation and demographic characteristics beside income Many experts' defined rural areas too narrowly confined only to geographic and demographic characteristics and ignored the socio-cultural and behavioral part of rural areas. The marketers must understand, rural areas means rural consumers' mindset, whether they buy from rural outlets or urban shops, whether they buy low end



products or high end products, whether they live in village or in town, rural consumers have unique characteristics as their urban counterparts. Some other experts opined that rural areasing is agri marketing, which involves marketing of agri inputs and outputs. However, rural areasing involves movement of goods and services from urban to rural and rural to urban markets. Rural areasing covers not only agri marketing but also marketing of all goods and services which satisfy the rural consumers and improve their standard of living. Many companies go to rural areas, still to make money, not to guide or help or develop rural consumers. The rural areasers must think rural for long- term success instead of short-term profit.

Nature and characteristics of rural areas

There goes a saying that the proof of the pudding lies in the eating. So also the proof of all production lies in consumption/marketing. With the rapid pace of technological improvement and increase in peoples buying capacity, more and better goods and services now are in continuous demand. The liberalization and globalization of the Indian economy have given an added advantage to sophisticated production, proliferation and mass distribution of goods and services. Taking these into consideration, the question may arise whether marketers should concentrate their activities in urban India consisting of metres, district headquarters and large industrial townships only, or extend their activities to rural India. Rural India is the real India. The bulk of India's population lives in villages. In terms of the number of people, the Indian rural

areas is almost twice as large as the entire market of the USA or that of the USSR.

- Agriculture is main source of income.
- The income is seasonal in nature. It is fluctuating also as it depends on crop production.
- Though large, the rural areas is geographically scattered.
- It shows linguistic, religious and cultural diversities and economic disparities.
- The market is undeveloped, as the people who constitute it still lack adequate purchasing power.
- It is largely agricultural oriented, with poor standard of living, low-per capital income, and socio-cultural backwardness.
- It exhibits sharper and varied regional preferences with distinct predilections, habit patterns and behavioral characteristics.
- Rural areasing process is both a catalyst as well as an outcome of the general rural development process. Initiation and management of social and economic change in the rural sector is the core of the rural areasing process. It becomes in this process both benefactor and beneficiary.

Importance of Rural Retail Markets

The Indian retail market has a deep rural character with a total rural population of 50.2 crores representing about 80% of the total population. This population is widely scattered among 5.76 lakh villages. Of these villages, 3.18



lakhs have a population over 5,000. In terms of population, Indian rural areas is almost twice as large as the entire market of the U.S.A. or the erstwhile U.S.S.R. Rural retail markets offer a very promising future for the marketing of consumer goods. The future market for any consumer goods manufacturers in the country is in the rural areas. In the words of J.R.D. Tata, "if only 10% of rural society becomes regular buyers of industrial products, the consumer goods industry will have 5 crores of new customers added to its present market. Rural areas have a very large market potential as worked out by the Thompson Rural areas Index. Uttar Pradesh with its largest geographical area and also rural base has got the largest rural areas potential of 15.46% followed by Madhya Pradesh and Maharashtra with 9.43% and 9.26% respectively. Andhra Pradesh occupies fourth position with 8.49% rural areas potential of which Telangana region constitutes a major proportion.

The marketing environment governing the rural areas has been undergoing vast changes in the last few decades. It was observed that rural areas in India started showing its potential from 1960s and the '90s are going to see the full blossoming of the rural areas of India. Rural prosperity and the discretionary income with the rural consumers is directly tied up with agriculture prosperity. Due to improved irrigation facilities and methods of cultivation, incomes of rural people increased considerably, in recent years. It is clear from the fact that half of the total bank deposits are now coming from the rural parts of the country, in the form of small saving. However, there are wider variations in the incomes of rural consumers.

As per NSS report 2011 the MMRP (modified mixed reference period) method of MPCE measurement, food was estimated to account for about 57% of the value of the average expenditure. This included 14% for cereals and substitutes, a little less than 8% for milk products, and 8% on vegetables, among non-food item categories, fuel expenses for a little over 5%, conveyance and education for about 3 ½ % each. Both consumer services for 4%, and consumer durables for 3 ½ %.

Marketing focus to Rural India

Market conditions: Today marketers look at rural areas by compulsion and by choice. It is compulsory because urban markets almost reached saturation point and there is no other go. It is also a choice because they are attractive and potential. Marketers start moving into the rural areas and find that there is a big fortune at the Bottom of the Pyramid.

Competition: Competition is becoming tough in urban markets compelling many firms to incur heavy costs in promotional expenditure. Most of the companies spending heavily on promotion which will become burden on existing consumers. Marketers find rural areas are more attractive where there is less competition.

Awareness Level: The awareness level of urban consumers is high hence they always look for new product or new features in existing product. This process needs a huge investment which will have a negative impact on profitability. Thus, perhaps for easy reach the urban markets have become extremely difficult. Since the awareness level of rural consumers is low they



easily accept existing products.

4. Interdependency between urban and rural areas: Urban markets invariably depend on rural areas for agri produces such as food grains, fruits and vegetables, milk and meat, agri based raw materials for sugar, cotton industries and so on. Similarly rural areas depend on urban products such as agri inputs and other goods and services. Today this dependency has been increasing due to change in life style of rural consumers.

Review of Literature: Lokhande in his research work titled "Rural areasing – a study of Consumer Behavioural Trends" attempted to probe into the buying habits, brand loyalty and behavioral changes of rural consumers. The study observed that the income is one of the major influencing factors on the consumption habits of consumers. In addition, caste, religion, education, occupation and gender are influencing factors in rural areas. Further, affordability is influencing factor on consumption pattern of rural consumers. It was suggested that the distribution channel should be made effective and efficient in rural areas so that none is deficient of necessary goods. Consumer awareness must be created by way of imparting consumer education.

B.B.S.Parihar, Sanjay Yadav and Irfan Siddiqui. It was found that there is a significant difference between the buying behaviour of rural and urban consumers with regard to their preference for technology, style, and brand image, price and after –sales service. They found that urban and rural areas significantly differ from each other in considering general and product-

specific factors while making their purchase decisions for durables.

Methodology:

The study is based on both primary data and secondary data. The secondary data used to supplement the findings are drawn from the primary data. The primary source of data is consumers who are using the selected products in rural areas. The secondary data will be collected from the reports, magazines, surveys reports and the records of the different organizations. The schedules for rural areas to collect data regarding their demographic, socio-cultural background, their consumption patterns, income levels, buying motives, their preferences, buying behavior, levels of satisfaction etc.

Objectives of Study:

1. To ascertain the direction of the present consumption patterns.
2. To determine the variations in the pattern of consumption of various commodity group utilized in rural areas.
3. To delineate the effect of changes in the macro sphere of the economy on rural consumption pattern.

Study area: Telangana is a backward and more rural in character, in terms of the size of the rural population, agrarian economy, small size of villages, and low density of population, low literacy rate, low per capita income and consequent lower standard of living of the people. Warangal District has been selected for the purpose of study, as it is one of the backward districts, in terms of industrialization, rural ratio, and



number of retail outlets, low literacy rate and lower standards of living of rural masses. In the entire district, Warangal and other two towns are the only developed urban agglomerates, and remaining areas are of tribal or semi urban therefore, Warangal District is chosen for the purpose of the study to represent the Telangana.

Warangal and Hanamkonda as legend goes is linked with the dynasties of great "Vishnukundins" and even prior to it was the Buddhist and pre - Buddhist period of Indian history. During Eight Century, A.D., Warangal with an old name "Orugallu" has served as capital city of Yadava King of Tuluva Anther's from the middle of the 12th century up to two hundred years. The Kakatiya or Ganapathi Deva making Warangal as capital city rules this area. Rani Rudramadevi and Prathaparudra have occupied proud full position in the history. Thousand pillars Temple, Bhadrakali Temple, Ramappa Temple, Pakal sanctuary and Fort Warangal are the masterpieces of Kakatiya Sculpture and architecture. Latter, after the fall of Bahamani kingdom Warangal fell to the "Qtub Shahis of Golkonda" and thereafter it has come under the sway of Nizam's dominions.

"The District lies between the Latitude of 17 – 19' and 18 – 36' North and Longitudes of 78 – 49' and 80 – 43' east and is above mid sea level by 870 ft. 1700 ft. It is bounded on the North side by Karimnagar District, on the West side by Medak District, on the south side by Nalgonda District and by Khammam District, on East and Southeast. The Geographical area of the District is 12,846 Sq. Kms. The District possessed interesting features of geographical

formations and contains minerals of economic importance. The principal formations are classified in to two divisions i.e., Archeqan puranas and Gondwans. The soils of the District comprise of sandy Loam's with parches of shallow Black cotton soils, and at places even medium and deep Black cotton soil. As the District is generally tends to be dry

Some Facts about Rural areas

Rural India consumes 45% of all soft drinks, 50% of sales of motorcycles, TVs, cigarettes, detergents, fans, blades, and a lot others. 70% of new subscribers for telecommunication, 55% of new polices for LIC, 60% of India's annual consumption of gold and jewelry is from rural and semi-urban areas. One of the key trends in the rural areas is people changing very quickly from cable to satellite TV. 50% of DTH connections are from rural areas. Around 75% of the rural people are aware of insurance but less than 20% rural house holds owned a policy. Less than 10% of rural households own a two-wheeler. Telecommunication services covered only 20% of rural areas. Be it automobile, telecom, insurance, retail, real estate or banking, the future drivers of growth are rural. No marketer can afford to ignore the possibilities of rural India.

Emerging Trends in consumption pattern:

The consumption pattern and life style among rural consumers is changing due to exposure to media. Media particularly TV has been a great leveler. Even in small villages, people who have seen the urban lifestyle on television seem to



want similar goods and services. On the consumption front, 33% of rural consumers are eating biscuits and bread for breakfast. Instant noodle sales are double in rural India compared to urban. Seemingly 'urbane' brands in categories like deodorant and fabric softener are growing much faster in rural India than urban and 17% of rural buyers of hair dye now use colors other than black to indulge in the trend of externalized beauty that is picking up fast in rural areas. Companies have realized this and are going all out to tap this latent demand.

Increased level of education and employability of rural youth:

Villagers realized their children education is the first priority. Most of the rural youth especially teenagers are well aware of products due to their school education and media exposure. Significant progress on literacy levels – 90% of the villages have a primary school within a 1 km walk. Private school enrolment in rural India has enhanced by 5.5% points over past six years. The literacy rate has also gone up by 68.91% in rural India. This enhanced the employability of rural youth they are not sitting idle in villages they are motivated to go to nearby towns to find the jobs.

Huge in Size: Indian rural areas is huge in size because rural population accounts for almost 70% of Indian population as the recent Census 2011, 833 million live in rural India, 33% of rural population includes youth, number of households increased from 25 to 33 crore. The rural areas is currently worth approximately USD\$ 10 billion in consumer spending in the FMCG

market annually. Food categories are currently driving the bulk of the additional USD\$ 90 billion into the marketplace by 2025.

Increased purchasing power:

Rural purchasing power has grown faster than urban in the recent years. Rural Indian economy is highly supported by increasing disposable income, Government initiatives and schemes and favorable demographics. As a result, the rural segment of the Indian economy is growing at a pace of 8-10% per annum. Government spending in rural India has tripled over the last four years and is now translating into higher consumer spending. Therefore, rural consumers are consuming more premium and convenience oriented categories that are typical of their urban counterparts. "Policy measures like the waiver of agricultural loans around US\$ 13.9 billion and the National Rural Employment Guarantee Scheme, which guarantees 100 days of employment to one member of every rural household (NREGS), the Bharat Nirman program with an outlay of US\$ 34.84 billion for improving rural infrastructure etc helped the rural economy.

Migration of Rural youth: Rural youth come to cities in search of better jobs. When they travel back home, they carry with them stories of urban lifestyles. Awareness is thus created in the potential markets. Increased contact of rural people with their urban counterparts due to development of transport and wide communication network has influence on rural consumers' life style. Transportation and telecommunication tools are seen as status symbol for the rural youth.



Challenges and Strategies in Rural areas

Delivering to the rural areas is a real challenge to many marketers. In fact, the whole dynamics of rural areas are so unique that one has to look at beyond traditional marketing mix with advanced mix containing the 4A's instead of the traditional 4P's of marketing: *Acceptability* – develop what the consumer wants, *Affordability* – Make an affordable product, *Availability* – product made available at villages and *Awareness* - Don't promote the brand, demonstrate the product. Most of the marketers look at rural areas as an extension of existing urban market hence they simply dump their existing product which is outdated in urban market into rural areas. Hence marketers fail to penetrate into rural areas in big way. Though rural consumers attracted towards urban life styles their dynamics are differ from urban consumers. Similarly rural areasing strategies are also significantly different from the marketing strategies aimed at an urban consumer.

Communicating with heterogeneous rural areas: Every 20 kms of distance India is different. Different in terms of Language, lifestyle, culture, food habits, dressing and needs and wants and so on. Therefore, communication strategies must be more specific to the language and local culture. Mass media may serve the purpose of achieving awareness and interest but for creating conviction the consumer must have face-to-face communication medium. Client and Location specific promotion strategy based on the location and the client and co-operative promotion strategy, participation between the marketing

agencies and the client are more relevant in rural areas.

Selection of sales force: The salesman in rural areas should be selected from the educated unemployed villagers, trained well and appointed as salesmen. The town-to-villages shuttling salesmen are to be replaced by stationary salesman in villages.

'Foot in the door' strategy is the most popular marketing approach used for selling products like cell phone and motorcycle to rural segment.

'Bundling of inputs' denote a marketing strategy, in which several related items are sold to the target client, including arrangements of credit, after-sale service, and extension Services such as providing the required know-how and so on.

Developmental marketing refer to taking up marketing programmes keeping the development objective in mind and using various managerial and other inputs of marketing to achieve these objectives.

Unique Selling Propositions (USP) involves presenting a theme with the product to attract the client to buy that particular product, the classic example, "Thanda matlab Coco cola". In urban India, it is a question of reach. But in rural India, it is about reach and preach". "You have to tell them what a cold drink is, how it is opened, how [to drink it] in a macho manner by holding your head up – you cannot take it for granted." And there is no much fluctuation in the temperature.

Conclusion: India's rural areas could have been stronger than the present



position, if Indian policymakers have made adequate infrastructure for rural India. Unless the proper infrastructure developed in rural areas with sufficient power, water, communication etc at a nominal cost, this demand may not be sustainable for long. The corporate people should think beyond their products and initiate innovative corporate efforts to replace government intervention for providing basic facilities, for example ITC's e-Choupals, to capture the rural areas and stay long over there. Corporate sector needs to realize that to be successful in the rural areas, they must go in with clear long-term strategy. Marketer must have willingness to invest in rural areas with equal importance as they give urban market. Short-term promotional efforts may not deliver the desired results in the rural areas.

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Impact of Agricultural Marketing and Price Policies on Telangana Economy – A Case Study

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Abstract

Agricultural price policy is a measure that facilitates and motivates farmers to go for production – oriented investment and technology, and to safeguard the interests of consumers by making agricultural supplies available at reasonable prices. Agricultural policy in general was primarily introduced to ensure affordable food prices for consumers' by providing food grains through Public Distribution System (PDS) and prompting of the new technology for increasing yield by providing a price support mechanism through Minimum Support Price (MSP) system. The emergence of regulated markets has helped in reducing the market obstacles of producers/sellers at the wholesale assembling level. But the rural periodic markets and the tribal markets, remained out of its developmental range or scope. Also, in recent years, agricultural sector which is a backbone of India, observed a decelerated growth rate. This paper examines the effectiveness of agricultural price policy in enabling farmers get sufficient profits to promote investment, technology and productivity and thereby to the food security of the country. This paper analyses the effects of Agricultural marketing and price policy on production, income, cropping pattern among sample beneficiaries in selected district i.e., Wanaparthy of Telangana state. The study covers about 200 farmers in four villages (Sanginenipally, Kalwarla, Kethepalli, Vengalaipalli) from two mandals (i.e., Veepanagandla and Pangal) of above district.

Keywords: Agricultural Price Policy, Agricultural Markets, Agricultural Product, Grading and Standardization

Introduction

Agriculture is described as the backbone of Indian economy, mainly because of three reasons. One, agriculture constitutes largest share of country's national income, more than half of India's workforce is employed in its agriculture sector and growth of other sectors and overall economy depends on performance of agriculture to a considerable extent. Besides, agriculture is a source of livelihood and food security for large majority of vast population of India. Agriculture has special significance for low income, poor and vulnerable sections of rural society and is at the core of socio economic

development and progress of Indian society, and proper policy for agriculture sector is crucial to improve living standards and to improve welfare of masses.

The emergence of agricultural Price Policy in India was in the backdrop of food scarcity and price fluctuations provoked by drought, floods and international prices for exports and imports. This policy in general was directed towards ensuring reasonable (affordable to consumers') food prices for consumers' by providing food grains through Public Distribution System (PDS) and inducing adoption of the new technology for increasing yield by



providing a price support mechanism through Minimum Support Price (MSP) system. Currently, food security system and price policy basically consists of three instruments: procurement prices/minimum support prices, buffer stocks and public distribution system (PDS). Agricultural price policy is one of the important instruments in achieving food security by improving production, employment and incomes of the farmers. There is a need to provide remunerative prices for farmers in order to maintain food security and increase incomes of farmers.

Agricultural Marketing in India

India's legacy of extensive government involvement in agricultural marketing has created restrictions in internal and external trade, resulting in cumbersome and high-cost marketing and transport options for agricultural commodities. Even so, private sector investment in marketing, value chains and agro-processing is growing, but much slower than potential. While some restrictions are being lifted, considerably more needs to be done to enable diversification and minimize consumer prices. Improving access to rural finance for farmers is another need as it remains difficult for farmers to get credit. Moreover, subsidies on power, fertilizers and irrigation have progressively come to dominate Government expenditures on the sector, and are now four times larger than investment expenditures, crowding out top priorities such as agricultural research and extension.

There are several challenges involved in marketing of agricultural produce. There is limited access to the market information, literacy level among the farmers is low, multiple channels of distribution that eats away the pockets of

both farmers and consumers. The government funding of farmers is still at nascent stage and most of the small farmers still depend on the local moneylenders who are leeches and charge high rate of interest. There are too many vultures that eat away the benefits that the farmers are supposed to get. Although we say that technology have improved but it has not gone to the rural levels as it is confined to urban areas alone. There are several loopholes in the present legislation and there is no organized and regulated marketing system for marketing the agricultural produce. The farmers have to face so many hardships and have to overcome several hurdles to get fair and just price for their sweat.

Case Study of Wanaparthy District of Telangana

During the 1960s and 1970's, India's agricultural policy was framed with the objective of attaining food security and price stability. These policies were based on controls on marketing, pricing, storage, transport, and quantitative restrictions on trade. Public investment in the agriculture sector, spurred by "The Green Revolution" of the 1960s, and agriculture grew by over 4 percent per annum in the 1980s. This rate, however, was not sustainable. A slowdown in public investment, low yield growth, and environmental problems including declining water table led to poorer agricultural performance in the 1990s. India has an Agricultural Produce Market Regulation Act (APMRA) in which every regulated market has a market committee where farmers, traders, commission agents, local bodies and the state government are represented. Prices are fixed through an open auction in a transparent manner in



front of an official of the auction committee.

Agricultural Marketing is covered under State List in Article 245 of Constitution of India. The State Agriculture Produce Marketing (Regulation and Development) Act promoted by respective state government regulates the agriculture marketing within the state, divides the entire state into various notified areas and delegates the responsibility for regulating agricultural markets in respective areas to specific APMCs. The biggest hindrance in providing a modern and suitable marketing system had been limiting provisions in the State Agriculture Produce Marketing (Regulation and Development) Act. A state APMC Act divides the entire state into various notified areas to the specific APMCs. Essentially, the state APMC Act treats agricultural marketing to be a localized subject confined to a specific notified area and, therefore, it endeavors to create a mechanism to regulate sale of agricultural produce grown in that area by the farmers to the traders located within such notified area. In fact, it goes to the extent of prohibiting the end-users and processors located elsewhere from buying from the farmers directly in the absence of license from respective Agricultural Produce Market Committee (APMC). According to official sources, there are 180 APMCs and more than 300 sub-markets operating in Telangana.

Agricultural Marketing in Wanaparthy District compared to state

	State	District
Agricultural Market Committees	180	4
Rythu Bazaars	36	0

The study covers about 200 farmers in four villages (Sanginenipally, Kalwarala, Kethepalli, Vengalaipalli) from two mandals (i.e., Veepanagandla and Pangal) of Wanaparthy district. The main criticism of agricultural marketing and price policy is that they do not reduce the long chain of intermediaries between the farmer and the consumer, which adds to the cost of agricultural commodities to consumers on the one hand, and decreases returns for farmer on the other. U. Ramudu from Sanginenipally village says that there is no proper implementation of price policies as per the govt regulations on farm produce and also no provisions of regulated markets in the village. In case of the village Kalwarala, though there is a facility of Regulated Markets there is no effective price policy because of the involvement of middlemen and mahila sangham says Veeranna from Sanginenipally. While the farm produce of the crops is very low, there is no provision of cold storages to store even the less amount of production for future. The middlemen and Mahila sangham people buy the farm produce from the farmers for a very low price contradicting minimum support price approved by the govt and sell in the markets with higher marginal rates. As a result farmers face a huge loss when the middlemen and Mahila sangham are making huge profits. The same situation can be witnessed in other parts of the district and of course in the entire state and nation.

1. Measures to improve the agricultural marketing:-

Following measures can be adopted to improve the agricultural marketing:

- **Improved Transport Facilities:-**



The government should increase the road facilities and rural areas should be linked with the markets. It will enable the farmer to sell his product in the market directly in the hands of consumers.

- **Increase in the Credit Facilities:-**

The government should increase the credit facilities to the small farmers. No doubt all the commercial banks are providing this facility to the farmers but still it is not sufficient.

- **Increase in Storage Facility:** The government should provide loan to the farmer for storage facilities. The government should also construct the stores to keep the stocks of various goods.

- **Market Reforms:** The government should improve the market system in the country. Market committee should be reorganized. Markets inspectors should check the prices of agricultural products. The strict laws should be introduced.

- **New Markets:** The government should build the new markets near the producing centers. It will enable the farmer to get proper reward.

- **Cold Storage:-** This is an important part of organized markets. These are very useful for the perishable goods like fruits and vegetable. The government should expand the scope of cold storage.

- **Market Information:** Market demand and supply condition can be provided to the farmers through radio, T.V and newspaper. The

government should also pay special attention to this side.

- **Grading of Product:** There are various agencies which are busy in grading agricultural product. There is a need to expand these organizations for effective of marketing system,

- **Marketing Research:** The government should allocate a sufficient amount on marketing research to make the agricultural marketing more effective.

2. Conclusion

Direct marketing of the agricultural produce is the need of the hour. Efforts may be made to provide facilities for lifting the entire stock that farmers are willing to sell with incentive price. There should be provision for storing the stocks such as godowns and warehouses. It helps the farmers to hold the stocks till the prices are stabilized. Usually immediately just after the harvest the prices would be low and if the farmers are patient in holding the same for some time it would fetch better prices. The brokers play the games during the trading of the agricultural stocks which the farmers do not know and realize because of improper information about the market prices. The brokers without any investment and with their negotiation skills transfer stocks by buying at low prices and selling at higher prices to the other end. The farmers need to be educated in this regard. There should be all-round rationalization and standardization of the prices through legislative means. Presently there is vast gap between the marketing strategies of agricultural produce in India and abroad



and the same needs to be bridge. Remove the various malpractices prevalent in the present system. There is need to set up marketing committees which has the representation of growers, merchants, local bodies, traders and nominees from the govt. There should be collective and integrative efforts and energies from all quarters for ensuring just and price for farmers.

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Education and Health problems of women in Tribal Areas- Study in Warangal District

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Abstract: Education is one of the most important social indicators which are directly linked with economic development indirectly with poverty, population growth, health, crime rate etc. Imparting education on an organized basis dates back to the days of "Gurukul" in India. Since then the India education system has flourished and developed with the growing needs of the economy. The education in India statistics are however in a sad state showing a below average literacy rate. The education ministry in India formulates education policy in India and also undertakes education programs designed specially for kids, for women, for the people in prisons and other special project for social development of India. Education in India until 1976 was the responsibility of the state governments; it was then made a joint responsibility of both centre and state. The centre is represented by the education ministry a subsidiary of the ministry of human resource development India.

Introduction

Women in a tribal society play a vital their social, cultural, economic and religious ways of life and are considered as an economic asset in their society. But they are still lagging far behind in the different walks of life education, employment, good health and economic empowerment etc. Though they are industrious, they have limited control over resources and economic activities. Therefore, there is a need for economic empowerment of tribal women in order to overcome inequality, discrimination and exploitation and to achieve their all round development in the society.

There are a good number of studies, explaining the causes and consequences of women disempowerment. Such studies are related to a general enquiry of women exploitation and dependency. These studies have in deified lack of education, absence and segregation and male control over resources and reproductive rights as responsible for women disempowerment. These factors

in different degrees are applicable to the disempowerment of different socio-economic groups of women who are socially heterogeneous groups like white women versus black women, educated and uneducated women, High caste women and low caste women.

The tribal women being economically poor and socially back-ward live at a low level of the quality life. Thus the tribal women often face the problems of food insecurity, mal nutrition, lack of access to health care services and education on the victim of domestic violence and rape. Unlike the well organized modern communities, the tribal communities and tribal women lag far behind in social networking. This is the nature and dimension of socio-economic disempowerment problem among the tribal women in India.

Importance of Women Education in India:

Women education in India plays a very important role in the overall development of the country. It not only



helps in the development of half of the human resources, but in improving the quality of life at home and outside. Educated women not only tend to promote education of their girl children, but also can provide better guidance to all their children. Moreover educated women can also help in the reduction of infant mortality rate and growth of the population.

Education is the basic requirement of human development. For this, the government is making lot of efforts to improve the educational levels at different classes at people by providing scholarship, food dresses and books etc, But uni-form approach will not help in improve the quality of education and improving the educational standards of different classes of people, especially Tribes. Tribes are among the economically and socially most backward people in the country. They constitute nearly 8 percent of the total population. Lot of money was spend for providing education to these people by the government. But the success is not to the expected level. With the rapid economic change, the demands and educational needs are also changing

Education Status of Schedule tribes:

Education forms an important component in the overall development of individuals, enabling them to greater awareness, better comprehension of their social, political and cultural environment and also facilitating the improvement of their socio-economic conditions. These hold true in the case of the Scheduled Tribes in India. As per the 66th round NSS report no. 543 in 2009 – 2010, the Literacy Rate is 72.80, male literacy is 81.10 and female is 64.0 percent, while the ST literacy rate is 63.1 percent and the male is 71.7 and female is 54.4

percent and the variation is around 10 percent in between general and ST categories. The ST literacy rate of Andhra Pradesh is 49.20 percent and it is in the tenth rank among the major tribal states in India the first and second places are West Bengal and Jharkhand are 57.9 with 57.1 percent respectively. As per the School Education Statistics 2010 – 2011, the gross enrollment for general category boys are 115.40, 104.90, 97.60, 88.0, 87.70, 69.0, 55.50 and 42.20 of I-V, I – VIII, I – X, I – XII, V – VIII, IX – X, IX – XII, and XI – XII Classes respectively. The enrollment of ST children 11.0 at primary level, 8.7 percent in Upper Primary School and in Secondary Education is 6.4 percent as per 2010 – 2011 M/HRD. The dropouts are also observed as per the source in I - V classes 35.60 percent as against 27.0 percent of national average the gap is 8.6 percent. It is 55.0 and 40.6 of ST and National level for the I – VIII classes and in overall 1 to 10th class dropouts are 70.9 for ST and 49.3 for national average and the overall gap is noted as 21.60 percent.

Health care in India:

Health in India is a state of government responsibility with the national health polity laying down the necessary health policy in India. The central council of health and welfare formulates the various health care projects and health department reform policies. The administration of health industry in India as well as the technical needs of the health sector is the responsibility of the ministry of the health and welfare India. Health care in India has many forms. These are the ayurvedic medicine practice, Unani or Galenic Herbal care, Homeopathy, Allopathy, Yoga, and many more. Each different healthcare form has



its own treatment system and practice patterns. The medical practicing in India needs a proper Licensing from the health ministry. The health care services in India are mainly the responsibility of the health ministry and also the private companies in the health industry in India collectively. Provision for adequate medical facilities for all including enough hospitals and other healthcare institutions to cater to the healthcare needs of the people, medicines and drugs supply, medical equipments and other medical products and services required in the health department. The ministry of health and family welfare India has set up many state run hospitals that provide subsidized medical facilities to all. Besides these health ministry run health institutions, many private companies have also set up big hospitals and specialty clinics that provide health care services. The specialty healthcare institutions include heart institutions, cancer hospitals, nursing homes, and many others. Today the health industry in India is a flourishing one with many foreign health care companies extending their health services in India and providing quality healthcare services to people in India. Considerable achievements have been made over the last six decades in our efforts to improve health standard, such as life expectancy, child mortality etc. Nevertheless problems abound. Malnutrition affects a large proportion of children. An unacceptably high proportion of the population continues to suffer from new diseases that are emerging apart from existing ones. The strong link between poverty and ill health needs to be recognized. The onset of a long and expensive illness can drive the non-poor into poverty.

In the India context, the increased disease burden on the poor along with rapidly growing healthcare costs has been the subject of debate for sometime now. Services in government healthcare institutions have declined over the past two decades at the primary and secondary level, leaving the sick-poor with no option but seek private healthcare services.

Healthcare for poor people in Telangana:

Rural population of state, majority of whom are farmers, are not having access to advanced medical treatments and are silent sufferers of ill-health. This is true in case of diseases related to heart, kidney, brain, cancer and injuries due to domestic accidents and burns. While the government is in the process of adequately strengthening the health institutions for basic healthcare, lack of specialist doctors and equipment for treatment of serious diseases has created a wide gap between the disease load and the capacity of the Government hospitals to serve the poor. These facilities though available in corporate sector are catering mainly to the affordable sections of society and are beyond the reach of poor families living in villages. Because of this gap poor patients are constrained to go to private hospitals for treatment and in the process incur huge debts leading to sale of properties and assets or are, sometimes, left eventually to die.

Rajiv Arogyasri Health care program in Telangana;

Rajiv Arogyasri, a community health insurance scheme introduced by the government of Andhra Pradesh on pilot basis in 2007 and implemented in 2008 is being hailed by many experts as a model to be emulated- the scheme covers 6.55



core people belonging to 183 lakh below the poverty line (BPL) families.

The Rajiv Aarogyasri community health insurance scheme was established with the aim of breaking a vicious cycle of ill health, poverty, indebtedness and bankruptcy among the families living below the poverty line in AP in the year 2007. The purpose of the scheme was to improve access of BPL families to treatment of identified medical and surgical conditions through a network of health care providers

The state provides better and advanced healthcare facilities with a presence of super specialty Hospitals. Hyderabad, the capital of telangana, has been recognized as the Health capital of country.

In this perspective the paper is a modest attempt to examine the aspects such as income and health expenditure of tribal households, mobility, fertility and family planning, access to health care services and problems faced by them with respect to health care services in tribal areas through education is to be considered as a better way to improve the living condition of women. Hence the present

study is a modern attempt to discuss the various aspects of educational facilities and its utilization in the tribal areas with a specific objectives.

Objectives of the study:

1. To study the socio- economic condition of the health and education.
2. To assess the status of the educational of facilities in the tribal areas.
3. To identify the problems of the tribal to avail educational facilities.
4. To find out of the access of health care services to tribal areas.
5. To suggest measures to improve the health care services among tribals.

Methodology:-

In order to assess the above objectives a study has been conducted in Two sample villages in Gudur mandal of Warangal district which is backward and remote tribal mandal in the district information gathered through interview schedule observations from 100 sample respondents from each sample village 50 respondents these two selected villages the data analyzed in the following tables

Literacy rate accounting to 2011 census

Sl.no	Literacy rate	Male	Female	total
1	India	82.14	65.46	74.04
2	Telangana	75.00	57.09	66.56

Table-1: Distribution Particulars of the Respondents

SI. No	Name of the village	Sample Respondents	Percentage
1	Govindapuram	50	50.00
2	Laxmipuram	50	50.00
Total		100	100.00

Source: Field Study



In the a above table Distribution Particulars of the Respondents in two villages .Govindapurm and laxmipuram

The sample respondents are in which villages 50 respondents. Total sample respondents are 100.

Table: 2: Literacy Particulars of the Respondent

Sl. No	Name of the village	Literates	Illiterates	Total
1	Govindapuram	12 64.00	38 98.00	50 50.00
2	Laxmipuram	10 56.00	40 104.00	50 50.00
Total		22 22.00	78 78.00	100 100.00

Source: Field Study;

The literacy particulars of the respondents are presented in the above table. Out of 100, 22.00(22) per cent are literates and 78.00 (78) per cent are illiterates. The literates are more in Govindapuram village and the illiterates are high in Laxmipuram village. The literacy rates of the respondents are in two villages are far below the national and the state and district averages because the sample villages are very

backward agency area in the Warangal district and at the same time the sample respondents are also from the Tribal community. In the agency area the education facilities are available from last decade but the tribal communities are ignored the importance of education it was especially observed from Laxmipuram village not only respondents but also rest of the people.

Table – 3: Levels of Education of the Respondents

Sl. No	Name of the village	Illiteracy	Primary Education	Secondary Education	Higher Education	Total
1	Govindapuram	18 18.00	20 20.00	10 10.00	2 2.00	50 50.00
2	Laxmipuram	20 20.00	22 22.00	5 5.00	3 3.00	50 50.00
Total		38 38.00	42 42.00	15 15.00	5 5.00	100 100.00

Source: Field Study

The above table reveals the levels of education of the respondents in the study area. The total 100 respondents have different education levels i.e. illiterates Primary, Secondary, and

higher educations. Out of 100, 38 (38.00) percent are illiterates followed by Primary, Secondary, and higher levels are 42 (42.00), 15 (15.00), and 5 (5.00), percent respectively.



Table – 4: Age - wise distribution Particulars of the Respondents

Sl.No	Name of the village	0 - 18	18 – 60	60 Above	Total
1	Govindapuram	3 3.00	39 27.64	8 9.31	50 50.00
2	Laxmipuram	6 6.00	37 37.00	7 7.00	50 50.00
Total		9 9.00	76 76.00	15 15.00	100 100.00

Source: Field Study

The above table gives the information of age wise distribution of the respondents in the study area. The total 100 sample respondents are distributed in the different groups of 0-18, 18-60, and 60 above. In the overall study area, out of 100 respondents, 9 (9.00) percent are in 0-18 age group followed by 18-60 age group at 76.00 and 60 above 15.00 percent are in each age groups are in the study areas.

The age wise distribution trends are similar in the both the sample villages. The age group of 18 – 60 years productive population is reported as the

highest in number and as well as percentages also in the both the sample villages. The other age groups like child and senior age are unproductive population representing the impact of unproductive population has become a burden on the part of the earnings households as their needs and requirements may also increase in feature, the improvement of the unproductive population adversely effect on economic development in any economies particularly in the emerging economies like India .

Table – 5: Literacy Particulars of the Respondent Households

Sl. No	Name of the village	Literates	Illiterates	Total
1	Govindapuram	64 19.87	98 30.43	162 50.31
2	Laxmipuram	56 17.39	104 32.29	160 49.68
Total		120 37.26	202 62.73	322 100.00

Source: Field Study

The above table reveals the literacy particulars of the respondent's households in the study area. Out of 322 population, 37.26(120) per cent are literates in which around 19.87(64) per cent are literates are from Govindapuram village and in laxmipuram village 17.39 (56) per cent. In the illiteracy category, it is reported as

62.73(202) per cent in the total respondent population, in which 32.29(104) per cent of Laxmipuram and 98.00 (98) per cent from Govindapuram village. The overall literacy rate is only 37.00 per cent in the study area; according to 2011 census the mandal average is 35.00 per cent only. But the literacy rates of the sample households



are 37.00 per cent in study period (2012 December).In the two sample villages Govindapuram village is more literates

than laxmipuram village, because of the educational facilities available in the village.

Table-6: Expenditure on health of the respondents

Sl.No	Name of the village	0-500	500 – 1000	1000 Above	Total
1	Govindapuram	12	33	9	50
		12.00	33.00	9.00	50.00
2	Laxmipuram	10	29	7	50
		10.00	29.00	7.00	50.00
Total		22	62	16	100
		22.00	62.00	16.00	100.00

Source: Field Study

In the above table Expenditure on health at the respondents. Most of the respondents about 62.00(62) percent are spending up to rs.500-1000/-on health care. About 22.00(22) percent of the respondents expenditure on health is

Rs.500/- and still 16.00(16) percent are spending about 1000/-the healthcare Expenditure more spending village is Govindapuram 33.00 percent and low expenditure spending village is laxmipuram.10.00 percent.

Table-7: Type of the clinic in the sample villages

Sl.No	Name of the village	PHCs	CHC	AREA Hospitals	Total
1	Govindapuram	2	1	1	4
		(28.57)	(14.28)	(14.28)	(57.14)
2	Laxmipuram	2	1	0	3
		(28.57)	(14.28)	(0.00)	(42.85)
Total		4	2	1	7
		(57.14)	(28.57)	(14.28)	(100.00)

Source: Field Study

In The above table type of the clinic in the sample villages total type of clinic 7 .two villages 57.14(4) percent of the PHCs , CHC 28.57(2)percent and area hospitals14.28(1)percent in the sample villages. in the sample villages more visit in RMPs doctors.

High level of the unemployment. And Illiterates high in the sample areas.

They are still facing food security, housing, drinking water; some problems are facing the women in the villages.

The general health ailments according to them tare fever, blood pressure, Neuro problems fever due to consumption of local liquor prepared by themselves, dysentery, chest related problems, gynecological problems, periodical check-ups by pregnant women, deliveries, Ortho problems.

The women are facing many problems such as;

The informal works are usually poor, unskilled and migrants.



In majority of cases patients are unable to explain their problems to the doctor and also not cable of understanding what doctor's advise, due to their illiteracy and ignorance. Usually RMP of their village will assist the patience.

Whenever they are sick 80 percent of the households initially take the medical treatment on the advice of RMPs.20 percent get treated in private hospital at mandal head quarters.

The respondents felt that there is nexus between RMP, medical shops and Diagnostic centers and in few cases with doctors also. Though they felt impatient, there is no alternative.

Conclusion:-

The field investigation results of the study to be observation by the study area no educated more in tribal area the parents are no educated in the study area follow up is not useful for tribal education .the government shall make provisions interact more facilities for the tribal education the programs cannot full fill no goals unless there is follow up midday meals proved that drop out rate in school have come down as the children are getting food .tribal education developed in the free books and uniform and more government facilities available in the tribal area

The social infrastructure in India includes the education system, healthcare, and the management of the education and health services in India. The basic things needed at school level for quality education are building, water, toilets facility etc. in which still there are significant number of schools with out such facility particularly in rural area.

The tribal's in the area women face these many problems to get better health care services from the public sector, it is found that only 57.14 percent of households visit PHC at village level and 14.28 percent visit Government hospital at mandal level.

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India's Agrarian Crisis and Corporate --Led Contract Farming: Socio – economic Implications for Smallholder Producers

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Abstract: The paper discusses India's agrarian crisis and the role of corporate-led contract farming in addressing these crisis. A two-state Heckman model was used to explain determinants of participation in contract farming, and whether participation in contract farming affects farm income. The results indicate that contract farming has a positive impact on crop productivity and farm income. The socio-economic factors that influenced participation in contract farming were education, age, farm size, access to institutional credit, source of off-farm income and membership to an organization. Factors related to the likelihood of participation in contract farming slightly differed from the factors affecting farm income.

Keywords: Agrarian crisis, Smallholder producer, Corporate-led contract farming, Agricultural produce Marketing (APMC) Act, Heckman model

Introduction:

The importance of the agricultural sector in the economic development of India is clearly indicated by its contribution to the national gross domestic product (GDP). In 2006-07, agriculture contributed 18.5 percent to GDP (at current prices), industry 26.4 per cent and services 55.1 percent (GOI, 2008). The agricultural sector is also important to the socio-economic development, as about 70 per cent of the population live in rural areas and most of them depend on agriculture. The current crisis has led to renewed focus on agriculture and the government has launched several programmes to tackle the crisis. The government has initiated various reforms such as agricultural market sector reforms, research and development, investment, formulation of integrated food laws, incentives for corporate investment in agribusiness sector, etc. A favorable regulatory

environment has attracted the interest of several large corporate to agriculture.

Contract Farming in India

There is a perception that because of market liberalization, globalization, and expanding agribusiness, small farmers will find difficulty in participating in restructured markets and could become marginalized. One of the reasons for their exclusion is weak backward (inputs and services) and forward (agro-processing and marketing) market linkages.

Contract farming can be defined as an agreement between a farmer and processing and/or marketing firm for the production and supply of agricultural products under forward agreements, frequently at predetermined prices (Charles and Shepherd, 2001). The arrangement also invariably involves the purchased in providing a degree of production support through, for example, supply of



inputs and provision of technical advice.

The first contract farming initiative in India was taken by PepsiFoods Ltd. (PepsiCo) in 1989 which set up tomato processing plant in Punjab. With the liberalization of the economy in the 90s, there has been a spurt in contract farming in India. Contract farming is practiced by domestic and multi-national corporations in foodgrains, spices, oilseeds, fruits and vegetable crops, cotton, tea, coffee, etc. Financial institutions and banks are also promoting contract farming. Different contract models are available to farmers and agribusiness ranging from simple buyback of produce to provision of inputs and services; single company model to consortium of companies (agri-input, processing, banks, etc.) including state and parastatal agencies. The partnership will depend on the available institutions to support production and product markets, commodity being produced, resource base of produces and capacity of agribusiness firms.

India's Agricultural Sector Crisis:

This section discusses deceleration in the agricultural sector, declining investment, deteriorating institutions mainly extension agencies, and ecological crisis in Indian agriculture.

Deceleration in Agricultural Sector

While India's GDP grew at an annual compound growth rate of 7.6 per cent during the tenth plan¹ (at 1993-94 constant prices), agricultural growth declined to nearly 2 percent, resulting from stagnation or decline in productivity. Plan-wise trends of growth of GDP and agriculture show that India's agricultural sector has grown more than targeted growth during the sixth, seventh, and eighth

plans but fell short of the target during the ninth and tenth plans. During the tenth plan, agricultural GDP grew at an annual rate of mere 2.1 per cent against the target rate of 4 per cent. Considering the importance of agriculture in the Indian economy, it would be difficult to imagine India meeting the targeted growth of 9 per cent during eleventh plan without strong agricultural growth.

Declining Investment and Rising Subsidies

One of the important reasons for deceleration in agricultural growth has been declining levels of investment in agriculture and allied sectors, particularly public investment. The share of agriculture and irrigation in plan expenditure has declined from 37.3 percent in the tenth plan (Figure 6). The share of the public sector in gross capital formation in agriculture has declined from 30.9 per cent in 1995-96 to 25.6 per cent in 2003-04, while the share of the private sector has increased from 69.1 per cent to 74.4 per cent during the same period (Sharma, 2007). The share of agriculture sector's capital formation in GDP has declined from 1.9 percent in the early 90s to about 1.2 in the early 2000s, which is a cause for concern. However, there is an indication of reversal of this trend of late, with public sector investment in agriculture reaching the highest level since the early 90s at Rs.5,249 crore in 2003-04 at 1993-94 prices (GoI, 2007). This has helped in improving the share of agriculture sector's capital formation in GDP from 1.28 per cent in 2001-02 to 1.31 per cent in 2003-04.

A key reason for declining public investment in agriculture has been ever increasing agricultural subsidies.



Total agricultural subsidies have increased at an annual compound growth rate of about 12 per cent between 1993-94 and 2002-03. Trends in food and fertilizer subsidies during the 1990s and 2000s are presented in Figure 7. Subsidy on fertilizers has increased from Rs.4389 crore in 1990-91 to about Rs. 22,452 crore in 2006-07 (at an annual compound growth rate of 10.6 per cent). Food subsidies have also witnessed a significant growth during the 1990s and 2000s, rising from Rs.2450 crore in 1990-91 to Rs.24,200 crore in 2006-07. Food and agricultural subsidies are far greater than public investment in agriculture and allied sectors. In addition there has been deterioration in quality of institutions/organizations providing inputs and services such as credit, seeds, technology, extension, etc.

To boost growth rates in agriculture, India needs massive investments in agriculture, particularly public investment. There is ample evidence to suggest that returns on input subsidies are typically lower than returns on investments in public goods. Investment in public goods such as agricultural research and extension, rural roads, and irrigation typically produce returns two to six times greater than spending on input subsidies (Fan, Zhang and Zhang, 2003; Fan, Hazell and Thorat, 1999, Fan, Zhang and Rao, 2004). Therefore a reorientation of public spending from input subsidies and increased investment in public goods is likely to accelerate agricultural growth – technological research, rural infrastructure, etc. – are public goods. Because the private sector cannot capture gains from these investments, they will not invest in amounts sufficient to ensure broad – based agricultural

growth. Therefore, public sector needs to provide the necessary technological, institutional, and rural infrastructure to stimulate agricultural growth. But public investments in agriculture have been stagnating or falling over years, while the subsidy bill on food, fertilizer, power and irrigation has been ballooning. If Indian policy planners can reverse this trend, much of the problems of Indian agriculture will solve themselves.

The government is aware of the problem of misdirected and unsustainable subsidies. In its approach paper to the mid-term appraisal of the tenth plan (2002-07), the Planning Commission has indicated that the existing farm price support and procurement policies combined with input subsidies on fertilizer, irrigation, etc. have led to a sharp increase in subsidy based support while public investment in agriculture has suffered. The outcome is inequitable since subsidies typically go to rich farmers in irrigated areas, while lack of public investment hurts poorer farmers and those in arid regions. However, agricultural subsidies are a politically complex and sensitive subject. The logic that the present subsidy regime benefits better off farmers disproportionately has failed to carry much political weight. It is also true even small and medium farmers depend crucially on subsidized inputs such as seeds, fertilizer, irrigation, etc. Attacking subsidies, therefore, translates politically into a direct attack on all farmer's interests.

Declining Farm Size and Land Fragmentation

The agrarian structure in India has undergone significant structural



transformation since the 70s. Recent datashow that the share of marginal and smallfarmers (farmers owning <2 ha) has increased from 69.7 percent in 1970-71 to approximately 82 per cent in 2000-01 (GOI, 2007). The average farm size has declined from 2.3 ha in 1970-71 to 1.69 ha in 2000-01. The average size of land holdings in India is not only very small but is subject to fragmentation owing to imposition of ceilings on land holding, population increase, inheritance laws which have stipulated an equal division of property among sons, lack of off-farm occupations, etc. Such small holdings are often over manned, resulting indisguised unemployment and low productivity of labour. Moreover, there are several tenancy restrictions in many states, ranging from a complete ban of leasing in some states to complete freedom in some states. There is growing consensus about the need to have a relook at current tenancy legislations, which sometimes restrict participation of the private sector inagriculture. However, under the Indian constitution, land administration falls under state governments and reforms at the state level are most difficult to bring about.

Dominance of Rice-Wheat Cropping System and Stagnant Productivity Levels

Food grains continue to occupy an important place in Indian agriculture. Commercial crops such as fruits and vegetables, fibers, condiments and spices, etc. have reported significant increase at the national level during the last decade. The share of food grains in the cropped area has declined from about 77 per cent in 1971-72 to about 65.6 per cent in 2001-02. Area under rice has remained almost constant at about 23 per cent

while area under wheat has increased from 11.5 per cent to 14 per cent of the cropped area. However area under coarse cereals declined significantly from about 27 per cent in 1971-72 to 16 per cent in 2001-02. Area under pulses has also declined from 13.3 per cent to nearly 12 percent. In agriculturally developed states like Punjab and Haryana, the rice-wheat mono-cropping system is predominant. Rice and wheat account for more than three-fourth of the cropped area in Punjab. Share of rice and wheat in the cropped area have increased in recent years. The reasons for this increase are steady increase in minimum support prices (MSP) of wheat and rice and assured procurement by the government. MSP of wheat has increased from Rs.280 per quintal in 1991-92 to Rs.1000 per quintal in 2007-08 and in the case of rice it has increased from Rs.230 to Rs.850 per quintal (Figure 8).

Another major problem is of stagnant rate of growth in agricultural productivity. As shown in Figure 9, productivity of wheat, coarse cereals, pulses and oilseeds has decelerated during the last decade which is a cause for concern.

Ecological Crisis: State like Punjab and Haryana that spearheaded the Green Revolution in the 60s and 70s are facing a major crisis on the agricultural front. Because of the high yielding varieties (HYVs) of seeds during the green revolution period and assured market and price for marketable surplus, rice-wheat crop rotation became dominant. HYVs require assured supplied of water and large amounts of chemical fertilizers and pesticides, which have long-term



ecological consequences. About 73 per cent of irrigation in the Punjab is from tube wells and the remaining from government canals. With rice being heavily water dependent, farmers have every reason to over exploit groundwater. The inevitability of groundwater extraction has been politically exploited too. Successive governments have even given free electricity to farmers in the state. Water tables have fallen at alarming rates in many places in the state during the last few decades. The government's policy of providing free electricity for agriculture and very low water charges for canal water have encouraged inefficient use of irrigation water. Intensive use of tube well irrigation has led to depletion of water resources in the state. About 98 per cent of ground water resources in Punjab have already been exploited. Nearly 59 per cent of development blocks have overexploited groundwater resources, the highest rate in the country, and another 12 per cent are in dark/critical zone. Injudicious use of canal - irrigation water without regard to soil conditions and inadequate attention to drainage have led to water logging and salinity in many areas, resulting in valuable agricultural land going out of use.

High and Imbalanced Use of Chemical Fertilizers

There has been a substantial increase in fertilizer consumption in the country. Total NPK (N, P₂O₅ and K₂O) consumption has increased from 0.7 lakh tones in 1950-51 to 22 million tons in 2006-07. Per hectare consumption of fertilizers, which was less than 10 Kg in 1951-52 has increased to about 113 Kg in 2006-07 (FAI, 2007). In addition, overuse

of nitrogenous fertilizers because of higher amounts of subsidy on urea has led to imbalanced use of fertilizers. The N:P₂O₅:K₂O ratio in Punjab and Haryana (agriculturally the most progressive states) is one of the most distorted at 20:6:1 and 30:9:1, respectively as against the generally recommended 4:2:1 (FAI, 2007). In short, intensive use of inputs mainly irrigation water and chemical fertilizers, which was central to the green revolution, has created an ecological crisis in the some states. In remedial action is not taken, the ecological crisis is bound to worsen.

Contract Farming Initiatives to Address Agrarian and Ecological Crisis in Punjab

Concerns about the crisis in Indian agriculture and ecological problems were expressed way back in early 90s. Some state governments and the central government initiated reforms like involvement of the corporate sector in agriculture through contract farming for better access to inputs, extension services, and credit from agribusiness companies; diversification towards high-value agriculture, and assured markets. Contract farming is also supposed to eliminate and/or reduce market and price risks, which farmers face. However, it all depends on the nature of contracts, legislation for regulation of contract farming, enforcement, dispute resolution mechanisms, etc. Punjab is one of the states to introduce contract farming to promote diversification of agriculture, risk management, and address the larger issue of agrarian crisis. The Punjab Agro Food Grains Corporation (a government parastatal) has been helping in diversifying



agriculture through promotion of contract farming in the state. This was facilitated by the state government's incentives such as reduction and /or waiver of certain usually mandatory charges like market fee and rural development cess associated with procurement of agricultural commodities. Pepsico was the first company to start informal contract farming with basmati rice in 1998, followed by Hindustan Lever (HLL) in 2000. At present, several companies are involved in contract farming in the state. This paper is an attempt to understand the socio-economic implications of corporate – led initiatives in agriculture.

Methodology

The study was conducted in three district of Punjab, Amritsar, Jalandhar and Ludhiana. Initially 150 farmers were selected through stratified random sampling but finally 127 farmers (87 contract farmers and 40 non-contract farmers) formed the sample since 23 households provide incomplete information on most of the parameters.

Econometric Model

This section explains determinants of participation in contract farming, and whether participation in contract farming scheme affects farm income. To explain these relationships, we have to account for unobserved factors that may affect both likelihood of participation and farm income. We do this by applying a two-stage Heckman model (1979) to produce statistically unbiased estimates of programme impacts. Two equations estimate the impacts of farmer's characteristics on decisions to participate in contract

farming programme. We use this information to produce a statistically unbiased estimate of the impact of program participation on farm incomes. In the first stage a probit model, which is a choice model where the dependant variable is a binary variable (zero [0] or one [1] type of response) is used. This model is estimated using probit model to evaluate the determinants of farmer's participation in contract farming. The second stage model uses ordinary least squares (OLS) method for estimating the impact of contract farming of farm income. The first state model is specified as :

$$Z_i = \alpha_0 + \alpha_1 \text{ AGE} + \alpha_2 \text{ EDUCATION} + \alpha_3 \text{ Farm Size} + \alpha_4 \text{ CREDIT} + \alpha_5 \text{ EXTENSION} + \alpha_6 \text{ MEMBERSHIP} + \alpha_7 \text{ OFF-FARM INCOME} + \epsilon_i \tag{1}$$

Z_i is equal to 1 if the respondent is a contract farmer, 0 otherwise. Equation (1) is estimated using a bivariate probit model. After estimating equation (1), an inverse of the mills ratio (IMR) is computed for each observation and included as an independent variable in the second stage model.

The second stage model is:

$$Y_i = \beta_0 + \beta_1 \text{ AGE} + \beta_2 \text{ EDUCATION} + \beta_3 \text{ Farm Size} + \beta_4 \text{ CREDIT} + \beta_5 \text{ EXTENSION} + \beta_6 \text{ MEMBERSHIP} + \beta_7 \text{ OFF-FARM INCOME} + u_{ij} \tag{2}$$

Farm income is Y_{ij} is hypothesized to be affected by farmer's participation in contract farming and β_is are the estimation parameters. We estimate the model using OLS. Based on the theoretical framework and previous



research, several hypotheses are formulated. Household heads who are younger are hypothesized to be more likely to participate in contract farming. Education is expected to have a positive effect on the likelihood of participation in contract farming and farm income. Households with more assets such as land are expected to be more likely to be part of contract farming initiatives. Those who have better access to institutional credit, extension services, off-farm income and are members of farmers' groups / cooperatives, etc. are more likely to participate in contract farming and have higher farm income.

Results and Discussion

The following discussion is focused on identifying and comparing factors that can be used to explain differences in participation in contract farming. Results for participants of contract farming are compared with non-participant farmers.

Socio-economic Characteristics of Sample Households

Table 1 shows demographic and socio-economic characteristics of sample households. Almost all households in the sample were male-headed with an average family size of six members per household under contract farming and nine members in the case of non-contract households. Contract farming farmers were more educated, had larger farm size, and were young compared to non-participants. Crop farming is a main occupation for almost all contract and non-contract farmers. Dairy farming is a subsidiary occupation for more than 80 per cent of households.

The average size of operational holdings was higher (10.3 hectares) in the case of contract farmers than non-contract farmers (4.8 hectares). Tenancy is allowed in the state, therefore, leasing of land is quite common. The average area under lease is higher in case of the contract farmers than non-contract farmers. Area under lease has increased for non-contract farmers; while the corresponding figures for non-contract farmers are 1.4 and 2.2 hectares. Largely medium and large farmers lease-in land to increase their operational holding to enter into contract farming, since most companies prefer large landholdings. Fixed rent and payment in cash are dominant practices. The average cropping intensity is marginally higher in the case of contract farmers than non-contract farmers.

Cropping Pattern

Farmers grow a variety of crops in the study area but rice (basmati and non-basmati) is the main crop occupying 41 percent of the gross cropped area during summer and wheat (34.9%) in winter, accounting for over three-quarters of the cropped area. Area under basmati rice has increased between 2002 and 2007, whereas, area under non-basmati rice has declined during the same period. The cropping pattern of non-contract farms is also dominated by rice (36 per cent) in summer and wheat (42 per cent) in winter season. It is interesting to note that area under basmati rice is significantly higher (23 per cent) in the case of contract farmers than non-contract farmers (8%). In contrast, area under non-basmati rice is higher (28%) in non-contract farmers compared to contract farmers. It is evident that there is a shift in area from water-intensive non-basmati rice to less water-intensive basmati rice by both contract



and non-contract farmers. However, this shift is more pronounced in the case of contract farmers than non-contract farmers.

These results clearly show the impact of government efforts to shift area from water-intensive non-basmati rice to less water intensive basmati.

Table 1. Socio-economic Characteristics of Contract and Non-Contract Farmers

	Contract farmers	Non-Contract Farmers
Age of household head (Years)	28 (8.10)	43 (9.23)
Education (Years of schooling)	10 (2.86)	7 (3.85)
Family Size	6 (1.24)	9 (0.99)
Main occupation		
Agriculture	94	100
Subsidiary		
Dairy	80	87
Others	20	13
Farm size (ha)	10.3 (8.40)	4.8 (3.38)
Leased-in-land (ha)	4.3 (3.82)	2.2 (3.79)
Area under rice + Wheat (% to total Cropped area)	76 (11.32)	78 (14.36)

Figures in parentheses show standard deviations

Impacts of Contract Farming on Crop Productivity

Contract farming has been used to promote new high-value crops, which are more input intensive, risky, and market dependent for profitability, to lower costs either by yield improvement or cutting input costs through better quality inputs and services, and to raise returns by value addition to primary produce. In order to examine impact of contract farming on yields, we compared productivity levels of major crops such as rice (basmati and non-basmati) and wheat between 2002 and 2007 on contract farms as well as between contract and non-contract households in 2007.

Per hectare productivity of basmati rice under contract farming showed an increase of about 19 per cent (3.8 tonnes in 2007 against 3.2 tonnes in 2002), followed by non-basmati rice (10 per cent

increase). Wheat productivity declined from 4.5 tonnes per ha in 2002 to 4.2 tonnes in 2007, which is consistent with state level productivity trends (Figure 10). Because of improvement in crop productivity, area under basmati increased over the years.

A comparison of productivity levels between contract and non-contract farmers shows that the average yield of rice (basmati and non-basmati) is higher in the case of contract farmers (Figure 11). Basmati rice yield is about 23 per cent higher in the case of contract farmers than non-contract farmers. Important reasons for higher yield include better quality seeds, appropriate crop management practices introduced by sponsors, and close monitoring of the crop at all stages. The average cost of production is higher on contract farms than non-contract farms but increased costs are compensated by higher yields. Net income per hectare is higher on



contract farms than non-contract farms (Sharma, 2007).

Perceived Benefits of a Constraints in Contract Farming

Selected households were asked to list reasons for adopting contract farming and the results are presented in Table.2 Although producers participate in contract farming for many reasons, access to assured market was the most opted reason with 76 percent respondents. Assured price was another reason for adopting contract farming in the case of about two-thirds of the respondents. This shows that farmers prefer assured market to assured price. Some companies offer a floor/minimum price in the agreement and final price is decided based on market conditions, while in some cases companies announce a pre-decided price. However, under both conditions, farmer is free to sell in the market if market price is higher than sponsor price. Some estimates indicate that more than half of farmers honor the agreement and sell to the company. Other reasons for contract farming include higher returns compared with competing crops, less water requirement of basmati rice, inspiration from fellow farmers who had adopted contract farming, and personal relations with the company. Access to better seed and extension services are also reasons for participation in contract farming.

It is also important to understand the downside to contract farming. Some farmers have discontinued contract farming or changed the company. Majority of farmers identified stringent quality control provisions by the company to be the most problematic since they were accustomed to quality checks by private traders and/or Food

Corporation of India (government parastatal), whose quality standards were not very stringent. Most companies engaged in contract farming are export oriented, therefore, emphasize on quality.

Non-contracting farmers cited small size of holding to be the major constraint to enter into contract farming because companies prefer large farmers. In some cases market prices were marginally higher or at par with contract prices, so farmers did not find it beneficial to enter into contract farming. Public good nature of extension services / knowledge was also mentioned as one of the reasons for not adopting contract farming. Other reasons were reluctance on the part of farmers to share information about land with private companies, uncertainty about company policies and lack of provision of credit by agribusiness companies.

The results of Probit analysis were obtained to examine the probability of participation in contract farming and provide the inverse mill's ratio for the second stage analysis (Table 3). As hypothesized, farm size, human capital, and credit constraints were related to the likelihood of being a participant in contract farming. The positive and significant coefficient of farm size indicates positive influence on participation in contract farming. Small farmers are highly risk averse because of limited holdings, moreover, firms are also not interested in having contracts with small farmers because of high transaction costs. The coefficient of extension service by public agencies was found to be non-significant, which implies that public extension system is not very effective. Membership in farmer's group / association /



cooperatives significantly determines participation in contract farming, Membership is positively related to participation, if a farmer is a member of farmers group /association/cooperatives, he/she is likely

to participate in contract farming. It is also known that collective action enables small farmers to attain better bargaining power, economics of scale and reduce transaction costs.

Table 2. Perceived Benefits of Contract Farming as Reported by Respondents

Reasons	Present of Respondents
Access to assured market	76
Assured price	67
Access to better seed	50
Access to better extension services	42
Less water requirement	26
Higher returns than competing crops	18
Inspired by other contract farmers	15
Less incidence of crop diseases	10
Personal relations	8

Factors influencing Farmer's Participation in Contract Farming: Probit Analysis

Table 3. Probit Estimation of Factors affecting Participation in Contract Farming and Farm Income

Explanatory variables	Parameter estimates			
	1 st State Coefficient	Participation Std. Error	2 nd stage Coefficient	Farm Income Std. Error
Constant	0.0759	0.8531	7234.961456.65	
Age of the farmer (years)	-0.0512***	0.198	11.21	33.98
Education of the farmer (Years of Schooling)	0.1273**	0.562	427.35***	89.15
Farm Size (ha)	0.0743*	0.0452	35.08	46.43
Access to institutional credit (1=Yes; 0=No)	0.5412*	0.3075	1653.45**	646.95
Access to extension services (1=Yes; 0=No)	0.1036	0.0519	1147.91*	695.98
Membership to an organization (1=yes; 0=No)	0.8090***	0.3048	-563.30	603.52
Source of off-farm income (1=Yes; 0=No)	0.7708*	0.4086	501.35	620.92
Lambda (Inverse Mills Ratio)	-	-	109.67**	41.59
Number of observations	127	-	-	-
Chi ²	55.20	-	-	-
Probability > Chi ²	0.0000	-	-	-
F (8, 118)	-	-	8.85	-
Probability > F	-	-	0.0000	-
Log pseudo-likelihood	-51.52	-	-	-
R ²	-	-	0.38	-

@ Probit equation for participation in contract farming, 1 if participant, 0 otherwise

***Significant at 1 per cent level; ** significant at 5 per cent level; * significant at 10 per cent level of significance.



Impact of Participation in Contract Farming on Farm Income

Table 3 also provides second stage impact results using gross farm income as the dependent variable. Ideally, our dependent variable should be net income. Unfortunately, accurate data on the value of some of inputs are difficult to obtain. This is particularly true for inputs for which markets are not well developed. Therefore, we have used gross income per hectare per household as the dependent variable in the second stage of regression.

The Second stage is corrected for sample selection bias. The inverse mill's ratio, lambda, corrects the error terms in the impact equations to achieve consistent and unbiased estimates. Lambda is the expected value of the residuals that are truncated at the second stage OLS. The coefficient estimates in the second stage are used to determine whether and how household characteristics, farm size, and other factors affect farm income.

The second stage results support two conclusions. First, the Heckman selection model used in this study is systematically related to the variables, showing a statistically significant coefficient. Second, many of the variables are statistically significant with coefficient signs consistent with expectations. However, the factors that are statistically significant are not the same as those in the first stage suggesting that there are differences in the determinants of being contract farmers and farm income.

The results indicate that education has a statistically significant and positive

impact on farm income, which supports our hypothesis. Contract farming firms demand minimum quality standards from producers while traditional channels are not so strict about quality issues. Educated producers are more capable of meeting these standards. Farmers with better access to institutional credit and better extension services are likely to have higher income.

Conclusion and Observations

Agriculture is and will remain the mainstay for a large part of the rural population in India in the coming years. Promoting more rapid and broad-based agricultural growth, particularly achieving 4 percent agricultural growth not only in the eleventh plan but for medium to longer term, will be extremely important not only for achieving higher economic growth but also for alleviating poverty in rural areas. Most farmers are small and marginal, who have poor linkages with markets and who have low risk-bearing capacity restricting their participation in fast changing dynamic markets. Corporate agriculture, especially through contract farming, is being promoted by central as well as state governments as a part of the strategy to solve some of these problems. Contract farming is expected to enable farmers to access better quality inputs such as seeds, fertilizers, pesticides, extension services, and credit from the corporate sector. Contract farming has also potential to eliminate and/or reduce market and price risks, which farmers face. However it all depends on the nature of contracts, legislation for regulation of contract farming, enforcement, dispute resolution mechanisms, role of government, etc.



The conclusions from this paper have wider significance in connection with the question of how successful approaches to contract farming can be developed. First, there is a need to assist farmers to have better education, access to timely and quality inputs such as extension services, instructional credit, and better opportunities of off-farm income to improve financial status. The results have shown that membership to farmers organization was positively related to the likelihood of being a contract farmer. Thus, there is a need to promote non-political farmer organizations to improve smallholders bargaining power as well as reduce transaction costs to agribusiness companies.

Second, it is important to provide an integrated set of services including credit and not just extension services as is being done. In order to provide these inputs and services, partnership between public and private sector companies is needed. Collaboration between public and private sectors for providing extension services can take place easily. Government should initiate amendments in legal and regulatory frameworks in input and output markets, land market policies, etc. to promote private sector participation in agriculture.

Finally, small farmers will be able to participate in the changing markets effectively and establish links with new market chains (supermarkets, agribusiness companies, processors, exporters, etc) only if they have access to better infrastructure, inputs and services, and are better organized. Policy makers can support farmers through provision of required infrastructure and

technology, timely information, extension services, enabling policy environment, and promoting public private partnership through providing incentives.

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Rural Area Health Issues and Challenges in India

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Abstract: Since independence, major public health problems like malaria, tuberculosis, leprosy, high maternal and child mortality and lately, human immunodeficiency virus (HIV) have been addressed through a concerted action of the government. So many Indian rural area people do not have much money to spend on health because of their economical backwardness. The growth of public health in India has been very slow due to low public expenditure on health, very few public health institutes in India and inadequate national standards for public health education. Though a lot of policies and programs are being run by the Government but the success and effectiveness of these programs is questionable due to gaps in the implementation. A majority of these rural areas public health care is poor. Even in private sector, health care is often confined to family planning and antenatal care and do not extend to more critical services like labor and delivery, where proper medical care can save life in the case of complications. This paper focuses on issues and challenges of backwardness of public health in rural areas. And I tried to show some solutions to face these challenges.

Keywords: Health system, living conditions, nutrition, safe drinking water, sanitation, socio-economic factors, medical care.

Introduction

"Health is a state of complete physical, mental and social well being and not merely the absence of disease". - WHO

Public health has often been defined as a science dealing with the determinants and defense of health at the population level, while clinical medicine deals with multiple maladies and their remedies at the level of an individual patient. Public health aims to understand and influence the social, cultural and economic determinants of health as well as to study and structure health systems as efficient channels for health services delivery. Public health is thus, a discipline built on the academic tradition of inquiry involving research, teaching

and professional practice to prevent disease and promote health in populations.

According to historian Sunil Amrith, the diversion of public health resources towards population control and the use of technocratic drug-based interventions to tackle specific diseases were responsible for the lack of adequate investments in public health infrastructure in India. While India has been sporadically successful in combating diseases such as malaria in the years after Independence, the absence of an overarching public health network has ensured that the country's disease burden remains extraordinarily high, wrote Indian epidemiologist T. Jacob



John and his colleagues in a 2011 Lancet recent paper.

After independence, India started a planned effort on changing standard of living style of people and government was given priority to health care of people and also taking care on socio economic development. Over the past six decades, public health infrastructure and services has undergone remarkable changes and huge expansion in scale and nature based on recommendations by a number of expert committees. Health being a state subject under the constitution,, state governments has undertaken various initiatives to improve healthcare in their respective states. The central Government has the policy direction and thrust to healthcare through many national programs.

Health Care in India

In India during British rule, state and philanthropic intervention played a significant role in healthcare, though most of these facilities were located in large towns, thus projecting a clear urban bias and neglect of the rural population. Modern medicine gradually undermined systems of Ayurveda and Unani, and those traditional practitioners who survived often concentrated in the small towns and rural areas where modern medicine had not yet penetrated. Despite the Bhore committee's recommendations at the dawn of independence towards correcting the rural-urban imbalance and suggestion of integrated planning for increasing access to health services, even post independence the weakness of public health services in rural areas and growth of private practice continued. Public health remained a low priority in

successive five-year plans and public health efforts remained focused on specific vertical programmes, of which the Family Planning programme was the most prominent. This contributed to the slow and inadequate improvement in health of the population in the period from the 1950s to the 1970s. It may be noted that until 1983 India had no formal health policy; the planning process and various committees appointed from time to time provided most of the inputs for the formulation of health programme design.

This unsatisfactory situation was recognized in the National Health Policy of 1983, which was critical of the curative-oriented western, urban-based model of healthcare, and emphasized a primary healthcare approach. There were recommendations for preventive services and a decentralized system of healthcare, focusing on low expenditure, de-professionalization (involvement of volunteers and paramedics) and community participation. Although, significant expansion of healthcare infrastructure did take place during the 1980s, this remained grossly underutilized because of poor facilities and low attendance by medical staff, inadequate supplies, insufficient hours, lack of community involvement and lack of proper monitoring mechanisms. The Primary Healthcare Approach was never implemented in its full form, and selective vertical programmes were pushed as a substitute for comprehensive health system development.

This already unsatisfactory situation seriously worsened with the onset of globalization-liberalization-privatization from 1990s onwards. In this situation of inadequate and top-down development of



public health, the impact of neo-liberal policies from the 1990s has precipitated the crisis of the public health system; there has been a retreat from even the nominal universal healthcare access objectives. Guided by prescriptions from agencies such as the World Bank, public healthcare has been further constricted to certain 'cost effective' preventive-promotive services and selective interventions, paralleled by spiraling and unregulated expansion of the private medical sector. Introduction of user fees at various levels of public health facilities has also been a feature of the phase since 1990s.

Healthcare is the right of every individual but lack of quality infrastructure, dearth of qualified medical functionaries, and non-access to basic medicines and medical facilities thwarts its reach to 60% of population in India. A majority of 700 million people lives in rural areas where the condition of medical facilities is deplorable. Considering the picture of grim facts there is a dire need of new practices and procedures to ensure that quality and timely healthcare reaches the deprived corners of the Indian villages. Though a lot of policies and programs are being run by the Government but the success and effectiveness of these programs is questionable due to gaps in the implementation. In rural India, where the number of Primary health care centers (PHCs) is limited, 8% of the centers do not have doctors or medical staff, 39% do not have lab technicians and 18% PHCs do not even have a pharmacist.

India also accounts for the largest number of maternity deaths. A majority of these are in rural areas where

maternal health care is poor. Even in private sector, health care is often confined to family planning and antenatal care and do not extend to more critical services like labor and delivery, where proper medical care can save life in the case of complications.

Healthcare Issues and Challenges

The Indian healthcare system is a dilapidated state. The costs seem to raise everyday which makes it unaffordable for a large chunk of the population. Recently Indian Health Progress (IHP) organization discussed what the Indian healthcare system desperately needs and the steps to improve it. "India is the second most populous country in the world and with a healthcare infrastructure that is over-burdened with this ever increasing population, a set of challenges that the new agenda for Public Health in India includes the epidemiological transition (rising burden of chronic non-communicable diseases), demographic transition and environmental changes. The unfinished agenda of maternal and child mortality, HIV/AIDS and other communicable diseases still exerts immense strain on the overstretched health systems. Health systems are grappling with the effects of existing communicable and non-communicable diseases and also with the increasing burden of emerging and re-emerging diseases. Inadequate financial resources for the health sector and inefficient utilization result in inequalities in health.

The causes of health inequalities lie down in the social, economic and political mechanisms that lead to social stratification according to income, education, occupation, gender and race



or ethnicity. Lack of adequate progress on these underlying social determinants of health has been acknowledged as a glaring failure of public health.

Lack of health insurance

Lack of health insurance and its low penetration causes further challenge towards access to healthcare. With 75 percent of the Indian population paying for healthcare services from their own pockets, it puts tremendous financial burden. Most village people are working on daily wages basis. They are fighting daily with their expenditures. Because of this they do not have much capacity to spend their money in insurance.

Lack of awareness

Lack of awareness is a problem which is faced in building access to healthcare. Mass awareness is important since even if the treatment is free, unless the masses are educated and informed about the symptoms of the diseases, its repercussions and complications and finally the treatment available, there is no guarantee that people will avail these.

Living conditions

Safe drinking water and sanitation are critical determinants of health, which would directly contribute to 70-80% reduction in the burden of communicable diseases. Full coverage of drinking water supply and sanitation through existing programs, in both rural and urban areas, is achievable and affordable.

For many years, national governments, aid agencies, and charities have subsidized sewerage and toilet construction as a means to improve access. This approach has resulted in

slow progress for two main reasons. First, the programmes have tended to benefit the few relatively well-off people who can understand the system and capture the subsidies, rather than reach the more numerous poor people. Second, such programmes have built toilets that remain unused because they are technically or culturally inappropriate or because the householders have not been taught the benefits of them.

Underdeveloped Medical Devices

The medical devices sector is the smallest piece of India's healthcare pie. However, it is one of the fastest-growing sectors in the country like the health insurance marketplace. Till date, the industry has faced a number of regulatory challenges which has prevented its growth and development. Rural hospitals are facing lack of infrastructure facilities challenges. There is no sufficient medical equipment in rural areas. Sometimes proper medicines also are not available for diseases. Recently, the government has been positive on clearing regulatory hurdles related to the import-export of medical devices, and has set a few standards around clinical trials.

Inequality and Inadequacy

It is unfortunate that while the incidence of all diseases are twice higher in rural than in urban areas, the rural people are denied access to proper health care, as the systems and structures were built up mainly to serve the better off.

While the urban middle class in India have ready access to health services that compare with the best in the world, even minimum health facilities are not available to at least 135 million of rural and tribal people, and wherever services



are provided, they are inferior. While the health care of the urban population is provided by a variety of hospitals and dispensaries run by corporate, private, voluntary and public sector organizations, rural healthcare services, mainly immunization and family planning, are organized by ill-equipped rural hospitals, primary health centers and subcentres.

Much has been achieved in the last 54 years. The first landmark in official health policy of independent India was the acceptance of the Bhore Committee recommendations of 1946, which laid the foundations of comprehensive rural health services through the concept of primary health care. Primary Health Centers were established in rural areas from 1952 onwards. The basic infrastructure is that one PHC covers 30 000 of the population and one sub centre covers 5000 of the population. As of December 2000, there were 2935 Community Health Centers (CHC), 22 975 PHC and 137 271 sub centers to cater to the needs of nearly 650 million people. But present need is increased. Presently 25,308 PHC's, 25,086 doctors and 2,533 single doctor PHC's are there. If we see the ratio between people and doctor it is as 1 per 35,000 people. It is unfortunate to note that due to regional imbalances, the type and quality of services being offered, adequacy and motivation of the staff, and shortage of supplies in the Centers have attributed to gross underutilization of the infrastructure.

It is obvious that there is a marked concentration of health personnel to maintain the heavy structures, in the urban areas. Of the 1.1 million registered medical practitioners of various medical

systems, over 60% are located in urban areas. In the case of modern system (allopathic) practitioners, as many as 75% are in cities.⁹ As a result, a large number of unqualified people (quacks) have set up medical practice in rural areas, and the rural population as a result exerts pressure on urban facilities. Curative care, which is the main demand of rural people, has been ignored in terms of investment and allocation. In addition, the percentage share of health infrastructure for rural areas has declined from 1951 to 1993.

Some Other Challenges on Health Issues

1. Urban and Rural areas: Lifestyle diseases due to changing working/living habits coupled with processed products increasing the instances of diabetes, cardio-vascular disorders, even cancer. Urban poor due to poor physical infrastructure and awareness leading to communicable and infectious diseases like tuberculosis, typhoid and other water borne diseases. The same can be said of villages with poor sanitation facilities. **2. Lack of access to healthcare services:** It hard to find any significant medical care. Diagnosis and treatment is just not accessible to hundreds of millions of Indians. one of the biggest problems with healthcare in India, specifically diagnostics, is that of the referrals or cut practice. It is the ethically questionable practice of sharing fees with professional colleagues, such as physicians or laboratories, in return for being sent referrals. This problem is especially prevalent in diagnostics, with some doctors charging up to 70% of the pathology/radiology bills as a referral fee. Not only does this make quality healthcare unaffordable for a huge



number of patients, it also is inherently bad for the patient.

3. Lack "proper" healthcare, both in quantity and quality: There is a serious lack of transparency. According to WHO, our per capita spending on healthcare is in the bottom quartile amongst all countries? This has resulted in an appalling lack in basic government healthcare infrastructure.

4. A problem of unnecessary and excessive diagnostic tests, a minor visit to the doctor Inadequate utilization of budgets, funds and resources by the government might be one of the main cause of poor health status of people. Some of the main problems faced by Indian healthcare system are accessibility and affordability of quality healthcare services and medicines to a large chunk of our population. Also lack of information and transparency are other major problems.

5 Twin epidemic of continuing/emerging infectious diseases as well as chronic degenerative diseases. The former is related to poor implementation of the public health programs, and the latter to demographic transition with increase in life expectancy.

6. Economic deprivation in a large segment of population results in poor access to health care. Poor educational status leads to non-utilization of scanty health services and increase in avoidable risk factors.

7. India faces high burden of disease because of lack of environmental sanitation and safe drinking water, under-nutrition, poor living conditions, and limited access to preventive and curative health services.

8. Lack of education, gender inequality and explosive growth of population contribute to increasing burden of disease.

9. Expenditure on health by the Government continues to be low. It is not viewed as an investment but rather as a dead loss.

10. States under financial constraints cut expenditure on health. Growth in national income by itself is not enough, if the benefits do not manifest themselves in the form of more food, better access to health and education.

Conclusion

A good system of regulation is fundamental to successful public health outcomes. It reduces exposure to disease through enforcement of sanitary codes, e.g., water quality monitoring, slaughterhouse hygiene and food safety. Wide gaps exist in the enforcement, monitoring and evaluation, resulting in a weak public health system. This is partly due to poor financing for public health, lack of leadership and commitment of public health functionaries and lack of community involvement.

Revival of public health regulation through concerted efforts by the government is possible through updating and implementation of public health laws, consulting stakeholders and increasing public awareness of existing laws and their enforcement procedures. There are several shortfalls that need to be addressed in the development of human resources for public health services. There is a dire need to establish training facilities for public health specialists along with identifying the scope for their contribution in the field.



More investments in health infrastructure improved low cost diagnostics and a way to make the human resources required for the same accessible to large sections of our population that of ensuring generics and low cost of variants of essential drugs for serious ailments has a significant role in making medicines affordable. Along with free medicines, generic alternatives and free diagnostics, healthcare is improving in India, at least in some states. One thing that we do need to be cautious of is about regulating prices and not letting insurance providers control the healthcare system channeled through insurance and infrastructure strengthening, is inadequate to address the current problems of unaffordable health care and heavy financial risk, and the future challenges posed by aging populations that are increasingly affected by non-communicable diseases.

Also all National disease control programmes are implemented through the existing government hospitals and health centers. Over the years, a campaign approach has been evolved to implement many of the national health and disease control programme. And other sides we are all have a huge responsibility about facing in challenges of rural areas. We tried to develop literacy in rural areas and communicate about how to affects diseases and how to face that. We have to give knowledge about government health schemes and programs. Then only we can see a Healthy India.

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Impact of economic reforms on agriculture sector --A study of Gudeppad village

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Abstract

The commercialization of Indian agriculture partly benefited Indian traders and money lenders who made huge fortunes by working as middlemen for the British. But most of the Indian people suffered miserably due to the reduction in cultivation of food crops. This situation was proved by the fact that till 1880 India had a surplus of foodstuffs to the extent of five million tons and by 1945 it had a deficit of 10 million tons. With the introduction of liberalization, privatization and globalization policies the commercialization of agriculture has taken a new shape in the Indian agricultural system. There are several factors which are driving the agriculture towards commercialization. In view of this situation the present study is proposed to assess and understand the impact and implications of commercialization of agriculture in the newly formed Telangana state.

Introduction

India being one of the largest agriculture based economies in the world, it has been facing a lot of challenges in the agriculture sector with the introduction of economic reforms in the year 1991. Before liberalization farmers were having access to seeds from government or from their fields. But with the liberalization India's seed market opened to global seed business where the farmers have become the victims of greedy seed companies. The same thing is happened even in the utilization of pesticides. The governments also reduced the subsidies and left the farmers and their agriculture products to the market fluctuations. The governments failed to introduce specific packages for agriculture sector before introducing the economic reforms. And on the other hand they are declaring crop holidays, encouraging the commercial crops, and doing land acquisitions for developing real estate or other

commercially viable projects at the cost of agriculture.

With this backdrop this paper aims to bring out the impact of economic reforms in the field of agriculture by taking agriculture based village Gudeppad for case study, where the farmers have introduced commercial crops and how the liberalized markets have their impact on agriculture. The implementation of economic reform in the Indian agricultural sector has been a gradual process. Globalizing agriculture has the potential to transform subsistence agriculture to commercialized agriculture and to improve the living conditions of the rural community. However, economic reforms within India are necessary to pave the path to successful globalization. The stated objective of the new economic policy is to raise the economy's growth rate from the current 5.5 per cent achieved over 15 years to about 7 or 8 per cent per year. Ahluwalia (1996)



explains that this indirectly requires an improvement in agricultural growth from between 2 and 3 per cent in the past to about 4 per cent per year. Although initially, with respect to agriculture, there was no major policy reform package in the 1990s, it was however anticipated that the opening up of the agricultural sector to foreign trade, the move to a market determined exchange rate and reduction of protection for industry would, over time, benefit the agricultural sector. These include an 87 per cent cut in tariff on agricultural products, sustenance of high-yield crop varieties, removal of minimum export price on selected agricultural products, a lift on quantity restrictions on the export of some crops and various land reforms related to tenancy rights and land ceilings.

Although India's economic reforms were initiated in June 1991, the process of liberalization was implemented gradually and thus it is difficult to assess the full impact of the liberalization measures. Nevertheless, an attempt is made to discuss what is observable in terms of agricultural growth. One observation is that the expected increase in exports due to liberalization simply did not occur. The agricultural sector's output growth decreased to 2.9 per cent during 1992-1993 to 1998-1999. There was no major breakthrough in developing new high-yielding varieties during the 1990s and there was a decline in the environmental quality of land which reduced the marginal productivity of the modern inputs. One existing problem of India's agricultural protection is the use of input subsidies. The general argument favoring this has been that it is necessary to encourage the use of particular inputs for production for various benefits. the

input subsidy in per cent of GDP increased from 2.13 in the triennium ending 1982-1983 to 2.73 in the triennium ending 1992-1993. But the benefits of these subsidies have accrued to only certain classes of farmers in some regions cultivating irrigated crops. Furthermore, highly subsidized prices of inputs such as irrigation water and electricity for pump sets have encouraged cultivation of water-intensive crops, over-use of water, ground water depletion/salinity and water logging in many areas. Subsidy for nitrogen fertilizer on the other hand has resulted in nitrogen phosphorous potassium imbalance and acted as a disincentive for use of the environmentally friendly organic manure. As a result, the linkage between food crops and non-food crops, which include fodder, has been reduced. These adverse consequences are a drain on the fiscal burden of central and state Governments.

Review of literature

Objectives

The specific objectives of this research work include:

To analyse the pattern of land in the study village

To measure the impact of economic reforms on agriculture in terms of people's attitudes.

To assess the socio-economic changes that occurred due to agriculture reforms

To understand the impact of economic reforms on ecology and environment.

Hypothesis

The following hypotheses were formulated and an attempt was made to test the hypotheses in order to ascertain the objectives and also to find out the impact.

Economic reforms have changed the land pattern



Economic reforms have changed the crop pattern

Socio economic status of the people improved with the implementation of economic reforms

Methodology: This is a micro-study on impact of economic reforms on agriculture sector in Gudeppad village of Warangal District.

Sources of Data: The study is based on primary data. Primary data has been collected from the farmers, public representatives and general public of Gudeppad village that were randomly considered for the study.

Data Collection Tools : The required information was obtained through Interview Schedule and discussions with the officials and local leaders of political parties. Data and opinions are collected from 100 respondents of that village. and the collected data classified and summarized by means of tabulation.

Gudeppad is a village situated on highway 163 with a distance of 25 km from Warangal. It has the population of 2450. Of which majority are farmers. Total area of the village is 1700 acres.

S.NO	Name of the category	Land(acares)	Earlier(agri) acres)	Present (commercial) acres)	%
1	BC	540	540	140	26
2	SC	200	200	50	25
3	OC	700	700	420	60
4	Others	260	260	140	54

From the above table we can understand that nearly 44 percent of the land has been changed from agriculture purpose to other purposes. Of these 26 percent is BCs land, 25 percent SC s land 60percent is of OCs and 54 percent belongs to others. Based on this conclusion we can say remarkable change has come in the land pattern.

Cropping pattern

Of this 1600 acres are under agriculture and allied industries. Total families of the village are 670. Of these 220 families are from BC community, 200 families are from SC, 175 families are from OC community and 80 families are from other communities.

Selection of respondents

S. NO	Name of the category	No.of families	Land (acares)
1	BC	220	540
2	SC	200	200
3	OC	175	700
4	Others	75	260

Land pattern

As the village is on the national highway and nearer to district head quarter land pattern i.e land utilization is different compared to other villages. Another reason for this is majority of the lands of this village are in the hands of OCs. With the introduction of economic reforms they converted the land from agriculture to allied industries and real estate purposes.

Majority of the farmers changed the cropping pattern due to economic reforms. They started cultivating commercial crops instead of traditional crops like paddy. They are cultivating banana and Apple bear and flowers for which demand is high in the nearby town. they are exporting these products to other cities like Hyderabad, Medak and Nalgonda.



S.NO	Name of the category	Land(acares)	Traditional crops	Commercial crops (acares)	%
1	BC	540	220	180	45
2	SC	200	100	50	35
3	OC	700	130	150	53
4	Others	260	60	60	50

From the above table we can understand that cropping pattern has been changed in all categories. There are several reasons for this. Nearby market facilities, regular incomes, more income compared to traditional cropping pattern.

Economic status of the villagers also changed due to these commercial crops. Majority of the families are maintaining good living standard and comfortable urban amenities. They are sending their children to the nearby towns for education.

Economic status

S.NO	Name of the category	No.of families	Economic status improved
1	BC	220	140
2	SC	200	110
3	OC	175	120
4	Others	75	40

Majority of the families expressed that commercial cropping pattern has improved their financial status.

changed.Excessive utilization of pesticides in the commercial crops polluted the ground water and soil which in turn showing its impact on health.

Ecology and Environment

With the modernized living styles and allied industries ecology and environment have been

S.NO	Name of the category	No.of families	polluted	Not polluted
1	BC	220	100	120
2	SC	200	110	100
3	OC	175	120	110
4	Others	75	30	25

People expressed different opinion regarding the impact of environment, some of them are not in a position to express their opinion.

Conclusion

Based on the data we can conclude that nearly 44 percent of the land has been changed from agriculture

purpose to other purposes due to economic reforms and the cropping pattern has been changed in all categories. majority of the people expressed the same opinion so the hypotheses stands right, majority of the farmers revealed their opinion that commercial cropping pattern has



improved their financial status, so the third hypothesis is also correct.

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The Impact of Liberalisation on Micro, Small and Medium Enterprises (MSMEs) With Special Reference to India

Guntukula Raju

Abstract

Micro Small and Medium Enterprises (MSMEs) plays a momentous role in overall economic as well as social development of the country (India). This sector is a vibrant constituent of the overall manufacturing sector of the Indian economy. In addition, small-scale enterprises are considered an 'engine of economic growth' and as essential instruments for assisting the balanced regional development of the country. The small scale sector forms a principal part of the Indian manufacturing and contributing to a substantial proportion of production, employment and exports to other countries. The main objective of the present study is to examine the growth and performance of MSMEs after liberalization period based on a total number of units, production, employment and exports, and to know the impact of liberalization on the performance of small scale sector. The period of the present study is 1973-74 to 2014-15 and based on secondary data available at RBI and various annual reports of Ministry of Micro, Small and Medium Enterprises Government of India.

Keywords: MSMEs, Liberalisation, Growth, Contribution, Employment, Exports.

Introduction

Micro, Small and Medium Enterprise (MSMEs) sector have emerged as a very vibrant and dynamic sector of the Indian economy. These small scale enterprises play an important role in overall economic as well as social development of the country. This sector is a vibrant constituent of the overall manufacturing sector of the Indian economy and small scale enterprises are the backbone of the industrial development. In addition, small-scale enterprises are considered an 'engine of economic growth' and these enterprises acting as power and spirit of economic development in the 21st century. Over the last several decades it not only plays a significant role in providing employment at the low cost of capital requirement but also towards economic growth, balanced regional development

and poverty alleviation. Indian small scale sector is playing a substantial role in the economic development of the country and has huge approaching for employment creation. The business environments in India drastically changed after the introduction of the economic reforms of the 1990s with widening the scope for the private initiative and market forces. Changes in the international economic scenario, including the emergence of the world trade organisation (WTO) and also domestic reforms have brought several new opportunities and certain challenges to the small scale sector (Kumar & Gugloth 2012). When liberalization procedure started, the Govt of India aimed at deregulations in various sectors, encouragement to FDI (foreign direct investment) and privatization in the industrial sectors restricted for state and



public sector undertakings. This initiative taken by the government resulted in competition among the manufacturing sectors and the opening of the economy. After this liberalization process small scale sector is facing a lot of challenges in several areas such as marketing problems, high competition, consumer management and maintenance and shifting in labour and capital. Post liberalization period economic conditions have generated immense growth prospect for the small scale businesses. The 'Ministry of Agro & Land Rural industries' and 'Ministry of Small Scale Industries' have been merged into

a single Ministry namely, 'Ministry of Micro, Small and Medium enterprises'.

Definition of MSMEs:

The small scale sector has undergone several changes regarding its definition. The Small Scale Industries (SSI) name has been changed as Micro, Small and Medium Enterprises (MSMEs) with the introduction of MSMED Act, 2006. The definition given by Micro, Small and Medium Enterprises Developmental (MSMED) Act, 2006 to Micro Small and Medium Enterprises explained in below table.

Type of Enterprise	Engaged in Manufacturing or Production of Goods	Engaged in Providing or rendering of Services
	(Investment in Plant and Machinery)	(Investment in Equipment)
Micro Enterprise	Does not Exceed 25 Lakhs.	Does not Exceed 10 Lakhs.
Small Enterprise	More than 25 Lakhs but does not exceed 5 Crore.	More than 10 Lakhs but does not exceed 2 Crore.
Medium Enterprise	More than 5 Crore but does not exceed 10 Crore.	More than 2 Crore but does not exceed 5 Crore.

Source: Micro, Small and Medium Enterprises Development Act, 2006.

Although MSMEs have been defined by different economists in a different way but they have been recognized unanimously as an important sector for generation of employment as well as a major contributor of livelihood for the poor people.

Review of past work:

An extensive literature review has become an important part of any study. The existing relevant literature on micro small and medium enterprises is reviewed with special reference to their performance, policy, problems and prospects in pre and post reforms period, financial and other related aspects of the study. **Singh (2014)** studied the growth and performance of Micro, Small and

Medium enterprises from the time when globalization policies occurred in India i.e. 1990. From 1991 micro, small and medium enterprises (MSMEs) found the pertinent environment in India because of globalization, national liberalization etc. Globalization offers a situation within which MSMEs necessitate more and more compete as well as perform **Gupta & Ranjan (2014)** studied empirically to show whether the growth in a number of small scale units in post liberalization period has contributed to the proportionate growth of MSMEs in several parameters namely output, employment and exports. They found that from 1991 reforms have not contributed to rising of MSME sector's graph substantially. **Chandraiah and Vani (2013)**



highlighted the role of smallscale industries in the economic development of India and also the impact of globalization on the growth and performance of MSMEs based on secondary data. The study period was limited to 19 years (1992-93 to 2010-11). Authors analyzed the performance Micro Small and Medium Enterprises based on a number of units, production, employment, and exports in the post liberalization period. Moreover, they focused on main features of 1991 Small Industrial policy and the benefits and disadvantages of globalisation.

Objectives of the study:

Some of the objectives which are intended to be accomplished through this paper can be listed as follows:

- To study the performance of MSMEs in India during the pre and post liberalization period.
- To examine the impact of liberalisation on the performance of MSMEs

Methodology:

This paper examines the impact of liberalisation on micro small and medium enterprises in India which means the impact on MSME units, production, employment and exports to other countries. To achieve the above-mentioned objectives data is gathered from secondary sources. The secondary data collected from RBI database and various MSME annual reports. The study covers a period from 1973-74 to 2014-15. I have taken data from 1973-74 onwards because the first census for the MSMEs in India began during 1973-74 and no authentic data about the small enterprises was available before to this

period. Annual average growth rate (AAGR) has been used as the main statistical tools to compare the performances of MSMEs during pre and post liberalization period.

Results and discussion:

Through this present paper, an empirical study has been done to highlight whether the growth in a number of small-scale units after liberalization has contributed to the proportionate growth of MSMEs contribution in several parameters namely production, production per employee, employment and exports. Since the introduction of the planning system in 1950-51 significant effective efforts have been made for the development of Micro, Small and Medium enterprises in the vision of their potential for generating employment and poverty alleviation. In the light of liberalization, the small scale sector has been undergoing a rapid transition in India. The rapid of transition of small scale enterprises has increased because of economic reforms by both central and state governments. The Table 1 and Table 2 show the performance of MSMEs in India during pre and post liberalisation periods. The micro small and medium enterprises have recorded consistently decent growth in terms of a number of units, production, employment creation and growth in exports over the period. The number of micro small and medium enterprise units has increased from 4.2 lakh units in 1973-74 to 18.2 lakh units in 1989-90 during the pre liberalisation period. It can be observed through the Table 1 that there has been an increase in production over the-

**Table1: Performance of Micro Small and Medium Enterprises in India Pre Liberalization**

Year	units (lakh)	Production (Rs. crores)	Employment (lakh)	Production per employee (thousand)	Exports in (Rs crores)
1973-74	4.2	34200	39.7	86	400
1974-75	5	36100	40.4	89	500
1975-76	5.5	42500	45.9	93	500
1976-77	5.9	46800	49.8	94	800
1977-78	6.7	52800	54	98	800
1978-79	7.3	58200	63.8	91	1100
1979-80	8.1	66400	67	99	1200
1980-81	8.7	72200	71	102	1600
1981-82	9.6	78300	75	104	2100
1982-83	10.6	84700	79	107	2000
1983-84	11.6	93500	84.2	111	2200
1984-85	12.4	104600	90	116	2500
1985-86	13.5	118100	96	123	2800
1986-87	14.6	133600	101.4	132	3600
1987-88	15.8	150500	107	141	4400
1988-89	17.1	169900	113	150	5500
1989-90	18.2	189900	119.6	159	7600
AAGR	9.64%	11.34%	7.20%	3.98%	21.3%

Source: Reserve Bank of India and Ministry of Micro, Small and Medium Enterprises, Government of India.

period and it is with increased rate in comparison to total number of units. The average annual growth rate (AAGR) of production over the period is 11.34% which is high compared to number of units is 9.64% which look like to be a good indication for overall productivity of units. During the pre liberalisation period the exports have increased from Rs.400 crores in 1973-74 to Rs.7600 crores in 1989-90 with 21.3% of average annual growth rate. Small scale sector has been playing a major role in Indian exports. Moreover, with the 7.20% of AAGR in employment over the period this sector is one the major contributor of employment to the rural and urban population.

The period from 1990-91 to 2014-15 post globalization period. Table 2 shows the performance of micro small and medium enterprises after liberalisation. The increase in a number of small scale units, production, employment and exports have shown proportionate growth over the period. The number of small scale units increased drastically after the introduction of economic reforms from 18.2 lakhs in 1989-90 to 67.9 lakhs units in 1990-91 and at present the number of units are 510.6 lakh in 2014-15. With this increase in units also helped to rise in production of small scale enterprises from 84,728 crores in 1990-91 to 1,809,976 crores in 2012-13. Micro small and medium enterprises accounts for about 43 percent of total exports and a major contributor for exports in Indian industrial sector. As already mention above the small scale sector is one of the major source of employment for the poor people after



agriculture sector. **Table2: Performance of Micro Small and Medium Enterprises in India Post Liberalization**

Year	units (lakh)	Production (Rs. crores)	Employment (lakh)	Production per employee (Rs. thousand)	Exports (Rs. crores)
1990-91	67.9	84728	158.3	54	9664
1991-92	70.6	87355	166	53	13883
1992-93	73.5	92246	174.8	53	17784
1993-94	76.5	98796	182.6	54	25307
1994-95	79.6	108774	191.4	57	29068
1995-96	82.8	121175	197.9	61	36470
1996-97	86.2	134892	205.9	66	39248
1997-98	89.7	146263	213.2	69	44442
1998-99	93.4	157525	220.6	71	48979
1999-00	97.2	170379	229.1	74	54200
2000-01	101.1	184401	240.9	77	69797
2001-02	105.2	282270*	252.3	112*	71244
2002-03	109.5	306771	263.7	116	86013
2003-04	114	336344	275.3	122	97644
2004-05	118.6	372938	287.6	130	124417
2005-06	123.4	418884	299.9	140	150242
2006-07 P	128.4	1198818	805.2	151	182538
2007-08#	377.4	1322777	842	157	202017
2008-09#	393.7	1375589	880.8	156	NA
2009-10#	410.8	1488352	921.8	161	391159
2010-11#	428.7	1653622	965.2	171	507739
2011-12#	447.6	1788584	1011.7	177	630105
2012-13#	467.5	1809976	1061.4	171	698166
2013-14#	488.6	NA	1114.3	NA	806878
2014-15#	510.6	NA	1171.3	NA	NA
AAGR	12.06%	18.41%	11.34%	5.71%	20.1%

Source: Ministry of Micro, Small & Medium Enterprises, Government of India.

Notes: 1. P: Provisional. 2. *: Since 2001-02, production figures are at 2001-02 prices, since 2006-2007 production figures are at 2004-05 prices. 3. # indicates projected figures. 4. The data for the period up to 2005-06 is of Small Scale Industries (SSI). Subsequent to 2005-06, data with reference to Micro, Small and Medium Enterprises (MSMEs) are being compiled. 5. AAGR: Average annual growth rate. 6. NA: Not available.

The employment from this sector increased from 158.3 lakhs in 1990-91 to 1,171.3 lakhs in the year of 2014-15. But

the production per employee decreased after 1990 was 54 thousand in 1990-91 from 159 thousand in 1989-90, later on, increased over the period in the year of



2012-13 it was 171 thousand productions per employee. Annual Average Growth Rate (AAGR) has been used as a major statistical measure to compare the performance of MSMEs during before and after liberalization period. AAGR in respect of Employment and Export is lower in Post Liberalization period compared to Pre Globalization period. In the case of number of units, production and production per employee in Post Liberalization period AAGR is slightly higher than that of before liberalisation. The increase in growth rate in number of units of small scale enterprises in post reforms period may be due to licensing permit raj by reducing the state intervention in business activities.

However, the growth rate in case of employment decreased in post-reforms period. This may perhaps due to the adoption of capital intensive modern technology by the small scale enterprises to some extent in the course of the post liberalisation period. Moreover, the growth rate of exports after liberalisation period is not satisfactory. It looks that investment coming from outside is intended to tap local market rather than to export. Even though the central and state governments in India have taken certain measures for development of the small scale sector's performance in the era of liberalization but the performance of MSMEs after liberalisation period has not been satisfactory. The small scale sector in developing countries like India faces a hard situation because of unjustified competition from large scale industries due to taking out of subsidy, shortage of infrastructure, challenges on manufactured goods standardization, anti-dumping policy, overall quality management etc.

Summary and conclusions:

Today, micro small and medium enterprises occupy a position of strategic importance in the Indian economic structure due to its substantial contribution in terms of production, employment and exports. The MSMED Act, 2006, perhaps the most crucial of the recent policy changes in small scale sector. In this present study, an effort has been made to analyse the impact of liberalisation on the growth of small scale businesses. The comparative analysis of the performance of key parameters viz., units, production, employment and exports has been studied between pre and post liberalisation period. Domestic reforms have brought several new opportunities and certain challenges to the small scale sector. The liberalization policy was aimed to deregulate the market as well as keep investments flowing did manage to grow in the number of units, but their overall employment and exports leave a lot to be desired. The increase in number of small scale units, output and production per employee have shown proportionate growth over the post liberalisation period, whereas export and employment have shown negative growth significantly. The findings of the study indicate that small scale enterprises are affected in the liberalized era and facing a lot of problems to run their industries. Thus it has been observed that liberalization has resulted in more competition, difficulty in marketing, increased quality consciousness, reduction in profit margin and dumping of cheaper goods by other countries.

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An Analysis of Agricultural Infrastructure Facilities before and After Globalization Era: An Empirical Study

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Abstract: Infrastructure is an important input for the production process, which can raise the productivity of other sectors. Infrastructure connects goods to the markets, workers to the industry, people to services and the poor in rural areas to urban growth centers. An adequate infrastructure can lead to lower costs, enlarge markets and facilitate trade. Infrastructure includes the entire spectrum of essential services such as transportation (railways, roads and road transport, civil aviation, ports and shipping), power generation, distribution and transmission, telecommunications, postal facilities, health facilities, education, basic amenities of life, etc. Since, infrastructure is a prerequisite for economic development, its deficiency can lead to backwardness of the region. This study uses the primary and secondary data, the primary data have been collected from 50 peasants in the sample village of Ameenabad in Channaraopet mandal of Warangal district. The sample farmers have been restricted to the above age group of 50 years, why because the data have to be collected before and after the globalization era and irrespective of social and landholding categories. For the collection of data the researcher used the recall method. The secondary data collected from various sources. This study has its own limitations like the agricultural infrastructural facilities are irrigation, marketing, credit, storage and other permanent inputs.

Keywords: Infrastructural facilities, marketing, credit, storage, globalization, recall method

I. Introduction:

In the contemporary societies, infrastructure is considered as the root and pace setter of economic growth and one of the major determinant factors of economic development. The functioning of any economy is determined by the persistence of infrastructural facilities. The role of infrastructure for economic development was renowned early eminent economists (**Rosentein-Rodan**,1943¹; **Ragner Nurske**, 1952²; **Hirschman**,1958³; **Rostow**,1960⁴; **Myrdal**, 1968⁵). The significance of infrastructure was discussed broadly by the **Rangarajan Commission**⁶ in 2001

by evaluating the infrastructure statistical system of India. The Commission stated that the Infrastructure is an important influential the effective function of all inputs these are vital to a broad diversity of production activities. Un-non-availability of quality infrastructure will act as a strict constraint on the productive capacities of the economy. The Commission reported that infrastructure is an important input for industrial and overall economic development of a country. According to Rangarajan Commission, the infrastructure tends not to be user or



user specific and typically have long-lived engineering structures. It indicated six pertinent characteristics for identification of infrastructure sub-sectors, viz. natural monopoly, non-tradability of output, bestowing externalities on society, high-sunk costs or asset specificity, non-rivalness (up to congestion limits) in consumption, and possibility of price exclusion. Based on the six characteristics of infrastructure as defined above, Rangarajan Commission suggested that following sub-sectors may be considered as infrastructure like Railway tracks, signalling system, stations, Roads, bridges, Runaways and other airport facilities, Transmission and distribution of electricity, Telephone lines, telecommunications network, Pipelines for water, crude oil, slurry, etc, Waterways, port facilities, Canal networks for irrigation and Sanitation or sewerage.

The present era of globalization, any nation in the globe cannot survive without strong and sound infrastructure. The role of infrastructure in the extinction of economic development of an economy and also the positive direction of infrastructure functioning in the economy be needed like the India and other third world nations. The basic construction and the place of infrastructure sector as well as of its soundness are critical to the security of economy's and overall development. The importance of infrastructure sector would be clear from the fact, that it includes the whole spectrum of essential services such as transportation (railways, roads and road transport, civil aviation, ports and shipping), power generation, distribution and transmission, telecommunications, postal facilities,

health facilities, education, basic amenities of life etc. Since, infrastructure is a prerequisite to economic development, its deficiency, ipso facto, explains the backwardness of the regions.

II. Review of Literature :

Vijay Paul Sharama (2011)⁷ During the last two decades post LPG period, food grains production increased from 177.4 million tonnes in Time of Estimation 1993-94 to 227.8 million tonnes in Time of Estimation 2009-10, or by over 28 percent. However, the highest increased was observed in case of cotton (>200% increase), followed by fruits and vegetables (97%), condiments and spices (66%) and wheat (39%). Pulses recorded the lowest increase in production, from 12.7 million tonnes in Time of Estimation 1993-94 to 14.6 million tonnes in Time of Estimation 2009-10.

Vijay Paul Sharma (2011)⁹ Net irrigated area has increased from around 21 million hectares (17.6% of total net sown area) in 1951-52 to over 63 million hectares by 2008-09 (about 45 percent of NSA). Gross irrigated area has increased at faster rate from about 23 million hectares to 88.4 million hectares due to increased intensity of cropping on irrigated lands. Over 85 percent of addition to irrigated area in the last three decades has come from groundwater (mostly from tube-well) and the balance from surface irrigation (almost entirely from large public sector canal system).

(FAI, 2010)¹⁰ The utilization of NPK has enormously increases during the post LPG period, In the Time of Estimation 2002-03, out of 483 districts, 36 districts (7.5%) were using more than 200 kg per hectare, while over one-third of the districts were consuming less than 50 kg.



Between the Time of Estimation 2002-03 and Time of Estimation 2009-10, number of districts consuming more than 200 kg/ha more than tripled from 36 in to 112. In the Time of Estimation 2009-10, 188 out of 538 districts (about 35%) consumed more than 150 kg per hectare, 105 districts between 100-150 kg and 127 districts between 50-100 kg/ha. About 22 percent of the districts had less than 50 kg/ha fertilizer use, much lower than recommended levels. Further less than 20 per cent of the districts accounted for about half of total fertilizer consumption in the country, indicating a high degree of concentration of fertilizer use. **Chakraborty and Guha (2009)**¹⁶ exert that there is an urgent need to re-energise India's rural economy, including both agricultural and the non-farm sector through create the sound rural infrastructural facilities like road transport, electricity, health, education, irrigational, marketing and credit etc.

In this connection the present study focus on the agricultural infrastructural facilities in the both pre and post LPG periods.

III. Methodology:

The data base for the study uses the primary and secondary data, the primary data has been collected from the respondent farmers in Ameenabad village of Channaraopet mandal in Warangal rural district of Telangana state. For the collection of the data the structured questionnaire applied on 50 respondents who are above 50 years of age group only not less than that. Why because the respondents are farming community in both the periods of pre LPG and post LPG. In the introduce of LPG and at present all the respondents are directly involve in the agriculture

activities, that way I selected above 50 years of age people. Recall and comparatively question and answer methods both have adopted to collect the pre and post LPG period information for this study. The secondary data has been gathered from various sources like, publication of journals, books, reports and the official websites. Even though this study has its own limitation, the simple statistical percentage and average tables have been adopted for the study.

Objectives:

1. To find out the socio-economic features of the respondent in the sample village.
2. To analyze the agricultural infrastructure facilities of the respondent farmers in pre and post LPG periods in the sample village.
3. To offer the suitable suggestions to overcome problems during the LPG period.

Hypotheses:

1. Agriculture and its activities are gradually reduces during the post LPG period.
2. Agriculture infrastructure facilities are increases when compared to pre LPG to post LPG period.

IV. Results and Discussion:

To fulfil the objectives and hypotheses this study adopting the 13 simple average and percentage tables, first four tables age, education, social category and occupational status reveals the socio-economic status of the respondents. The remaining 9 tables gives the information of agriculture infrastructural facilities such as landholdings, cropping pattern, utilization of fertilizers and pesticides, irrigational sources and systems of irrigation (means of irrigation), institutional and non-institutional credit sources, means of transport and



marketing facilities are analyzed for the both pre and post LPG periods. The following discussion gives the entire

information whatever mentioned for the study.

Age	Respondents	Percentage
50 - 55	12	24.0
56 - 60	18	36.0
Above - 60	20	40.0
Total	50	100.0

Source: Field Study

The age-wise distribution of the respondents have been given from the above table, the total 50 respondents are distributed in three different age groups, such as 50 to 55, 56 to 60 and above 60 years. Out of, 40.0 percent are in the above 60 years of age group as the highest followed by 36.0 of respondents in 56 to 60 years and 24.0 percent are in 50 to 55 years of age. The age groups of 56 – 60 and above 60 years are 76.0 percent it is indicating the respondent farmers are elder age groups because the researcher has specifically selected the above 50 years of age group farmers only, why because, these farmers are doing the agriculture since the above 25 years which means those are involving the agriculture activities before and after the LPG periods, in this reason the above 55 years of farmers are at the significant level.

Social Category	Respondents	Percentage
SC	03	6.0
ST	15	30.0
BC	22	44.0
OC	10	20.0
TOTAL	50	100.0

Source: Field Study

The above table reveals the social category-wise distribution of the respondents in the sample village of Ameenabad in Warangal rural district. Out of 50 respondent farmers, 44.0 percent of BC categories, 30.0 percent are from ST, 20.0 percent is in OC and only 6.0 percent of SC. The social category of distribution of the sample respondents are not similar why because the sample selection is randomly selected, even though the demographic feature of the village is also indicating the same direction, thus the social category of the respondents are reflecting the same direction.

The above table shows the literacy particulars of the respondent farmers in the sample village. Out of the total 64.0 percent are illiterates the rest of 36 percent are literates. In the literates 24.0 percent are completed their primary level of education, 8.0 percent have secondary and only 4.0 percent are obtained the higher education. Thus the illiterates are at dominating it is due to all the sample respondents are in the age of above 50 years, i.e. they born in 1960s at that time the educational facilities are far away to the rural areas, in this regard majority of the respondents are illiterates.



Levels of Education	Respondents	Percentage
Illiteracy	32	64.0
PE	12	24.0
SE	4	8.0
HE	2	4.0
Total	50	100.0

Source: Field Study

Particulars	B-LPG	Percentage	A-LPG	Percentage
Agriculture as Main Occupation	39	78.0	28	56.0
Non-Agriculture as Main Occupation	11	22.0	22	44.0
Own Land	40	80.0	23	46.0
Leased Land	10	20.0	27	54.0
Average Landholding	6.75		2.65	

Source: Field Study

The main theme of the present research paper really starting from this table – 4, the above table depicts the agricultural information of the respondent farmers present and the before the LPG period. The Before LPG period mean at the time of 1990, why because the new economic reforms have been initiated in 1991 by the government of India. In this connection the scholar gathered the information by recall method from the respondent farmers. The main agricultural information like, occupation of agriculture, non-agriculture, own land, leased land and the average landholding, out of 50 respondents, 78.0 and 56.0 percent are having the agriculture as the main occupation B-LPG and A-LPG respectively. The non-agriculture

occupation is 22.0 percent in B-LPG and at present A-LPG is 44.0 percent. Before 1990 B-LPG period 80.0 percent of respondents was possessed the own land and only 20.0 percent are in leased land. But after the 1990 the own lands are reduced to 46.0 percent and at the same time the leased in lands are at significant level of 54.0 percent. In case of average landholdings 6.75 acres before LPG and it is 2.65 acres at present. Thus the agriculture activities are sinking during LPG period the study is an evident. Due to the impact of new economic reforms the agricultural activities are in the rural areas are in the diminishing direction.



Name of the Crop	B-LPG		A-LPG	
	Respondents	Percentage	Respondents	Percentage
Paddy	24	48.0	38	76.0
Jawar	32	64.0	02	4.0
Maize	29	58.0	35	70.0
Ragi	12	24.0	0	0.0
Pulses	42	84.0	12	24.0

Source: Field Study

During the LPG period how the food crops are growing by the sample farmers of the study is analyzing by the researcher. Due to the new economic reforms, in agriculture the tremendous changes have been taken place, in the form of IAAP, IADP, HYV and Green revolution, as these result the cropping pattern of the Indian agriculture has been shifted from the traditional system to modern cropping pattern, in this aspect the table 5 and table 6 gives the

cropping patterns of food and non-food crops of the sample farmers in the study area. Before the LPG the food crops of Jawar, Maize Ragi and Pulses were growing at significant level. During the LPG the Paddy and Maize both crops are at significant, the rest of Jawar, pulses were significantly reduced, during the LPG period the traditional food crops like Jawar and Ragi both are in negative result including the pulses but the Paddy and Maize are in positive.

Name of the Crop	B-LPG		A-LPG	
	Respondents	Percentage	Respondents	Percentage
Cotton	08	16.0	42	84.0
Chilly	12	24.0	26	52.0
Turmeric	24	48.0	18	36.0
Ground Nut	38	76.0	26	52.0
Other Oil Seeds	12	24.0	14	28.0

Source: Field Study

During the LPG the number of agricultural and agro-based industries was established. The Paddy and the Maize both are agro-based and food process industrial crops. In the aspect of non-food crops Cotton, Chilly and Other oilseeds are in the positive direction, Turmeric and Groundnut are in the negative direction. Before the 1990, the cotton and chilly are 16.0 and 24.0 percent of farmers was cultivated, but

these two crops are 84.0 and 52.0 percent at present. In the Groundnut and Turmeric 76.0 and 48.0 percent before LPG and these are 26.0 and 18.0 percent at present. Thus the cotton and chilly are in commercial crops and Paddy and Maize in food crops are in progressive. While the rest of food and non-food crops are in negative shade during the LPG period. The following table - 7 gives the information of fertilizers used by the



respondent farmers before and after LPG periods. The respondent farmers have been utilized the different fertilizers of

their different cultivating practices, such as DAP, Urea, Super Phosphate, Complex, Manure and Pesticides etc.

Table – 7: Fertilizers Particulars

Name of Fertilizer	B-LPG		A-LPG	
	Respondents	Percentage	Respondents	Percentage
DAP	29	58.0	45	90.0
Urea	40	80.0	50	100.0
Super Phosphate	30	60.0	14	28.0
Complex	24	48.0	46	92.0
Manure	48	96.0	12	24.0
Pesticides	28	56.0	42	84.0

Source: Field Study

Before LPG, DAP – 58.0, Urea – 80.0, Super Phosphate – 60.0, Complex – 48.0, Manure – 96.0 and Pesticides – 56.0 percent. At present DAP – 90.0, Urea – 100.0, Complex – 92, Pesticides 84.0, Super Phosphate – 28.0 and Manure 24.0 percent. Thus it is clear that the Urea, DAP, Pesticides, Complex fertilizers and pesticides are using at significant level

when compared to pre LPG period. While the Manure and Super Phosphate are reducing during the LPG period. The major fertilizers like DAP Complex and Urea including the pesticides are in positive direction and the rest of are in negative way when compared to pre LPG to post LPG period in the study area.

Table – 8 Irrigation Particulars

Source of Irrigation	B-LPG		A-LPG	
	Respondents	Percentage	Respondents	Percentage
Open Well	29	58.0	24	48.0
Bore Well	10	20.0	22	44.0
Canal	12	24.0	32	64.0
Streams	02	4.0	02	4.0

Source: Field Study

The above table reveals the irrigation facilities of the respondents in the study area. The mains irrigational sources are open-well, bore-well, canal and streams have been observed in the study area. There are 58.0, 24.0, 20.0 and 4.0 percent of respondent farmers were used the irrigational source are open-well, canal, bore-well and streams respectively before LPG period. After the LPG, 64.0 percent have canal, 48.0 percent open-well, 44.0 percent bore-well

and only 4.0 percent have the streams. During the LPG period the canal and bore-well irrigation have been observed the remarkable change as positive while the open-well irrigation is come down to 48.0 percent, but at the same time the stream irrigational as the same. It is indicating the commercial crops have been increased instead of food crops major commercial crops are requiring the irrigation, due to this reason the farmers



are digging the bore wells, this study is reflecting this fact.

Irrigation Systems	B-LPG		A-LPG	
	Respondents	Percentage	Respondents	Percentage
Yatas	18	36.0	00	0.0
Manual	10	20.0	00	0.0
Oil engines	38	76.0	10	20.0
Motors	15	30.0	37	74.0
Drip	00	0.0	04	8.0

Source: Field Study

The above table - 9 shows the different irrigational systems in the study area. Each irrigational system be estimated to 50 respondents, out of 76.0, 36.0, 30.0 and 20 percent of respondents were used the oil engines, yatas, motors and manual type of irrigation systems before the LPG period. After the LPG,

the respondents are using the motors 84.0 percent, 20.0 percent are oil engines and only 8.0 percent are in drip systems respectively. due to new economic reforms the traditional irrigational systems are ignored and the modern systems are in forceful in the form of electrical motors and drip systems.

Institutional Sources	B-LPG		A-LPG	
	Respondents	Percentage	Respondents	Percentage
Commercial Banks	19	38.0	42	84.0
RRB	22	44.0	36	72.0
PACS	32	64.0	48	96.0
Micro Finance	00	0.0	37	74.0
ITDA	26	52.0	32	64.0

Source: Field Study

The above table - 10 reveals the availability of institutional credit facilities to the respondent farmers during the LPG and pre LPG periods. The main institutional sources are Commercial Banks (CB), Grameen Vikas Banks (RRB) Primary Agricultural Cooperative Societies (PACS) Micro Finance and ITDA etc was observed in the sample area. Out of 64.0, 52.0, 44.0 and 38.0 percent of respondents having the PACS, ITDA, RRB and CB

respectively before the LPG period, after the LPG, PACS - 96.0, CB - 84, MF - 74.0, GVB - 72.0 and ITDA - 64.0 percent respectively. The entire credit sources are reflecting positively when compared to pre LPG to present LPG period.

The table - 11 shows the availability of non-institutional credit facilities of the respondent farmers in the sample village. The main non-institutional sources are money lenders,



commission agents, friends and relatives and landlords have been observed. Before the LPG period out of, 72.0, 62.0, 56.0 and 24.0 percent of respondents have

used the credit source of money lenders, commission agents, friends&relatives and landlords respectively.

Non-Institutional Sources	B-LPG		A-LPG	
	Respondents	Percentage	Respondents	Percentage
Money Lenders	36	72.0	12	24.0
Commission Agents	31	62.0	22	44.0
Friends& Relatives	28	56.0	10	20.0
Land Lords	12	24.0	2	4.0

Source: Field Study

At present 44.0, 24.0, 20.0 and 4.0 percent of respondent farmers are having the non-institutional credit sources are commission agents, money lenders, friends&relatives and landlords respectively. The entire non-institutional credit source are reflecting the negative direction during the LPG period when compared to pre LPG period.

The transport facilities are very important in the development of any

sector these are gradually improving even in the rural areas, in this regard the above table – 12 reveals how the transport facilities are improved during the LPG period in the agriculture sector when compared to pre LPG period. The main transport facilities are bullock carts; human labour, rickshaw puller auto trolley and tractor etc have been observed from the study.

Transport Facilities	B-LPG		A-LPG	
	Respondents	Percentage	Respondents	Percentage
Bullock Carts	48	96.0	12	24.0
Human Labour	28	56.0	10	20.0
Rickshaw puller	12	24.0	00	0.0
Auto Trolley	15	30.0	45	90.0
Tractor	02	4.0	12	24.0

Source: Field Study

How these are affected before and after LPG periods. Before LPG, 96.0, 56.0, 30.0, 24.0 and 4.0 percent of respondents were used the bullock carts, human labour, auto trolley, rickshaw pullers and tractor respectively. After LPG 90.0 percent respondents are using the auto trolley tractor and bullock carts 21.0 percent each and human labour is 20.0 percent. During the LPG 25 years of

period the rickshaw pullers are almost neglected as the mean of transport. Bullock carts human labour are still continue but insignificantly the auto trolley as the transport facility is significantly higher, tractor is also using by 24.0 percent of respondents. There is a progressive trend has been observed in this aspect.



Marketing facilities are also one of the agricultural infrastructural facilities. These are directly influenced the agriculture and village development,

in this connection the above table – 13 reveals the agricultural marketing facilities of the respondent farmers in the sample village.

Table – 13 Availability of Marketing Facilities

Marketing Facilities	B-LPG		A-LPG	
	Respondents	Percentage	Respondents	Percentage
Local Markets	26	52.0	15	30.0
Commission Agents	22	44.0	28	56.0
Within Village	38	76.0	26	52.0
Nearest Agriculture Markets	15	30.0	39	78.0

Source: Field Study

As per the table, before the LPG period, 76.0 percent of respondents were sold their agricultural produce within the village followed by 52.0 percent have used the local markets, 44.0 percent have approached the commission agents and 30.0 percent had gone through the nearest agricultural markets. After the LPG, 78.0, 56.0, 52.0 and 30.0 percent respondents reveals that nearest agriculture market, commission agents, within the village and local markets (angadi/santha) respectively. Due to new economic reforms the market source of nearest agriculture markets are very close to the farming community, but at the same time 56.0 percent of respondents have sold their agriculture produce to the commission agents.

V. Major Findings:

This study uses the primary and secondary data, based on the primary data analysis all the objectives and hypotheses have been justified and applicable in the study, the first objective is to find out the socio-economic features of the respondents, in this aspect age, social category and education levels have been focused. Majority of the

respondents are in above 56 years those are 76.0 percent tot the total respondents; majority of the respondents belonging to the BC community i.e, 44.0 percent followed by ST, OC and SC categories. Out of, 64.0 percent are illiterates 24.0 percent have completed their primary education; hence the first objective is covered. To analyze the agricultural infrastructural facilities of the respondent farmers in pre and post LPG periods, in this direction the researcher observed the landholdings, cropping pattern, utilization of fertilizers, irrigational sources, credit, transport and marketing facilities whatever availability to the selected farming community in the sample village. The entire respondents are having the both the occupations of agriculture and non-agriculture but the agriculture is the main occupation. In the pre LPG period the main institutional sources are 64.0, 52.0, 44.0 and 38.0 percent of respondents having the PACS, ITDA, RRB and CB respectively. The entire credit sources are reflecting positively when compared to pre LPG to present LPG period. In case of non-institutional credit facilities in the pre LPG period out of, 72.0, 62.0,



56.0 and 24.0 percent of respondents have used the credit source of money lenders, commission agents, friends&relatives and landlords respectively. The entire non-institutional credit sources are reflecting the negative direction during the LPG period when compared to pre LPG period. As the mean of transport during the LPG 25 years of period the rickshaw pullers are almost neglected. Bullock carts human labour are still continue but insignificantly, the auto trolley is significantly higher, tractor is also using by 24.0 percent of respondents. There is a progressive trend has been observed in this aspect. Due to new economic reforms the market source of nearest agriculture markets are very close to the farming community, but at the same time 56.0 percent of respondents have sold their agriculture produce to the commission agents.

VI. Conclusion

Based on the far going analysis the study concludes that, illiteracy is at significant level, it should be overcome through the special adult educational centres, the mandal level literacy officers have take special interest on adult education along with the anganwadi teachers at village level. Even today 54.0 percent of population directly depends on agriculture as the result the average landholding is come down to 2.65 acres, there is needed to improve the non-farm employment in the rural areas. To endower the food security, the traditional food crops have to grow with application of technological approaches why because the traditional food crops are gradually diminishing due to LPG affect. The eco-friendly agriculture has to improve to sustain the balanced agriculture development. During the

LPG the fertilizers are using enormously this is very dangerous to the environment it can be arrested through bio-chemical fertilizers and at the same time live stock should be improve. The bore-well irrigation is at alarming it should be arrested by adopting the integrated watershed management by the farming community at gross root level. The study find out that the non-institutional credit source are at caution in the rural areas it should be stop by the improve the institutional credit amount by the commercial banks. It is sad to say after the 25 years of LPG 56.0 percent of agriculture produce sold to the commission agents it can be reduced immediately through the adoption of co-operative marketing societies in the rural areas. Last but not least the transport facilities from the field to rural areas, rural areas to marketing centres have to improve by adopting the Pradhanmantri Grama Sadak Yojana. Then only the new economic reforms will gives the truth full results to the development of rural areas in India.

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Foreign direct investment and MNCs

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Introduction

While the large Multi-National Corporations of the West are getting advantages of market expansion from FDI, the host countries are also utilizing it as a major mechanism and source for accelerating their domestic economic growth. Several research works are taking place over the years in the field of FDI and the suitability and attractiveness of various destinations. There is little doubt on the fact that while a large company from the US or Europe consider about going into diversified operation across the globe-first thing came into their market is the size of the market. It is always essential for attracting the foreign investors as it is the prime consideration prior to invest their money into foreign countries. When we just talk about size of the market India becomes the primary name in mind. One of the most populated and huge country of the world and it has a scope of attracting a lot of foreign investors. This case has become even more intense in modern times as western companies feel the pressure of market shrinking down in their home territory. This paper has been intended towards achieving the same thing to determine FDI patterns in India.

Literature review:

Before interpreting the immense importance of FDI for countries as well as for investors it is important to define

the term and concept FDI itself (Agosin & Mayer, 2000). According to IMF, FDI is the category of international investment that reflects the objective of a resident entity in one obtaining a 'lasting interest' and control in an enterprise resident in another economy (Bandelji, 2002; Hein, 1992). Few academicians and researchers define FDI as an investment by foreign corporation in any country. A common example of foreign direct investment is a situation in which a foreign company comes into a country to build or buy a factory. Afterwards they initiate the operation in respective countries by investing further through recruiting HR and also initiating manufacturing or distribution. From the definition, itself the sky-high importance of FDI is clearly observable. Not only it serves the goal of economic development of the host country but also it assists the investors as well in a great way (Jun & Singh, 1996; Lim, 1983; Lucas, 1993)

Importance of FDI from Country Perspectives:

FDI always brings certain benefits to national economies. It can contribute to Gross Domestic Product, Gross Fixed Capital Formation and balance of payments. There have been empirical studies indicating a positive link between higher GDP and FDI inflows. FDI can also contribute toward debt servicing repayments, stimulate export markets and produce foreign exchange revenue. Foreign direct investment (FDI) is increasingly being



recognized as an important factor in the economic development of countries (Kamath, 1994; Lemoine, 2000). Besides bringing capital, it facilitates the transfer of technology, organizational and managerial practices and skills as well as access to international markets. More and more countries are striving to create a favorable climate to attract FDI. In addition to reducing the restrictions on the entry of FDI, they are actively liberalizing their FDI regimes. FDI is a major source of economic development of developing and under developing countries (Lall, 2000; OECD, 2000; Zhang, 2001b).

Objectives

- To study most populated and huge country of the world and it has a scope of attracting a lot of foreign investors.
- To examine has been intended towards achieving the same thing to determine FDI patterns in India.
- To evaluate of FDI enhances the domestic competitiveness, provides the opportunity of taking significant advantages of international trade technology,

Materials and Methods : The research proposes to use qualitative research tools to empirically support the arguments of this research paper that successful companies in India do value foreign direct investment. The researcher has adopted the doctrinal method in order to study the development of FDI in Indian context and would further adopt the empirical research to find out whether successful companies of MNCs in India value social responsibility and standards of ethics.

Importance of FDI from Investors

Perspective: As host countries are getting advantages of FDI and, the investors are also not far behind in terms of their benefits. FDI assist the investing company in a number of ways. FDI enhances the domestic competitiveness, provides the opportunity of taking significant advantages of international trade technology, contributes towards increasing of sales and profit, extends sales potentials of the existing products, maintains cost competitiveness in the domestic market set-up, enhances possibilities of business expansion, helps in the process of obtaining global market share, reduce the dependency on existing markets, and also stabilize seasonal market fluctuations (Oman, 2000; Rajan, 2005; Rao et al., 1999). The advantages of FDI have been successfully utilized by the global pioneer companies in almost every sector. In doing so the companies always look for the best possible destinations where they can put their money safely and also those places have the highest possibility of generating profits (Sharma, 2000; Smarzynska, 2002). Talking about suitable destinations for FDI reminds us about India in this 21st century.

Why India? Huge Market Size and a Fast-Developing Economy

India is the second largest country in the world just behind China in terms of population. Currently the total population is about 1.2 billion. This huge population base automatically makes a huge market for the business operators to capture and also a major part of it is still can be considered as un-served or not yet been penetrated. Therefore, FDI investors automatically get a huge market to capture and also ample opportunity to generate cash inflows at relatively quicker times. The economy of



India is also moving at faster pace than most of the economy of the world and inhabitants of the country also obtaining purchasing power at the same rate (Athreye & Kapur, 2001; World Bank, 2004)

Availability of Diversified

Resources and Cheap Labor Force

The huge advantage every company gets by investing in India is the availability of diversified resources. It is a country where different kinds of materials and technological resources are available. India is a huge country and has forest as well as mining and oil reserve as well. These are also coupled with availability of very cheap labor forces at almost every part of the country. From Mumbai, which is in the west to Bengal which is in the east there is ample opportunity to set up business venture and location and most importantly labor is available at low cost (Bhandari & Tandon, 2002).

Increasing Improvement of Infrastructure

A lot of research study in India finds out that historically the country fails to attract a significant amount of FDI mainly because of problems in infrastructure. But the scenario is changing. The Indian government has taken huge projects in transportation and energy sectors to improve the case. The projects for developing road transport is worth of \$90 billion, for rail it has undertaken several projects each worth of \$20 million and for ports and airports the value of development projects is around \$ 80 billion. In addition, the investment in energy development is worth of \$ 167 billion and investment in nuclear energy development is outside that calculation. These huge investments are changing the investment climate in the country and investors will benefit hugely by that

(Department of Industrial Policy and Promotion, 2005; Dua & Rasheed, 1998)

Public Private Partnerships

Another significant advantage foreign investors experience in India today is the opportunities of PPP or Public Private Partnership in different important sectors like energy, transportation, mining, oil industry etc. It is advantageous in several ways as it has eliminated the traditional tirade barriers and also joint venture with government is risk free up to the great extent (GOI, 2007; IMF, 2005; Nagaraj, 2003).

IT Revolution and English Literacy

Today the modern India considered being one of the global leaders in IT. India has developed its IT sectors immensely in last few years and as of today, many leading firms outsource their IT tasks in India. Because of IT advancement the firm which will invest in India will get cheap information access and IT capabilities as Indian firms are global leader. Along with that Indian youth are energetic and very capable in English language which is obligatory in modern business conduction. This capability gives India an edge over others. Foreign firms also find it profitable and worthy investment by recruiting Indian HR (GOI, 2006; GOI, 2007; IMF, 2005; Lall, 2002).

Openness towards FDI

Recently the Government of India has liberalized their policies in certain sectors, like Increase in the FDI limits in different sectors and also made the approval system far easier and accessible. Unlike the historical tradition, today for investing in India government approval do not require in the special cases of investing in various important sectors like energy, transportation, telecommunications etc



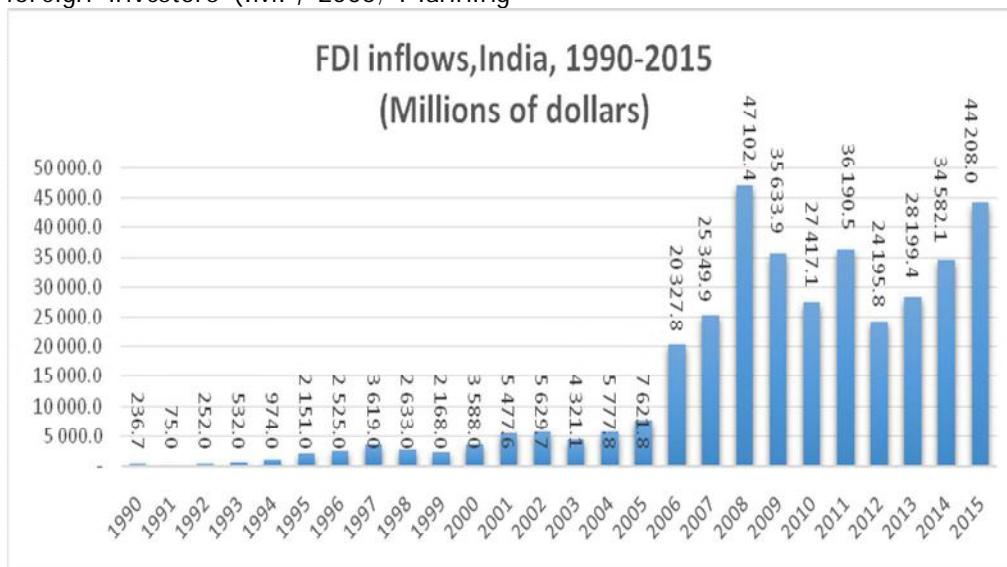
Regulatory Framework and Investment Protection

In the process of accelerating FDI in the country the government of India has make the regulatory framework lot more flexible. Now a day's foreign investors get different advantages of tax holiday, tax exemptions, exemption of service and central taxes. The government also opened few special economic zones and investors of those zones also get a lot of befits by investing money. Apart from that there are number of laws has been passed and executed for making the investments safe and secure for the foreign investors (IMF, 2005; Planning

Commission of India, 2002; World Bank, 2004).

Study of FDI Inflows over the years:

India is a compelling investment case, as a result of the size of the population and the current relatively low GDP per capita. 431 million Indians have been elevated from poverty since 1985. It is Second largest workforce in the world 467million. India has a whopping 30% share of the addition to the global work force between now to 2020. Cumulative FDI inflow amount from 2000 to 2015 is of 355 Billion. India ranks at 10th in FDI inflows as per UNCTAD.



Present Status Quo:

Under the Foreign Direct Investments (FDI) Scheme, investments can be made in shares, mandatorily and fully convertible debentures and mandatorily and fully convertible preference shares¹ of an Indian company by non-residents through two routes i.e., Automatic and Government Route. The restrictions have been laid down in Annexure A and B in FEMA,1999.

Make in India:

Make in India is an initiative launched by the Government of India to encourage multi-national, as well as national companies to manufacture their products in India. It was launched by Prime Minister Narendra Modi on 25 September 2014. India emerged, after initiation of the program in 2015 as the top destination globally for foreign direct investment, surpassing the United States



of America as well as the People's Republic of China. In 2015, India received US\$63 billion in FDI. Prime Minister Narendra Modi launched "Make in India" on 25 September 2014 in a function at the Vigyan Bhavan. On 29 December 2014, a workshop was organized by the Department of Industrial Policy and Promotion which was attended by PM Modi, his cabinet ministers and chief secretaries of states as well as various industry leaders. The major objective behind the initiative is to focus on job creation and skill enhancement in 25 sectors of the economy. The initiative also aims at high quality standards and minimizing the impact on the environment. The initiative hopes to attract capital and technological investment in India. In August 2014, the Cabinet of India allowed 49% foreign direct investment (FDI) in the defense sector and 100% in railways infrastructure. The defense sector previously allowed 26% FDI and FDI was not allowed in railways. This was in hope of bringing down the military imports of India. Earlier, one Indian company would have held the 51% stake, this was changed so that multiple companies could hold the 51%. Between September 2014 and November 2015, the government received ₹1.20 lakh crore (US\$18 billion) worth of proposals from companies interested in manufacturing electronics in India. 24.8% of smartphones shipped in the country in the April–June quarter of 2015 were made in India, up from 19.9% the previous quarter.

Make in India focuses on the following twenty-five sectors of the economy i.e., Automobiles, Automobile Components, Aviation, Biotechnology, Chemicals, Construction, Defense manufacturing

Electrical Machinery, Electronic systems, Food Processing, Information Technology and Business Process Management, Leather, Media and Entertainment, Mining, Oil and Gas, Pharmaceuticals, Ports and Shipping, Railways, Renewable Energy, Roads and Highways, Space and astronomy Textiles and Garments, Thermal Power, Tourism and Hospitality and Wellness

Effect of Demonetization on FDI:

This move should improve India's position on transparency and corruption in the global league table enabling higher capital flow (FDI/FII) into India. Also, demonetization will increase bank's deposits by a huge margin. This will also increase the lending activity because banks have a CRR (cash reserve ratio) to maintain and with more deposits they can do more lending. Credit (loans) will become easier and interest rates may come down. Thus, it will attract more foreign investments in near future. Further, the move will probably push down property prices, including land prices as investors will not be able to utilize their cash in real estate and thereby forcing builders to sell at lower prices. Greater transparency in Indian real estate sector will assist in improving the country's image and attract more foreign investments. It's perhaps the most significant move ever taken to curtail the parallel economy. It will give a sharp boost to all formal channels of payments (**a shift from cash economy to cashless digital economy**) which in turn will help the formal economy to grow at a faster clip in the long term. (Neeraj Bhagat & Co.)

Conclusion:

In this hyper competitive and ever changing business environment no



business organization is certain about tomorrow. That forces them to look for new destination and new market to capture. The emerging market of India without any doubt poses suitable choice for those companies. Huge population and huge countryside is certainly making those places even more attractive. There are several benefits in investing in India like-very bright future, cheap labor and raw materials, sound infrastructure, huge market availability. Easiness in regulatory framework, efficient human resources, investment protect and also efficient promotion mechanisms. There is a significant effect of Demonetization on currency which enables India as emerging and attractive destination for the Foreign Countries.(Neeraj Bhagat & Co , Brewer, 1993; Agarwal & Ramaswami, 1992; Lipsey, 2000).

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Agrarian crisis in Telangana – The way forward

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Abstract : This study presents on Agrarian Crisis in India as well as in the state of Telangana. Agriculture is an important sector of the economy of the country. It provides not only food to the people but also employment above 60 per cent of the population both directly and indirectly. Economic reforms initiated in India during 1991 have put Indian economy on a higher growth trajectory. Annual growth rate in total gross domestic product (GDP) has accelerated from below 6 percent during the initial years of reforms to 7.6 per cent in 2015-2016. Agriculture, which accounted for more than 30 per cent of total GDP in the beginning of reforms failed to maintain its pre-reform growth or keep pace with growth in the non-agricultural sector (Chand, 2005). Agriculture is the foundation for economic development. Agrarian crisis was passing through from time to time. However the agrarian crisis is reportedly deepening since the neoliberal policies initiated in the country. This paper particularly focuses on Agriculture farmer's suicides in Telangana state and agrarian situation.

Keywords: Agrarian, Crisis, Unbearable, Perception

Introduction

More than twenty five years of economic liberalisation had adversely affected the Indian agriculture. The most prominent sign of this is in the drastic decline in the growth rate of food grains. The rate of growth of agricultural output was gradually increasing in 1950-1990, and it was more than the rate of growth of the population. In the 1980s the agricultural output grew at about four per cent per annum. India has attained self-sufficiency in wheat and rice. But after liberalisation and towards the end of the 90's the rate of growth declined to 2 per cent. The rate of growth of agriculture and allied sectors was just one per cent per annum during the year 2002-05. As a result, per capita availability of food grains decreased; the growth rate of population became higher than that of food grains and India started to import food grains at a much higher price than that in the domestic market. Further, agriculture (including allied activities) accounted for only 14 per cent

of the Gross Domestic Product (GDP-at constant prices) in 2012-13 (Economic Survey, 2013-14) while it was 15.2 per cent during the 11th plan period. But, the role of agricultural sector remains critical as it accounts for about 54.6 per cent of the employment in the country, (2011 census) apart from being the provider of food for the people, fodder for livestock and raw materials to industries. Based on the fact that, the relative contribution of agriculture to the GDP has been declining over time whereas there is not much decline in the percentage of people depending on this, it could be inferred that the performance of the sector is depressing. In general, the poor performance of agricultural production and food production is not a healthy sign for the economy.

What are farmer suicides? Farmer suicides are a socio-economic phenomenon. Up until the 1990s, the government of India did not recognise farmer suicides as a social epidemic plaguing rural India. Farmer suicides



farm suicides are those that occur due to crushing debts that farmers agricultural labourers incur due to the problems they face in continuing with agriculture low yield, lack of rains, loans (they take for agricultural up gradation of their land farm) etc.

Earlier studies on Agrarian distress in India

In recent time, identified high incidence of indebtedness among the farmers as the major causative factor for agrarian distress and it's resulted in farmers' suicides in India (Charyulu .Y ,2013). Agriculture sector in India as gambling in monsoon, in Punjab approximately one suicide is happening every day, about 87 per cent of them were small farmers and agricultural labourers. Suicides in Punjab are the result of mental stress and this mental stress is most often caused by poverty and indebtedness' (Dealluck Irengbam, 2012). The acreage under the transgenic Bt cotton seeds in India has risen significantly since its legalisation in the year 2002. On empirical evidence, though limited, brings out the problem of how a high cost technology could be associated with higher risks and may be dominated by traditional alternatives under certain conditions. A formidable test of sustainability of an agricultural technology and its ability to protect farmers against downside risks is how it fares in the eventuality of crop loss in worse seasons (Gaurav Sarthak and Srijit Mishra, 2012). There is a general perception that unbearable burden of debt and augmented competitions from imports are indicative of a crisis in Indian agriculture. In this paper an attempt has been made to find out the trends in agriculture, causes of the crisis, problems faced by the agriculture sector and at the end some remedial measures

are suggested for the betterment of this sector. To overcome the hurdles in this sector especially the farmers in the rural areas should be empowered with credit facilities (Lipishree Das, 2015). All these studies covered various aspect of agrarian distress. But the present study examine the agrarian crisis in Telangana.

Objectives of the Study

Specific objectives of the study are as follows

1. to ascertain the status of agrarian crisis in India as well as in Telangana
2. to analyse the cropping pattern, economies of agriculture of selected farmers
3. to study the Agrarian crisis in Telangana, in particularly the farmers suicides in selected sample respondents

Methodology

The present study was conducted in the agrarian state of Telangana. It will focus on the dismal state of agriculture in the Warangal district of Telangana state. The state was selected for study as 2/3rd of the farmer suicides have been noticed in the Telangana state and among which Warangal district has seen the highest rate of famer suicides in the state. The district's agriculture sector has seen some bad times with drought, crop failures resulting from pests and attack from diseases and the non-availability of credits playing their part. The primary sources of the data have been gathered from the families of deceased farmers from three mandals of the district namely Dharmasagar and Atmakur and the major observation focuses on the farmer suicides which took place during the period of 2014-2015.

Drought and Telangana



After a prolonged struggle for six decades, the hopes and expectations to achieve a separate state hood for Telangana region was to cherish Achhe Din for agriculture sector, which was under distress during undivided Andhra Pradesh. However, an appalling situation continues, wherein the farmer suicides and severe drought has been haunting the Telangana region till today. Telangana is mainly dependent on rainfall for crop production change in climate has severe impact on farming; shortage of rains greatly reduces yields and profitability. The deccan plateau in general has prolonged dry spells, high incidences of rainwater run-offs causing soil erosion. The area receives most of the rainfall from the south-west monsoon during June to September. October to December is dry. Simply put, the physical terrain of Telangana region is such that it needs adequate rainfall in order to be agriculturally sustainable.

The agrarian make-up of Telangana

Most farmers in the state do not own the land they cultivate. According to NCRB reports, a majority of those who committed suicide were small and marginal farmers. Together, they account for 72.4 percent of total farmer suicides. According to the Reserve Bank of India, farmers with landholding of up to 1 hectare are considered as marginal, those with more than 1 hectare and less than 2 hectares are considered small farmers. Landless agricultural labourers (cultivators who take the land on lease), tenant farmers, oral lessees and share-croppers are also defined under this.

Why do farmers commit suicide?

According to the National Crime Records Bureau, a total of 5,650 farmers committed suicide in India in 2014, accounting for 4.3 percent of total suicide victims in the country. Two of the major

causes for farmer suicides are: Bankruptcy or indebtedness and family problems, Crop failure. Some of the reasons for suicides are mounting debts, increasing costs of cultivation. Subsidies are decreasing and costs of inputs are increasing with reduced access to means of production. Environmentally, the soil conditions are incompatible with cropping patterns, leading to infertility of the soil. Dependence on water intensive crops is placing high pressure on irrigation systems, causing breakdowns.

Table-1 Big Five States Farmer's Suicides

States	Farmer's Suicides
Maharashtra	2568
Telangana	898
Madhya Pradesh	836
Chattisgarh	443
Karnataka	321

The farmer suicide phenomenon is concentrated in five states: Maharashtra, Telangana, Karnataka, Chattisgarh and Madhya Pradesh. Maharashtra has the highest incidences, with NCRB pegging the number at 2568 in 2014, followed by 898 victims from Telangana. 2014 in the state government has admitted in the state assembly that 430 famers ended their lives in last 15 months. However, the political parties and non-governmental organizations alleged that nearly 2000 famers committed suicide since the separate state came into existence. As per published reports nearly 34 farmers committed suicide in a single village in the Medak district. A total of 37,912 farmers committed in Andhra Pradesh and Telangana in the last 20 years. Telangana's agrarian crisis is real, with debilitating stories that



underlie these statistics. According to NCRB data, India's agrarian population is 48.9 per cent however, this does not mean that nearly half of the country's people are farmers, but that over 600 million Indians are deployed in a wide variety of related farm activity. Agriculture farmer's suicides in telangana. Since 2nd June 2014 to 31st December 2014 Puts the number at more than 300 farmer's suicides. Most of these farmers' suicides in Warangal (72), Karimnagar (38) and Medak (61) districts. However, all farmer suicides are related to crop failure, low yield, lack of rains and indebtedness. Warangal has the highest farmers suicides in telangan state.

Age of the deceased farmers

Age plays an important role in farming activities. It is generally believed that the farmers of middle aged groups are more dynamic and also experienced in taking up farming activities. Age influences thinking of the farmers many a time. Usually the younger farmers are better-off in understanding the problems and facing misery and suffering. However, the middle aged people do not have adequate mental strength and courage to face the losses and sufferings. Generally, they lose their hope on future. Table-3 describe that the farmers are grouped into four categories. First category consists of farmers below 25

years and the second group between 26 and 40 years, the third between 41 and 55 years and the fourth between 56 years and above. It is observed from Table 5.5 that at the overall level, only 5 per cent of the farmers' community suicides are below 25 years. About 44 per cent of them are in the age group of 41 to 55 years, while 22 per cent of them are in the age group of 26 – 40 years.

Social relations in the villages

Social relations are connected to farmers' suicides directly or indirectly in addition to economic relations. The distress of farmers or suicides may have a chance to be prevented if people in the village extend their counseling and sympathy etc., to the farmers in distress. The tradition of consoling each other in case of difficulties is fast disappearing in the villages. People in the villages are neither sympathetic nor helping the farmers in distress. The table-4 reveals the social relation in the selected villages. In the case of cordial relation percent 22.13, sympathetic 24.55, helping 28.55, consoling in case of difficulties 25.75 in the responded the selected villages. The highest percentage recorded in the case of helping.

Table-2 Farmers Suicides in Telangan

Districts	No. of Farmers Suicides		
Adilabad	35	Mahboob nagar	23
Karimnagar	38	Medak	61
Khammam	10	Nalgonda	37
Warangal	72	Nizamabad	13
		RangaReddy	11



Table-3 Age particulars of the Respondents

S. No.	Category	Age				Overall
		< 25 Years	26 - 40	41 - 55	56 and above	
1	< 1 acre	02 (6.67)	10 (33.33)	10 (33.33)	08 (26.67)	30 (100.00)
2	1 - 2.5 acre	05 (7.14)	24 (34.29)	28 (40.00)	13 (18.57)	70 (100.00)
3	2.5 and above	02 (3.17)	12 (19.05)	34 (53.97)	15 (23.01)	63 (100.00)
Total		09 (5.52)	46 (28.22)	72 (44.17)	36 (22.09)	163 (100.00)

Source: Primary Data.

Table-4 Particulars of Social Relations in the Village of Selected Farmers

S. No.	Category	Social Relation in the village				Overall
		Cordial relation	Sympathetic	Helping	Consoling in case of difficulties	
1	< 1 Acre	12 (16.44)	18 (24.66)	23 (31.51)	20 (27.39)	73 (100.00)
2	1 - 2.5 Acres	42 (20.09)	56 (26.79)	62 (29.67)	49 (23.45)	209 (100.00)
3	2.5 and above	56 (26.05)	48 (22.33)	57 (26.51)	54 (25.11)	215 (100.00)
Total		110 (22.13)	122 (24.55)	142 (28.57)	123 (24.75)	497 (100.00)

Source: Primary Data

Economics of Selected Crops

Table 5 Net Returns from Selected Crops (Amount in RS.)

S. No.	Category	Crops			Total
		Cotton (income)	Paddy (income)	Maize (income)	
1	< 1 Acre	-155460	-325331	-41906	-522697
2	1 - 2.5 Acres	-1212227	-109328	-65357	-1386912
3	2.5 and above	-1326490	-59358	-16278	-1402126
Total		-2694177	-494017	-123541	-3311735

A detailed enquiry is made into costs and returns of the important crops cultivated by the selected farmers. All the input costs are computed. Cost of



cultivation includes costs on inputs, labour, bullock, machinery etc. Returns include the value of main product and also by-product. In cotton there is no value for by-products. The only by-product is cotton stalks. In paddy and maize, fodder is the byproduct which has a significant economic value.

Major causes of farmers' suicide

The causes of or contributory factors for farmers' suicides are presented in the Table below in some cases. The victims' family members mentioned more than one cause for farmers' suicides.

Table-6 Major Causes of Farmers' Suicides

S. No.	Problems	Percentage of farmers %
1	Indebtedness	94
2	Crop loss, crop failure and risk factor	70
3	Input related problems	60
4	Failure of agriculture extension	70
5	Lack of storage and marketing facilities	55
6	Lack of remunerative price	50
7	Absence of agricultural insurance	10
8	Psychological factors	30

Source: Primary Data.

Conclusions

To conclude it can be said that agricultural sector in India is facing a crisis today. The globalisation process, which started in the 1990s, is one of the reasons for this crisis. The solution of the problem is not in a few "packages" but in drastic changes in the present economic policies related to agriculture. For this, the government should be ready to take bold steps. Farmers, agricultural labourers and people's organisations in civil society should work collectively to assist and persuade the government to make the necessary changes. Especially the farmers in the rural areas, become prosperous and are really empowered, food processing and preservation, farm-to-market linkages, agricultural research and extension, large-scale development of bio-diesel, modernization, mechanization and commercialization of agriculture.

Role of credit to agriculture cannot be viewed just as a support to food-producing activity but it should focus "need to improve the overall income and economic well-being of the farmers" as agriculture has been the basic requisite for national sovereignty. So the arguments that agrarian crisis is fully due to globalization and economic policies of the government of India are not acceptable. The state governments can play active role in initiating economic development and averting the negative effects of globalization. We should have good economic policies mitigating the native effects of globalization and neo-liberal policies and global developments.

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Green revolution & modernisation of agriculture

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Abstract: Green revolution is a term to an increase to the major increase in an agricultural productivity obtained in developing countries by the introduction of high yielding, disease resistant seeds. It is applicable to rice wheat in particular. Adequate water supplies and the use of artificial fertilizers have been necessary requirements for the success of policy. In the same developing countries doubled and even triple cropping has become possible of the new seeds. Yields have increased dramatically in some areas. The Green Revolution spread technologies spread technologies that already but had not been widely implemented outside industrialised nations. These technologies included modern irrigation projects, pesticides, synthetic nitrogen fertilizer and improved crop varieties developed through the conventional science based methods available at the time. Modernization consists largely of using improved seeds, modern farm machinery such as tractors, harvesters, threshers etc. The period from 1966-67 to 1980-81 represents agricultural development, which was marked agriculture by widespread modernization of agriculture coupled with a significant increase in capital investment. In fact during this period the gross capital formation as a proportion of gross domestic product in agriculture increased sharply to more than 9% from the average level of around 6% observed during the pre-green revolution period. The strategy of modernization agriculture is likely to succeed only to the extent to which the individual farmers actually use modern agricultural inputs. In India, the government adopted the policy of providing a wide range of incentive to the farmers in the specific subsidies on modern agricultural inputs.

Keywords: Green Revolution, Agricultural productivity, Irrigation, Agricultural Inputs, modernization, capital investments

Introduction:

The term Green revolution was first used in 1968 by former US Agency for international Development (USAID) director William Gaud, who noted the spread of the new technologies. "These and other developments in the field of agriculture contain the makings of a new revolution. It is not a violent Red Revolution like that of the Soviets, nor is it a white Revolution like that of the Shah of Iran. I call it the Green Revolution". Norman Borlaug the "Father of Green Revolution," who received Noble peace prize in 1970, credited with saving over a billion people from farm starvation, involved the

development of high-yielding varieties of cereals, expansion of irrigation infrastructure, modernization of management techniques, distribution of hybridized seeds, synthetic fertilizers, and pesticides to farmers.

The Green revolution in India caused a big change in India taking it forward in the direction of development it faced lots of problems but it continued and was successful. The Green Revolution in India was a period when agriculture in India increased its yields due to improved agronomic technology. Green Revolution allowed developing countries, like India, to overcome poor agricultural



productivity. It started in India in the early 1960s and led to an increase in the food grain production, especially in Punjab, Haryana and Uttar Pradesh during the early phase. The main development was higher-yielding varieties of wheat, which were developed by many scientists, including American agronomist Dr. Norman Borlaug, Indian Council of Agricultural Research also claims credit for enabling the Green Revolution, in part by developing rust resistant strains of wheat.

Modernization consists largely of using improved seeds, modern farm machinery such as tractors, harvesters, threshers, chemical fertilizers and pesticides in an optimal combination with water. Modernization of agriculture is a process of transforming agriculture from traditional labour-based agriculture, to technology based agriculture. It is one of the fundamental issues in agricultural policies, particularly in countries, where agriculture is less developed. We can see that in many countries agriculture is a sector of economy which keeps a greater distance than remaining sectors from modern technological and IT solutions as management methods, but also with regards to the utilisation of the institutional settings. The speed and the scope of the creation and implementation of modernisation of farms ensure their permanent competitive edge.

The major research problem of Green Revolution is inter-crop imbalances. The effect of Green Revolution is primarily felt on food grains. Although all food grains including wheat, rice, jowar, bajra, all maize have gained from the green revolution, it is wheat which has been

benefited the most. Green Revolution Technology has given birth to growing disparities in economic development at inter and intra regional levels. It has so far affected only 40 percent of total cropped area and 60 percent is still untouched by it. The most affected areas are Punjab, Haryana and western Uttar Pradesh in the north and A.P. and Tamil Nadu in the south.

Modernization of Agriculture Approach had a negative impact on the ecological environment and more expensive for small farmers in rural area.

Review of Literature

Bhalla, G.S & Singh (2001) stated that the introduction of new seed fertilizer technology during the mid 1960's was a major breakthrough that transformed the rural scenario in India. During the early phase of the green revolution the new High Yield-Variety (HYV) technology was more or less confined to Punjab, Haryana and some districts in western Uttar Pradesh in North-Western India. Its introduction brought about some major changes in the nature and pattern of agricultural development in India. There was a big increase both in the area under cultivation and the output of these crops resulting in acceleration in growth rates of output in the areas that had adopted the new technology.

A study conducted by Singh, H.K.M. (1979) highlights that modernization of agriculture in Punjab has resulted in increased employment per hectare of cultivated area for all kinds of female labour. In the case of male labour there was a small decline in the employment



per hectare in 1980-1981 compared with that in 1970-72 and wider application of new agricultural strategy has resulted in reducing the differences in the wages rates of men and women. Anuva Aaikia (1985) studied work participation rate of females depend on crop intensity and economic compulsion to engage in farm activities of Jorhat and Sibsagar districts, Assam. Females worked as casual labour on the farmers during specific farm operations. The average female work participation rate was higher on marginal farms. Dangat and Yadav(1985) have discussed the role of women in crop production in Ahmednagar district the role of women in Maharashtra. They observed that the proportion of hired female labour used on the farm to the total hired human labour was higher as compared to that of family female human labour. This may be due to the lower wage rates for the females than for the males and their relatively more use on larger farms. The use of female labour for various farm operations, the operations like stubble collection and weeding were exclusively carried out by the females. Dhongada, Patil S.D. and Patil S.J. (1985) have attempted the nature of participation of family women labour for the three crop regions, namely, jower regions, namely, jower region, cotton region and sugarcane region in Maharashtra. The participation of family women labour in size group of holdings. The participation of family women labour in farm activities is related to the economic development of the area and the farmers. The participation was relatively low developed sugarcane area and also on the larger holdings which are financially better.

Methods: The study is based on secondary data. The secondary data obtained From various published and unpublished Reports, books, Journals, Internet and other sources etc. The data collected from secondary sources would be scrutinized, tabulated and analyzed with the help. The prime objective of the present study is to Green revolution and Modernization to present the brief profile about food production and to evaluate the crop productions and mechanization of Agriculture.

Results and Discussion

The area of land under cultivation was increased right from 1947. but this was not enough in meeting with rising demand. other methods were required. yet, the expansion of cultivable land also had to continue. double cropping was a primary features of the Green revolution. The Green Revolution resulted in a record grain output of 131 million tons in 1978-79. This established india as one of the world's biggest agricultural producers. no other country in the world which attempted the Green Rvolution recorded such level of success. india also became an exporter of food grains around that time. Yield per unit of farmland improved by more than 30 percent between 1947 and 1979 when the Green Revolution was considered to have delivered its good. The crop area HYV varieties grew from 7 percent of total cultivated to 22 percent of the total cultivated area during the 10 years of the Green Revolution. More than 70 percent wheat crop area, 35 percent of the rice and 20 percent of the millet and commercial crop area, used the HYV seeds. Crop area under high-yield varieties needed more water, more fertilizer, more pesticides, fungicides other



chemicals.the increase in irrigation created need for new dams to harness monsoon water.india paid back all loans it had taken from the world bank and its affiliates for the purpose of the Green Revolution.This improved india's credit worthiness in the eyes of the lending agencies.some developed countries ,especially Canada which were facing a shortage in agricultural labour ,were so impressed by the results of india's Green Revolution.that they asked the Indian government to supply them with farmers experienced in the methods of the Green Revolution.

Conclusion: Green revolution and modernization of agriculture influenced the economy and way of life in india to a great extent as is evident from the following points.increasing in agriculture production,prosperity of farmers,reduction in import of food-grains,capitalistic farming,rural employment and change in the attitude of farmers.

Wolf Laderjinsky has rightly concluded that "where the ingredients for new technology are available,no farmer denies their effectiveness.The desire for better farming methods and a better standard of living is growing not only among the relatively small number of affluent farmers using the new technology,but also among countless farmers still from outside looking on".

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Food security in India: concept, realities & innovations

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Abstract: Nourishment security, when all is said in done, is progressively influenced by worldwide monetary and ecological marvels. Under this, the nourishment costs are influenced because of sustenance shortage which causes social and political unsteadiness, and can heighten compassionate emergency. In this setting it is ideal to concentrate the meaning of nourishment security given by the Rome Declaration on World Food Security at the World Food Summit, held in 1996. The issue of underinvestment in farming similarly as the status of India w.r.t. world is aggravated amid financial turmoil, since when both private and open spending plans contract, speculations have a tendency to be sliced to a more prominent degree than different consumptions in all segments – including agribusiness. In attempting to adapt to the weight of back to back sustenance and financial emergencies certain advances in the territory of bio-nanotechnology would go far in helping nourishment security. Bio-nanotechnology will take farming from the time of hereditarily changed (GM) products to the overcome new universe of molecularly altered life forms. This paper is isolated into three sections and manages calculated survey, substances government measures and at last advancements towards sustenance security.

Keywords : Food security, government, nourishment, underinvestment

Conceptual Review:

The word Food Security itself has gone under severe transition so as to actual Food Security as well. Consider the definition of Food Security given by – At the World Food Summit 1974 food security is defined as, “Availability at all times of adequate world food supplies of basic foodstuffs to sustain a steady expansion of food consumption and to offset fluctuations in production and prices”. In 1983, FAO - “Ensuring that all people at all times have both physical and economic access to the basic food that they need.” World Bank in 1986 – “The access by all people at all times to enough food for an active and healthy life.” In 1996, World Food Summit redefined the definition of food security as, “food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food

preferences for an active and healthy lifestyle”. In 2002 again, FAO Expert Consultation on Food Security gave a working definition of food security as, “Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life.”

An FAO report, August 2008, defines food security in terms of the following four key aspects:

- **Food Availability** – Sufficient availability of food with the nation through domestic production, net imports (commercial or food aid) and carry-over of stocks.
- **Food Access** – Individuals capability to purchase food and to be able to procure food through safety nets or availability.



• **Food Utilization** -

Consumption of food by the household in a proper form. It also takes into account food preparation, storage and utilization, food safety, nutritional safety and dietary balance.

• **Food Vulnerability-**

Vulnerability of the population to food insecurity due to physiological, economic, social or political reasons.

Taking this into consideration we are now in position to understand the concern of food security with its historical perspective and the realities associated with it. The case of food security is as important to India as it is for the rest of the world. The researchers concentration is on the case pertaining to Indian perspective. The first green revolution in India began in 1960s. It resulted in increasing food grain production. It was the combined effort of high yield seeds, extensive use of fertilizers, land reforms and irrigation schemes that resulted in this remarkable achievement. Although, it was enough to feed everybody about 2,200 calories a day but in the last ten years, India has added 150 million more mouths to feed at the same time has increased food production by only 15 million tons.

INDIA, at present finds itself in the midst of a paradoxical situation: endemic mass-hunger coexisting with the mounting food-grain stocks. The food grain-stocks available with the Government stand at an all time high of 62 million tonnes against an annual requirement of around 20 million tonnes for ensuring food security. Still, an estimated 200 million people are underfed and 50 million on the brink of starvation, resulting in starvation deaths. The paradox lies in the inherent

flaws in the existing policy and implementation bottlenecks. To study this paradoxical situation a survey was conducted. The findings of the survey report reveals that the issue of food security shall be seen as "food insecurity" and that to the urban part of India. The country has got different types of problems w.r.t. Rural and Urban part. M.S.Swaminathan Research Foundation and the World Food Programme have brought out a report on food insecurity in urban India. The deprivation faced by households with regard to securing employment as well as access to amenities is the highest for those living in small towns. This finding has an important policy implication that programmes aimed at improving the living conditions of the urban population, especially the urban poor.

When families are faced with increased unemployment, declining wages and reduced demand for their work, they will attempt to maintain income through migration or participation in new types of economic activity. Alternatively, they will try to smooth consumption through selling assets, such as livestock, or borrowing when access to credit markets is feasible. They will also alter their spending patterns by decreasing expenditures on durable goods the most and on food the least. Food expenditures also shift towards calorie-rich, energy-dense foods (e.g. grains) and away from more expensive protein- and nutrient-rich foods.

Realities – Government measures:

The countries across the globe are seeing their economies slow and recede. No nation is immune and, as usual, it is the poorest countries – and the poorest people – that are suffering the most. As a result of the economic crisis, estimates



reported in this edition of *The State of Food Insecurity in the World* show that, for the first time since 1970, more than one billion people – about 100 million more than last year and around one sixth of all of humanity are hungry and undernourished worldwide. The current crisis is historically unprecedented, with several factors converging to make it damaging to people at risk of food insecurity. This will lead to a vulnerable situation. To understand this there are factors to be considered-

First, it overlaps with a food crisis which pushed the prices of basic staples beyond the reach of millions of poor people. The price increases had forced many poor families to sell assets or sacrifice health care, education or food just to stay afloat. With their resources stretched to breaking point, those households will find it difficult to ride out the economic storm.

Second, with developing countries today more financially and commercially integrated into the world economy than they were 20 years ago, they are far more exposed to shocks in international markets. This situation will conspire not only to cull employment opportunities, but also to reduce the money available for government programmes that are indispensable to promoting industrial as well as agriculture growth.

By now it is a clear-cut indication of what the food security means? According to the Food and Agriculture Organization at the United Nations, India has the largest number of poor, food insecure people in the world. Around 360 million people consume less than 80% of their minimum energy requirements, with women, children, the rural poor, lower-caste, and tribal populations disproportionately affected. India may be one of the worlds key

emerging economies, but it is finding itself under increasing pressure from food security issues. It is also pointed out that around two-third of the countrys inhabitants rely on farming as their main source of income. The paradoxical situation lies here that, though there is increasing reliance of earnings of Indians depends on agriculture as an occupation, but the picture shows that 21% less land is under cultivation in during August harvest of 2009 than the same period in 2008. This is due to a reduction in the availability of national water resources for agricultural purposes, deforestation and an uneven monsoon in July 2009. The resulting reduction in crop yields is likely to inject inflationary pressure into the economy, placing further strain on large sections of the populace. These conditions, meanwhile, continue to worsen as world food prices increase. Based on direct interviews with people who are most affected by food insecurity, country case studies conducted by the World Food Programme (WFP) included in its report give an insight into how households are affected by the fall in remittances and other impacts of the economic downturn. The case studies also show how governments are responding to the crisis by investing in agriculture and infrastructure and expanding safety nets. These interventions will help to save lives and families, although given the severity of the crisis, much more needs to be done.

Food security, thus, is a complex issue affected by a range of factors including agricultural development, capacity, international trade flows, poverty and income distribution, foreign aid, as well as macroeconomic policies and government programmes on nutrition and food fortification. Added to these are



the impacts of global population growth and climate change.

India's basic initiatives to ensure food security ranges from concerted efforts to boost agricultural production to far-ranging market interventions aimed at both income and price stabilisation. One of the first interventions by the Indian government was the passing of the Essential Commodities Act in 1955 to protect the poor from the vagaries of the market. The act conferred on the government the power to control production, supply and distribution of essential commodities to ensure equitable distribution of food grains at fair prices.

With this there are measures introduced to improve the access to food of the poor through public distribution (PD) and income generating schemes with the objective of making basic food grains available to all at affordable prices. The Government has set up the Food Corporation of India (FCI). The basic task of the FCI was a two fold activity. The *first* fold was to procure food grains at Minimum Support Prices (MSP) and the *second* fold was to regulate supply so that prices can be kept constant over a period by building a buffer stock.

For a bigger harvest in coming years, different initiatives have to be taken to the stagnant agriculture sector. These initiatives are aimed at the working solutions towards food security problem. This initiative could be three fold: Use technology together with newer cultivation techniques. Water management with harvesting excess Monsoon rainwater in the North and transporting it to the parched West and South. Ensuring a better return to the farmers.

Every possible move has been under Government of India's scanner. The latter is concerned about possible social upheaval, should the masses go hungry...? The forgoing is not only a serious challenge in India but a possible threat to China too. Both the countries India and China while focusing heavily on industrialization have not given due attention to food grains production. This is the time for both the countries to look into the matter more seriously and to shift focus from pure industrialization to agriculture too.

Innovations towards food security:-

Science and technology innovations have been key factors in achieving advances in agriculture. Plant breeding efforts, combined with improvements in agronomic practices have allowed us to keep pace with population growth in terms of providing an adequate level of food supply. Still, agriculture has to face tremendous challenges on many fronts and will have to play a critical role in the improvement process with Bio-technology for sustainable agricultural progress.

In view of stagnating food grain production and increasing consumption needs of the growing population, the Government of India launched a Centrally-sponsored scheme, the „National Food Security Mission. Its major objective was to increase productivity of wheat, rice and pulses on a sustainable basis so as to ensure the country's food security. The implementation of the NFSM is expected to increase rice production by 10 million tonnes, wheat by eight million tonnes and pulses by two million tonnes by 2011-12. This is also expected to create additional employment opportunities.



The following table shows the Scope and Impact of some of the remedial measures:

The following table shows the Scope and Impact of some of the remedial measures:

Government's Scheme	Target beneficiaries & Scope	Year of Launching	Aspect of the Scheme
Essential Commodities Act, 1955	General public & the same is Extended to the Whole of India	Launched in 1955	Availability
Integrated Child Development Scheme	Children and Pregnant Women from 33 Development Blocks out of 6118 blocks in the country; including 4790 in rural areas, 805 in tribal areas as well 528 in urban areas.	Launched in 1975	Utilisation
Mid-day Meal Scheme	Students in Govt. Primary schools and run by local bodies, covers the students of Class I-V	Launched in 1995	Utilisation
Village Grain Banks Scheme	The Ministry of Tribal Affairs Launched the scheme & the same is implemented by the Dept. Food & Public Distribution in 11 States for those who are willing BPL/AAY families (from food deficit areas).	Launched in 1996-97 & Implemented in 2004	
National Food for Work Programme (NFFWP)	Rural poor in need of employment and desire to do manual & unskilled work from the most backward districts (150).	Launched in 2000.	Accessibility
Antyodaya Anna Yojana	5 % of the population (@ 1 Crore of families) in the country who sleep without two square meals a day.	Launched in 2000.	Accessibility and Vulnerability
Sampoorna Grameen Rozgar Yojana (SGRY)	Women, Scheduled Castes, Scheduled Tribes and Parents of Children withdrawn from hazardous occupations of all the States & Union Territories	Launched in 2001.	Accessibility
National Rural Employment Guarantee Act (NREGA)	Rural Households primarily semi-skilled or unskilled workers living below the poverty line in rural India.	Launched in 2005.	Accessibility and Vulnerability
National Food Security Mission		Launched in 2007.	Availability
Rashtriya Krishi Vikas Yojana	Farmers of all States & UTs.	Launched in 2007.	
PDS	Below Poverty Line Population and intended to serve poor (more than 330 million families).		Accessibility and Vulnerability

Achieving the national objective of improving productivity of just the three crops (rice, wheat and pulses) is a challenge ahead of us. Use and effective implementation of existing and new

technology will be critical in productivity improvements, which is dependent on input costs, resource availability (soil health and water), environmental factors, market price and others.



How Technology Will Help?

Technology is going to play a major role to take the grain production from about 210 million tones today to 300 million tons by 2020 (i.e. 6% increase per year). This much food supply is needed to feed „the population which by then will be around 1.4 billion mark. Hence technology has to become essential part to deliver higher food grain supply needs. Technology will play its role in the following ways:

- Agricultural input management,
- Better seeds and cultivation techniques.

Bio-nanotechnology will help India's food security- Minister for Food and Agriculture Sharad Pawar said at New Delhi on Wednesday 19th September 2009 speaking at the inaugural session of the three-day Fifth Knowledge Millennium Summit on „B2B Bio and Nanotechnology organised by industry body Assocham that, “Advances in the area of bio-nanotechnology would go a long way in helping India's food security, Bio-nanotechnology takes agriculture from the era of genetically modified (GM) crops to the brave new world of atomically modified organisms”.

A farmer has to become a part agronomist and a part economist. He has to depend upon the information age to know the weather pattern in advance (prior to planting crop), inputs like fertilizers needed for a particular crop, pest control schedule to safeguard crop and maximize advantage from the local irrigation schemes. Once the crop is harvested, the storage and handling losses are to be minimized with careful planning and good local storage. A farmer has to become party to the distribution system to prevent mal-

distribution and handling losses. Also Indian agriculture is heavily dependent on labour, it is not fully mechanized. Although, tractor has become common in India to plough the fields, yet further mechanization until harvesting is scanty, off course it is due to underinvestment in agriculture where there is one very basic requirement which has to be taken care of by providing access to loans at priority rates. Thus, the future of the technology for increasing demand and shortages or probable shortages can be bridged by the application of newer technology, information science and changes management practices.

Conclusion:

In view of the above phenomena the problem of food security seems to be an important parameter for economic stability, humanity and as well for feeding the future of living things. It requires threefold activities. Use of safe Genetically Modified crops and use of better Bio-technological seeds and pesticides. Rehabilitation of barren land into cultivation with the fewer use of water resources, use of those crops which requires less water as a prime source as far as India is concerned due to more pressure of use of water comes from community supply for human beings (even at the cost of production activities). Use of increasing income policies by strategic planning of deployment of natural resources, availability of finance and by trade-off of information technology through bi-lateral policies with the help of Government.

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Food Security in India: Issues and Concerns

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Abstract: Agriculture is the backbone of India. About 60% of rural households depend on agriculture as a source of livelihood. It is also one of the largest contributors to GDP. Thus agriculture not only contributes to overall growth of the economy but also reduces poverty by providing employment and food security to the majority of the population in the country and thus it is the most inclusive growth sectors of the Indian economy. India has made immense progress towards food security. Indian population has tripled, and food-grain production more than quadrupled. There has been a substantial increase in available food-grain per capita. Sustainable growth in Agriculture continues to be core agenda for both the Central and State Governments. As agriculture sector is mainly rain fed and depends to a significant extent on the depleting ground water. This paper focuses on the performance and issues of food security in India.

Introduction:

Food production is the base for food security. The internationally accepted definition of food security is that given by the Food and Agriculture Organization of the UN (FAO) in the Rome Declaration on World Food Security, 1996, further refined in the FAO's State of Food Insecurity in the World, 2001. "Food security [is] a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life".

Swaminathan (1986) has stressed the need for shifting to the concept of 'Nutrition Security', which he has defined as "physical, economic and social access to balanced diet, clean drinking water, environmental hygiene, primary health care and nutritional literacy". Three dimensions *viz.* availability, access and

absorption are encompassed in the definition –

(i) **Availability** refers to the physical availability of food stocks in desired quantities. Using food grains as a proxy for food (reasonable enough in a context where food grains account for a large share of food intake), availability of food grain is given by domestic production net of feed, seed and wastage plus net imports plus draw-down of stocks. Physical availability in any location within a nation depends on storage and transport infrastructure and market integration within the national territory.

(ii) **Access** is determined by the bundle of entitlements, related to people's initial endowments, what they can acquire (especially in terms of physical and economic access to food) and the opportunities open to them to achieve entitlement sets with enough



food either through their own endeavours or through State intervention or both.

(iii) **Absorption** is defined as the ability to biologically utilize the food consumed. This is in turn related most crucially to the availability of safe drinking water, sanitation, a hygienic environment, primary healthcare and also to nutritional knowledge and appropriate practices.

Why food security is needed in India?

The International food policy research institute (IFPRI) classified the status of hunger into five category-low, moderate, serious, alarming and extremely alarming. **India falls into the category of alarming.** The most important aspect contributing to this development is the non availability of basic requirement of food. It has been observed that the consumption of food, in terms of nutrition and quantity, is lacking far behind.

India's Food Security Challenges:

Food security is the back bone of national prosperity and well being. The health of any nation is directly linked to food security. Food security may be defined as availability of food and access to it. A family is considered to be food secure when it's members do not live in hunger or fear of starvation. As per definition of FAO- Food Security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. There is direct relationship between food consumption levels and poverty.

In India approximately, 320 Indians go to bed without food every night and recent data is very much alarming and situation is going even worse. Food riots have taken in many countries of the world. It's becoming very difficult to maintain food security. In rural context , agriculture development for small and marginal farmer is the most important dimension of food security. The diversification of agriculture for food e.g., cereals, pulses, edible oil yielding, vegetable, fuel &, timber yielding plants, medicinal and fodder crops are necessary to meet the food and augment income to farmers to meet the food security. Natural vagaries like excessive rainfall, drought, and availability of water for irrigation, undulating topography, soil erosion, and soil type such as degraded soil, acidic &alkaline soil affect the food security. The income levels of farmer families govern the access to food affordability. Food distribution is a big problem. PDS (Public Distribution System) is not satisfactorily functioning. The families very poor within adequate income cannot escape food crisis. Globalization may and may not help food security. However, there are people who feels that globalization will definitely help food security due to trade but it's matter of debate. We will have to aim at food security in developing countries through increased and stabilized food production on an economically and environmentally sustainable technologies/ methods. Diversification in agriculture is highly required. We cannot afford to huger, malnutrition and famine.

Accordingly, all of us including Government policies seriously need to redesign in order to meet the present demand and fill the gap of exiting system in order to ensure food security to every



citizen of the country. **While making grain available to all is important, it is equally essential to ensure that all food supplied for consumption remains unadulterated and uncontaminated.**

Challenge of contamination:

□ Still, food security, which seeks to end starvation, does not abolish food adulteration. Virtually all items of food in India have chemicals or adulterants added to them, which make them unsafe to various degrees. Therefore, every public institution where food is served must ensure that what is served is chemically safe, nutritionally healthy and makes for the health of the nation.

□ This means an organised system of inspecting the quality of food offered in public places. We should be under no illusion that even godowns where grain is kept for easy distribution have enough safety features incorporated in them.

□ The business of making food appear appealing and attractive often spoils the quality of what we eat. To make the nation healthy, every citizen must be able to buy food that is free from contamination. This will involve a comprehensive process involving testing facilities or laboratories even in the villages. We must have a food safety project that makes what we eat wholesome. Food security cannot be guaranteed merely by the provision of a certain quantity of grain to each family but by ensuring that every grain that is distributed is wholesome and nourishing, and not noxious. The ideology of food safety is a composite one, beyond merely making grain available physically.

Measures Needed:

□ It is important to have a state-sponsored food safety foundation that

has branches all across each State, with equipment that can test food safety. An empowered force of trained food safety personnel should visit eateries, food stores, even festival venues where food is served, and take action where adulteration or contamination is detected through scientific means. The food safety police must have suitable powers conferred on them under legislative sanction. There should be an Act that provides statutory instrumentality to thus ensure the health of the people. A safety police force operating under the Health Ministry with powers of seizure is a new concept that will require an amendment to the Food Safety Act. Policing the process is a fundamental obligation of the state.

□ The destiny of India is as yet uncertain. Jawaharlal Nehru said in a celebrated speech: "The service of India means the service of the millions who suffer. It means the ending of poverty and ignorance and disease and inequality of opportunity. The ambition of the greatest man of our generation has been to wipe every tear from every eye. That may be beyond us but as long as there are tears and suffering, so long our work will not be over."

□ The Food Safety Bill has a serious shortcoming, and this must be corrected by means of suitable amendments and policy reformation. The prices of vegetables and other necessary commodities for food consumption keep rising and it is still not clear what the government is doing to control the trend.

Issues faced in India:

In spite of surplus food-grains stock, it is also a reality that a vast number of people do not have enough money to feed themselves twice a day.



1. Inadequate and improper storage facilities for grains, which are often stored outside under tarps that provide little protection from humidity and pests.
2. Insufficient cold storage and cold chain transportation system is a major cause for fruits, vegetables and other perishable products to rot.
3. Poor roads and inefficient transport systems can cause massive delays. This in turn causes decay of temperature sensitive produce.
4. Limited reach of Mandis, which are currently the point of aggregation for agricultural produce. This poses problems for small farmers who don't have proper transport facilities at their disposal and have to travel an average of 12 km to the closest Mandi.
5. Multiple layers of middlemen between the farmer and the end consumer, driving up prices and reducing bargaining power and price transparency for the farmers. These intermediaries have led to a cost inflation of ~250% (over the cost of production).
6. Lack of a well-developed agricultural banking sector, which forces farmers to take loans with high interest from commission agents.
7. Lack of education and training on new techniques, technologies and agricultural products.
8. There has been a gradual shift from cultivation of food crops to cultivation of fruits, vegetables, oil seeds, and crops which act also as industrial raw materials. This has led to the reduction in net sown area under cereals, millets and pulses.
9. The use of more and more land for construction of factories, ware-houses and shelters has reduced the land under cultivation and now fertile land for farming, is no longer available.

10. The productivity of land has started showing a declining trend. Fertilizers, pesticides and insecticides, which once showed dramatic results, are now being held responsible for reducing fertility of the soil

Food-for-education programme: To achieve cent per cent literacy, the food security need can be productively linked to increased enrolment in schools. With the phasing out of PDS, food coupons may be issued to poor people depending on their entitlement. Modified food-for-work scheme/ direct subsidies: With rationalisation of input subsidies and MSP, the Central Government will be left with sufficient funds, which may be given as grants to each State depending on the number of poor. The State government will in turn distribute the grants to the village bodies, which can decide on the list of essential infrastructure work the village needs and allow every needy villager to contribute through his labour and get paid in food coupons and cash.

Storage & Contract – Overview: The storage function assumes paramount importance in organization such as Food Corporation of India because of its requirement to hold huge inventory of foodgrains over a significant period of time. Storage plan of FCI is primarily to meet the storage requirement for holding stocks to meet the requirements of Public Distribution System and Other Welfare Schemes undertaken by the Government of India. New Godowns are being constructed by FCI mainly through Private Participation under Private Entrepreneurs Guarantee Scheme. FCI is also augmenting and modernizing its storage capacity in the form of silos



through Public Private Partnership. for the last five Years:
Storage Capacity for Central Pool Stocks
(Fig in Lakh MT)

As on	Capacity with FCI	Storage Capacity Other Agencies	Total
01-04-2011	316.10	291.32	607.42
01-04-2012	336.04	341.35	677.39
01-04-2013	377.35	354.28	731.63
01-04-2014	368.90	379.18	748.08
01-04-2015	356.63	352.59	709.22
01-04-2016	357.89	456.95	814.84

Community grain storage banks:

The FCI can be gradually dismantled and procurement decentralised through the creation of food grain banks in each block/ village of the district, from which people may get subsidised food grains against food coupons. The food coupons can be numbered serially to avoid frauds. The grain storage facilities can be created within two years under the existing rural development schemes and the initial lot of grains can come from the existing FCI stocks. If culturally acceptable, the possibility of relatively cheap coarse grains, like bajara and ragi and nutritional grains like millets and pulses meeting the nutritional needs of the people can also be explored. This will not only enlarge the food basket but also prevent such locally adapted grains from becoming extinct. The community can be authorised to manage the food banks. This decentralised management will improve the delivery of entitlements, reduce handling and transport costs and eliminate corruption, thereby bringing down the issue price substantially. To enforce efficiency in grain banks

operation, people can also be given an option to obtain foodgrains against food coupons from the open market, if the rates in the grain banks are higher, quality is poor or services are deficient. A fund can be set up to reimburse the food retailers for the presented coupons. This competition will lead to constant improvement and lower prices. It must also be mandatory to maintain a small buffer stock at the State level, to deal with exigencies.

Enhancing agriculture productivity:

The government, through investments in vital agriculture infrastructure, credit linkages and encouraging the use of latest techniques, motivate each district/block to achieve local self-sufficiency in food grain production. However, instead of concentrating only on rice or wheat, the food crop with a potential in the area must be encouraged. Creation of necessary infrastructure like irrigation facilities will also simulate private investments in agriculture.

The focus on accelerated food grains production on a sustainable basis and free trade in grains would help



create massive employment and reduce the incidence of poverty in rural areas. This will lead to faster economic growth and give purchasing power to the people. A five-year transitory period may be allowed while implementing these. Thus, India can achieve food security in the real sense and in a realistic timeframe.

Recommendations:

There is a need to shift from the existing expensive, inefficient and corruption ridden institutional arrangements to those that will ensure cheap delivery of requisite quality grains in a transparent manner and are self-targeting. Futures market and free trade: The present system marked by input subsidies and high MSP should be phased out. To avoid wide fluctuations in prices and prevent distress selling by small farmers, futures market can be encouraged. Improved communication systems through the use of information technology may help farmers get a better deal for their produce. Crop insurance schemes can be promoted with government meeting a major part of the insurance premium to protect the farmers against natural calamities. To start with, all restrictions on food grains regarding inter-State movement, stocking, exports and institutional credit and trade financing should be renounced. Free trade will help make-up the difference between production and consumption needs, reduce supply variability, increase efficiency in resource-use and permit production in regions more suited to it.

Conclusion:

Global Hunger Index of 2013, India ranked 63rd out of 120 countries and this report is quite disturbing because India is one of the largest producers of food in the world. Overall, it may be concluded that food security in India can be

achieved by paying higher attention to issues such as climate change, integrated water management, agricultural pricing, inadequate storage capacity, unsuccessful delivery of public services, mismanagement of food products and crop insurance. Despite considerable effort being made to improve production, not much focus has been given to curb food supply chain losses. With over 1.2 billion people to feed, addressing the issue of food wastage is essential to India's efforts towards combating hunger and improving food security. The impact of globalization in the form of SEZs and other factors has been both positive and negative in terms of agricultural prosperity and there is a strong need to regulate the policies related to globalization for reducing its negative effects on food security in India. . Limit global warming, including the promotion of climate- friendly agricultural production systems and land-use policies at a scale to help mitigate climate change. In nutshell, Despite ensuring ample availability of food, existence of food insecurity at the micro-level in the country has remained a formidable challenge for India.

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Education system in Ancient India-An overview

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Introduction

The Education was imparted through religious institutions in the earlier times. The location of the school used to be in and around the place of worship. The prime objective of education was to inculcate knowledge of good life through religion and textbooks with religious ideas. Life skills and vocations were also introduced in some cases. Land grants, gifts, in kind and cash and charities were provided by kings, rulers, noble men and wealthy families to the religious institutions for the promotion of education. Education depended upon such gifts rather than on any political or secular means education being religious in character. It was limited to the privileged sections while the masters did not have any ways to reach up to. The education policy during the medieval period used to be according to the whims and families of the ruling class. It was individual rather than mass education. The religious lenders and the institutions had gained upper hand in.

Our education system is the oldest in the world and had some peculiarities which are not found anywhere in the world and we are proud of them even today. Maharishi Manu had declared the importance of education some thousands of years ago. Vedic Rishis had spread the knowledge not only in India but they had given the light of the knowledge, acquired by them to the entire world. They brought the humanity into light from the darkness of ignorance and spread the light of knowledge throughout the world.

Aim of Education: Religion occupied a prominent place in the Vedic period. The ancient Indian literature is the vehicle of religion. It also had the trend of religious publicity. Ancient Indian education system also developed on the same line. In India the knowledge was gained to attain salvation (Moksha). Dr. R.K. Mukerji says, "Learning in India through the ages had been prized and pursued not for its own sake, if we may so put it, but for the sake and as a part of religion. It was sought as the means of salvation or self-realization, as the means of highest end of life, viz., Mukti or Emancipation".

The ultimate aim of human society of that age was the achievement of Absolute (Brahma). It is fully pervaded in the entire visible world.

A man should engage in Karmopasana i.e. 'work of worship' and thus purify his inner senses and gain the 'Absolute'. The soul forgets the 'Absolute' due to ignorance and illiteracy and so it thinks itself as one who is neither born or dies and suffers in miseries. The Vedic Education was based on an organized and thought out scheme with a message to humanity.

The Form of Education

Vedic Education is considered as the main basis for Vedic Education. The literal meaning of 'Vedas' is knowledge. The word is derived from 'Vid' root meaning 'to know'; thus 'Veda' means the knowledge of various types.

Vedas are composed in verse but some portion of its written in prose. The knowledge of Aryan culture is stored in them.



It is said that Vedas were not written in ancient times and they were traditionally inherited by disciples and also by sons from their teachers (Guru) and fathers.

The four Vedas are Rig Veda, Yajur Veda, Sama Veda and Atharva Veda.

The Method of Education

The hymns of Rig Veda show that Vedic Education was carried on verbally, but there were two methods of Vedic Education: (i) first, the Rig Vedic hymns were composed, and (ii) second, they were preserved.

The first was based on the inward meditation, which enabled the formation of the hymns. The second was based on outward learning method which enabled the presentation. In Rig Veda Acharya Guru is called 'Agnipracheta' which means specially learned.

Vedic hymns were the traditional properties of the various families of the Rishis. They were verbally preserved in the families of Vamdeva, Attri, Bharadwaja, Vashistha, etc.

Methods of Teaching

Undoubtedly, Indian system of education was psychological. Verbal education was imparted in such a way that it could be preserved four thousands of years. Mr. K.M. Panikkar in his book *A Survey of Indian History* has said, "A unique degree of verbal authority has been maintained up to this time in the form the utterance and the 'matras' of the sacred texts."

The hymns were learnt outwardly by remembering and they were realized through meditation and realization. Therefore, the 'Acharya' used to produce the hymns quite correctly and the student repeated them. Side by side their mistakes were also corrected. As the education was based on

a settled line, so the sound (*Dhvani*), words (*Shabda*) and verses (*Chhanda*) were pronounced in their original form, and the practice made them perfectly efficient, not only in learning the hymns but also in the systematic line of learning.

To keep the hymns entirely correct the 'Samhita-path', 'Pad-path', 'Jay-path' and 'Gyan-path' were practiced. Moreover, there are 52 *Dhvanis* (sounds), 13 vowels and 39 consonants and the correct pronunciation of all these were attained duley. 'Aitareya Brahmana' describes the three methods of pronunciation as free words, double words, gradual pronunciations.

The general belief of the people in Vedic age was that the incorrect pronunciation of the hymns caused the sin and destroyed their effect.

The word 'Mantras' means worshipping hymns *i.e.*, the meditation helped preservation of the meanings of the 'Mantras' and development of the sound of the disciple. Therefore, the disciple tried to understand the sense and the echo of the scene by meditation of every word of the hymn and thus realized the spiritual elements and their experience. There were such students were called 'Shrutdhars' and the hymn says that 'I had met such regulated and royal life in which they kept their senses diverted away from worldly attraction and concentrated on the ultimate knowledge of Absolute. Thus, they realized the real light of spiritual knowledge. Being enlightened they entered the society as the Guru of the people.

In Vedic education, meaningless outwardly knowledge has been condemned and a person having meaningless outwardly knowledge has



been compared with a donkey loaded with 'Chandan wood'. An also, "The mere crammer of Vedic texts has been condemned as Arvak by the Rigveda". It is true that to maintain the meditation system well the meritorious students were taught in this system.

Similarly there are also evidence in Rigveda that many Rishis of Rifveda were Kshatriyas and Ambreesh. Treaadayu and Aswamedia, etc., composer of Aitareya Brahmana, Mahidas was the son of a shudra mother. In short all the four castes were eligible for gaining education in Vedic period. Dr. Mukerji says, "The non-Aryans and depressed classes of these days must have considerable access to Vedic learning to be able to take part in these scarifies.

Women education: According to a statement by Dr. Altekar "Home, of course, was the main centre of the education of girls in the domestic science." It is true that women were taking part I every ritual with their husbands, and this was indeed necessary. They used to take part openly in all the rituals and ceremonies.

If girls, were looked after and education in the same way as the boys and many amongst them gained highest education and were called 'Brahma Vadini' and achieved the status of 'Rishika'. Some of the women were regarded as 'Devis' and even composed hymns. Apala, Homasha, Shashpati, Ghoshal Mamata, Lopamudra were notable among them.

Women were given practical and useful education also as spinning weaving etc., which is mentioned in 'Rigveda' and 'Atharvaveda'. Word Duhita' used for daughter is derived from 'Duh' root and means one who milks the cows, too. It shows that in

Vedic age, women were milking the cows, too. Thus, it is clear that women were given 'Shastriya' as well practical education.

Characteristics of Vedic Education

The following are the characteristic of Vedic Education:

1. Gurukul
2. Idea of Guru
3. Duties of Shishyas (students)
4. Relation between Guru and Shishyas.
5. Education.
6. Women Education.
7. Physical Education.

(1) *Gurukul:* In those days the wards were sent to 'Gurukuls' or the homes of the 'Acharayas' for education, just after the 'Upanayan' ritual. Then they were called 'Anteuasin' or 'Gurukuwasee'. There they led the life of chastity and purity, served the Acharya and gained knowledge. Naturally such a man acquired many qualifications of the teachers. Only 'Brahmacharis' were allowed in 'Gurukuls'. The 'Gurkuls' were fully free from the Government control and influence; therefore they continued fulfilling their aims. Dr. A.S. Altekar says, "The 'Gurukul' system which necessitated the stay of the student away from his home at the home of the teacher or in boarding house of ancient Indian education."

(2) *Ideal of Guru:* "Teachers of the Vedic age were men of highest caliber in society from the point of knowledge and spiritual progress. They possessed the influence like fire (Agni) and chivalry like 'Indra'. Naturally they maintained general reputation. Living in their 'Ashramas' they always paid attention to the proper and spiritual



development of their thoughts. They lodging and helped them in need. Thus, every responsibility of qualities of his taught as that he might become higher than himself.

- (3) *Shishyas (students)*: Following were the duties of the students lived in 'Gurukul':
- (a) A student had to do the service of the 'Guru' and necessary jobs of the 'Gurukul'. He had to keep 'Gurukul' tidy. He also prepared the necessities for the rituals (Yajnas) and grazed the cows of the 'Gurus'.
 - (b) The student had to go out for animals.
 - (c) Living in 'Gurukul', the students slept on the ground took simple food and obeyed the 'Guru' in all respect.
 - (d) His main duty was to study and he very gently learnt and attended to the instructions of the 'Guru'. Thus, it is clear that while living in 'Gurukul' he spent the life of an ideal student, which was simple and well regulated.

(4) *Relation between 'Guru' and Shishyas'*: In Vedic age, the relations between the Guru and Shishya was just like that of father and son. 'Guru' very affectionately looked after his taught". He never let them suffer in any way and always tried for their all round development and the students also tried to satisfy the teacher and so far as possible did not give any ground for displeasure to him.

In Vedic period education started in early life. They thought it essential to begin the education in early age, for the full development of inner and outer talents of the students.

The students were caused to learn the four Vedas by heart and side by side they studied Shiksha Kalpa, Vyakaran, Jyotish, Chhanda, Nirukta

and logic in general. They specialized in one subject. Form the view of course of the study and literature Vedic education was remarkable.

Shri T.N. Siquetira says, "Education was meant to be a religious, initiation the teacher had to teach the pupil how to pray, to offer sacrifice, to perform his duties according to his stage of life... Indian education was essentially religious and personal." Ancient Indian education was dominated by religious element, and the course of study were mostly related to religious, in the generation of kindness, forgiveness, perseverance, nobleness etc., in students.

They thought that if the students would learn good habits from the early life then their feature would be peaceful and happy. For the cultivation of good habits, regulated daily routine was considered essential and they had to get up early in the morning, perform the daily rituals, spread the truth, live simply and behave properly with everyone.

The Vedic education system was mostly psychological. Verbal and meditative, two systems were encouraged in that age. The teacher and taught were both careful. Students put forward their doubts before the teacher and he tried to remove them well. Side by side, self study and meditation was also encouraged, so that the students might realize the meaning and sense of the lesson. At completion of education *Samavartan* ritual was performed which was more or less like convocation of the Universities.

Everyone without distinction of caste or creed was allowed to gain higher education. There is some evidence in Vedic literature that some Rishis were born of Shudra mother of father.



(6) *Women education:* Women education also received proper attention in Vedic age with the result that soon women became even Rishikas. They composed hymns too. They used to become part in religious rituals. They were also taught practical and useful handicrafts and households' duties.

(7) *Physical education:* Though, religious was the Vedic education, yet useful and needful subject for general public were not neglected. People could gain the education of various arts and crafts side by side. Agriculture, animal husbandry, etc., also developed well. The Rigveda mentions about stone built cities. It means that these arts were in practical use in that age and people were aware of these sciences. The sea trade was also going on in those days and so in Vedic age education had its international and social form also.

The Aim of Education

1. The education enables the realization of true knowledge and achievement of Absolute (Brahma)
2. The education was considered to be a process of inwardly meditation and thinking.

Importance of Guru

Guru was given much importance during this period. Before self-study it is essential to hear from the teacher (guru) the spiritual knowledge. It is indeed, essential to sit at the feet of a 'guru' in order to gain 'Absolute knowledge'. Upanishads mention about 'Para-Vidya i.e., physical knowledge. It is considered to be above all the knowledge (Vidyas). This knowledge enables the unity of soul and Absolute. During this period the general duration of study was above twelve years.

Method of Teaching

The following three methods existed during this period:

1. Shravan (Learning)
2. Manan (Meditation), and
3. Nididhyasan (realization and experience)

Practically the students were given verbal lessons and guidance by the 'Guru' and they studied and meditated over it. Thus, they got them to heart.

Besides this method, there also prevailed the question and answer method in those days. Really speaking it was during this period that this method came in vogue. The disciple (Shishya) asked his teacher (Guru) that what is that guiding force that drives the heart spirit eye and ears into action and it is then that 'Guru' delivers a lecture relating to 'Brahma' or 'Absolute'. There we find a fine example of question-answer method.

Agencies of Education-Expansion

1. *Branch or Shakha-* Denotes all the three branches of Vedas.
2. *Charans-* According to Panini only a group of disciples who studied in one branch or, 'Shakha' was 'Charan'
3. *Parishad-* The word parishad means all things expanded on all sides. In other words it has been used for a conference of learned men.
4. *Gotra or Kula-* It was based on family traditions which might be real or imaginary. Various 'Gotra' or 'Kula' were related to ancient 'Rishis'

Samavartan Instructions

It means valedictory function. After completing education and at the time when the students were to leave 'Gurukul' for their home to enter into family life, Guru gave those final



instructions and advice in order to guide them in their future life.

They were:

1. Always speaking truth
2. Fulfilling duties.
3. Never ignoring self-study.
4. Treating mother as goddess and father as god.
5. Treating Acharya (teacher) as God.
6. Never ignoring Religion.

These instructions are like the Torch Light guidance for the students. It gives the light which might enlighten the social life of the shishya.

Education of other Castes: In those days the domination of Brahmans was on the increase in the field of education. They were mainly authorized for Vedic study and spiritual knowledge but some 'Kshatriyas' had also become great 'Rishi' and learned philosophers like Janaka etc. In Post-Vedic age no reference is found about the education of 'Vaishyas' and 'Sudras'. The former engaged in cultivation, trade and commerce. The duty of the 'Sudras' was to serve the three highest castes.

Education of Women : In Post-Vedic period the women were not enjoying the social and educational privileges as they did in Vedic age. Neither they could now freely participate in social formation nor could they inherit the family property, but their religious position was quite safe. They used to participate with their husbands in all the rituals and were authorized to gain higher education and spiritual knowledge. In the conference organized by Janaka, the famous discussion between Yajnavalkya and Gargi is well known even today. Another learned woman was Maitreye one of the wives of Yajnavalkya.

In short the women of Upanishad period were trained in dancing, music, fine arts etc. whereas men were not interested in these fine arts.

Education : Prior to education 'Upanayan Ritual' was performed to the boys. The word 'Up-nayan' means to bring near the 'Guru'. In other words the student (Shishya) was gaining the generous shelter and patronage of his guru. This ritual was performed in three days. Before the Sacred Fire he used to request the 'Guru' (teacher) to make him 'Brahmachari'. The 'Guru' used to ask certain questions about his caste and creed and when satisfied, accepted him as his 'Shisya' (disciple) and put his patronizing hand on his head.

Teacher-Disciple Relation: The disciple served his 'guru' faithfully and unflinchingly. He discharged his duties in the ashram for twelve years and during that period he got many opportunities to enrich his knowledge and put it into practical use.

The teacher treated his disciple like his own sons and arranged for all facilities needed by the taught-boarding, lodging and clothing etc. The teacher would not conceal any knowledge for his disciple. It is beautifully mentioned in Taittiriya Upanishad. Knowledge of Absolute was given to the disciple after a thorough examination.

Duties of disciples: Upanishads describe the routine for the disciples (Shishyas) living in ashrams. Three kinds of education, Practical, Mental and Moral, were included in their daily routine.

Practical education had four main parts as:

1. 'Bhikshatan'-going out for alms.
2. 'Yajnagni'-enlightened the spiritual light (sacrificial fire) of his mind.



3. Taming the animals of the Ashram.

4. Cultivation.

Mental education also had three stages:

1. 'Shravan' (Hearing),

2. 'Manan' (Meditation) and

3. Nididhyasan (Realization).

Moral education was related to the practice of good behavior. The disciple had to lead the life of a 'Brahmachari' and observe certain special practical exercise to keep the purity of character. In those days the disciples were taught the four Vedas, the Itihas and the Puranas. Besides they were taught Arithmetic, Godly knowledge, Astronomy, Spiritualism, Dancing and Singing etc. Narada knew all these things.

Conclusion

Today, the importance of education is greater than ever. In today's world, students are learning about the world through new technologies and are also interacting with it. The twenty-first century has placed new importance on understanding cultures other than our own. New technologies are placing distant people only clicks into. The problem in achieving world peace is also fundamentally one of education. Numerous individuals and groups have advocated various proposals for world peace. However, none has succeeded. There

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Eradication of rural disparities through education

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Abstract: Education is a key indicator of human development and is included in the commonly used human development index, such as those developed by the UNDP. This index focuses on enrolment at the primary, secondary and tertiary levels. So education is the good indicator of economic development. Present literacy rate in India 74.04%.and India expenditure on education 4% in (GDP),India is 86th place in 106 nations. So we are unhappy in this rank. Actually India literacy rate is 18%very low in 1951 present is 74.04% include both (male and female) 82%and 65% rates respectively. This is main reason of our nation development. Our governments include both (center and state) are initiatives more education schemes and more facilities to education. Because of education is concurrent list.

Keywords: Literacy rate, Industrial revolution, women empowerment, social development.

Introduction

"Education is not the amount of information that we put into your brain and runs riot there, undigested, all your life. We must have life building, man making, and character making assimilation of ideas. If you have assimilated five ideas and made them your life and character, you have more education than any man who has got by heart a whole library..."Swami Vivekananda

Education is a key indicator of human development and is included in the commonly used human development index, such as those developed by the UNDP. This index focuses on enrolment at the primary, secondary and tertiary levels. So education is the good indicator of economic development. Present literacy rate in India 74.04%.and India expenditure on education 4% in (GDP),India is 86th place in 106 nations. So we are unhappy in this rank. Actually India literacy rate is 18%very low in 1951 present is 74.04% include both (male

and female) 82%and 65% rates respectively. Education is very ancient enterprise. Life is a process of adjustment of interaction between the individual and environment. Education has been defined in different ways according to the social needs of the society. it is the development of desirable habits, skills and attitudes which make an individual a good citizen. In the process of education we try to shape the behavior of young children in accordance with aims and goals of natural life. Briefly we can define education as shaping or modification of behavior of the individual for adequate for adequate adjustment in the society.

A right to education has been recognized by some governments. At the global level; article B of the united nations1966 international convenient on economic, social and cultural rights recognizes the right of every one to an education. Although education is compulsory in most places. Up to a certain age, attendance at school often isn't and minority of parents chase



home schooling. Some times with the assistance of modern electronic educational technology. Education can take place in formal or informal setting.

According to Gandhian models "all the important factors that promote women empowerment are education and employment and change in social structure. All the three components are equally important and mutually related. Simply development of education of the women would not automatically empower them; the case in point is Kerala. The state has hundred percentage (100%) literacy but the women folk are not even today free from exploitation. Present India is main focus on the education; India is 86th place in world, among 106 nations in investment in education. India is investment in education 4% and 4.8 in GDP 11th plan 12th plan respectively. India is investment in 12th plan is 453728 cores; include primary and secondary and higher education. Present government of India launches so many educational and health programs.

Objectives:

- ❖ To Study the Present situation of education.
- ❖ To analyze the implementation of education schemes by the government.
- ❖ To study the impact of women empowerment on education.

Research Methodology

The study is based on the secondary data. The data collected from the recent publications of unpublished doctoral theses and various articles, journals, edited publications and

seminar volumes also carefully chosen for collection of useful information.

Purposes and Functions:

* Acquisition of information about the past and present: includes traditional disciplines such as literature, history, science, mathematics

* Formation of healthy social and formal relationships among and between students, teachers, others. Efficiency to evaluate information and to predict future outcomes (decision-making), Capability to seek out alternative solutions and evaluate them (problem solving).

* Ability to be a good citizen, think creatively. Understanding of human relations and motivations. Sense of well-being: mental and physical health.

Importance of Education

Education Empowers Women and Girls

Only for women and girls, the economic and personal empowerment that education provides allows them to make healthier choices for themselves and their families. Utility of girls' education include not only the reducing the impact of HIV/AIDS, but reduction of poverty, improvement of the health of women and their children, delay of marriage, reduction of female genital cutting, and increase in self-confidence and decision-making power. On average, for a girl in a poor country, each additional year of education beyond grades three or four will lead to 20 percent higher wages and a 10 percent decrease in the risk of her own children dying of preventable causes.

Education Contributes to Improving Child Survival and Maternal Health and Helps Fight Poverty & Economic Growth.



A child born to an educated mother is more than twice as likely to survive to the age of five as a child born to an uneducated mother. Women with six or more years of education are more likely to seek prenatal care, assisted Childbirth, and postnatal care, reducing the risk of maternal and child mortality and illness. Education is a prerequisite for short and long-term economic growth: No country has achieved continuous and rapid economic growth without at least 40 percent of adults being able to read and write. A person's earnings increase by 10 percent for each year of schooling they receive, translating to a one percent annual increase in GDP if good quality education is offered to the entire population.

Education Promotes a Foundation for Peace Building

Education is a critical building block for the development of an inclusive, democratic society and must be a central component of U.S. efforts to promote global security. Education nourishes peace. Across society, every year of schooling decreases a male's chance of engaging in violent conflict by 20 percent. The 9/11 Commission Report stresses the link between strong U.S. leadership against extreme Poverty and creating security: "We should offer an example of moral leadership in the world, committed to treat people humanely, abide by the rule of law, and be generous and caring to our neighbors. America and Muslim friends can agree on respect for human dignity and opportunity Former U.N. Ambassador Bill Richardson underscored the importance of education in fighting Extremism in a 2008 Foreign Affairs article: "A crucial effort in fighting terrorism must be support for

public education in the Muslim world, which is the best way to mitigate the role of those Madras as that foments extremism. Development alleviates the injustice and lack of opportunity that proponents of violence and terrorism exploit."

Providing education facilities through government

(SWAYAM), (NDL), The Indian e learning platform. The cabinet on 2nd January 2009 had approved national mission on education through information communication technology, a central scheme of MHRD, to leverage potential of ICT in providing high quality personalized and interactive knowledge modules over the internet / intranet for all the learning in higher education. Institutions in any time and where mode. (Study webs of active learning for young aspiring minds) which will provide are integrated platform and portal for online courses, using information and communication technology.

One of the tasks towards "make in India" mission would therefore be to significantly improve quality of these colleges, so that its graduates are able to contribute to a significant extent. All kinds of skills need to be developed so that graduates are ready to participate fully in research and development (R&D) IPR creation, designing, developing and testing of products, mass manufacturing and commercializing, MHRD needs to take leadership here. (NDL)National digital library launched in April 2005. It is building a national asset.



Table-1 Decrease level in gender-gap (in percentage) from (1981-2011)

Economic Component	1981	1991	2001	2011
Male	56.4	64.1	75.3	82.1*
Female	29.8	39.3	53.7	65.5*
Literacy rate	43.6	52.2	64.8	74.0*
Gender gap	26.6	24.8	21.6	16.7*

Increase in the expenditure on education from first five plans (1951-56) to 12th five year plan. Observe this data; government expenditure is share in GDP is 0.84 percentages in first five year plan and 12th five year plan is 4.8 in GDP. So India is more investment on education because of **human resources development**.

Table-2 Plan expenditure on education from (1951-52, 2012-17)

Five year plan	Total plan expenditure on education(in cores)	Percentage in (GDP)
1 ST (1951-56)	153	0.84
2 ND (1956-61)	273	1.27
3 RD (1961-66)	589	1.52
4 TH (1969-74)	786	2.15
5 TH (1974-79)	912	2.59
6 TH (1980-85)	2043	3.11
7 TH (1985-90)	800	3.65
8 TH (1992-97)	8522	3.60
9 TH (1997-02)	24908	3.92
10 TH (2002-07)	28903	3.54
11 TH (2007-12)	323849.48cr(A+B)	4.00
12 TH (2012-17)	453728cr(A+B)	4.80

NOTE: - (A+B). A=Plan expenditure, B=Non plan expenditure

Present India educational system is very vital role in human development, and national development process. Example presently India have national institutions approximately 237 national institutions, according to eleventh five year plan. This is the main indicator of development. Today there are over 20, and NIT s 30, IIITs ISER s and NISERs have come up. Significant more money has gone in to higher education. During the year 2001 to 2012 Gender inequities in literacy

rates is decrease. Because of increase rural and urban of all categories the literacy was increased during the 2001 to 2012

Role in Health

Maternal Mortality Ratio (MMR), which measures number of women of reproductive age (15–49 years) dying due to maternal causes per 1,00,000 live births, is a sensitive indicator of the quality of the health care system. The decline in MMR during the 2004–06 to 2007–09 of 5.8 per cent per year (that is,



254 to 212) has been com-parable to that in the preceding period (a fall of 5.5 per cent per year from 301, over 2001–03 to 2004–06). MMR of 212 (2007–09) is well short Of the Eleventh Plan goal of 100. Besides Kerala (81), two more States

namely Tamil Nadu (97) and Maharashtra (104) have realized MDG target of 109 in 2007–09, while Andhra Pradesh (134), West Bengal (145), Gujarat (148) and Haryana (153) are in closer proximity.

Table-3 Gender inequities in literacy rates in percentage Census between (2001-2011)

Content	Census 2001	Census 2011
Rural female ST	32.4	46.9
Rural female ST	37.6	52.6
All rural male	46.13	57.9
Rural female Non SC/ST	50.2	61.1
Rural male ST	57.4	66.8
Urban female SC	57.5	68.6
Urban female ST	59.9	70.3
Rural male SC	53.7	72.6
All rural male	74.7	77.1
All urban female	72.8	79.1
Rural male Non SC/ST	74.3	79.9
Urban female non SC/ST	75.5	81.0
Urban male ST	77.8	83.2
Urban male SC	77.9	83.3
All Urban male	86.2	88.8
Urban male non SC/ST	87.6	89.7

Source: - Economic survey (2014-15, 2015-16).

Infant Mortality Rate (IMR), death of children before the age of one year per 1,000 live births, is a sensitive indicator of the health and nutritional status of population. IMR fell by 5 per cent per year over the 2006–11 periods, an improvement over the 3 per cent decline per year in the preceding five years, but short of the target of 28. The decline in IMR has accelerated, but is short of the required pace. While seven states have achieved the target, IMR is still high in MP, Odessa, UP, Assam, and Rajasthan.

Total Fertility Rate (TFR), which measures the number of children born to

a woman during her entire reproductive period, fell by 2.8 per cent per annum over the 2006–10 period from 2.8 to 4 Twelfth Five Year Plan2.5, which is faster than the decline of 2 per cent per year in the preceding five years, but short of the Eleventh Plan goal of 2.1. Replacement level TFR, namely 2.1, has been attained by nine states. Low couple protection rate (40.4 per cent Family Welfare Statistics in India, 2011) and a high unmet need for contraception (20.5 per cent) in 2007–08 point to gaps in service delivery.



On the goal of raising child sex ratio, there has been a reversal. All States and UTs except Punjab, Haryana, Himachal Pradesh, Gujarat, Tamil Nadu, Mizoram, Andaman and Nicobar Islands and Chandigarh have witnessed a decrease in the child sex ratio (0–6 years) in the 2001–11 decade.

Suggestions & conclusions

The male dominated society has to change their attitude to accept their freedom of women counterpart. Gender disparities and regional disparities removed by the government administration policies, because of need women empowerment to our nation. To make them more aware about the reservation policy of the girls. To give awareness programmed of Govt. Schemes on education. And provide the facilities to learning the education. To more investment (expenditure on education and health) in human resources development. Employment opportunities should be generated for educated persons by the government. To promote quality and standards in education, substantial resources to be allocated to teacher training, teaching learning, material including traditional well as modern technology based equipment, libraries laboratories and quality research in universities and other intuitions of higher education. Reasonable proportions of the budgetary allocations to higher education need to

be committed to research and also to scholarships to promote equity and merit.

Schooling is an investment in extending human potentials in promoting the standard to expand on human achievement towards an improvement of the quality of life so, technological investments would have to improve our capacities to serve these goals. And maintain the good administration in human resources development. So we are all will thinking for bright future

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Health Insurance as a Basic Social Need of Citizen in the Regime of Patent Era: A Study

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Introduction

In this competitive world Creativity and innovation are in the forefront, driving economy, development, growth and progress in all the knowledge based economies. Intellectual property protects applications of ideas and information that are of commercial value. This is growing in importance to the advanced industrial countries in particular, as the exploitable ideas becomes more sophisticated and as their hopes for a successful economic future come to depend increasingly upon their superior subject matter of new knowledge. Intellectual property rights are tools for economic development that should contribute to the enrichment of society. Insurance is a means of social beneficial schemes adopted universally in order to save the victims in the sudden exposure to the distress situation. The Constitution of India not only gives rules and regulations controlling the powers of the government, they also give powers to the government for pursuing collective benefits to the individual of the society. It also gives fundamental identity to its entire citizens. A social right which is an exclusive right is also enshrined for the individual development in the course of economic progress of the nation. Legal framework was also evolved in such a manner for each type of subject matter of intellectual property to balance both social interests of the society as a whole and in its economic, cultural and social development and to secure a fair value for one's individual efforts and investment of capital and labour. With

the harmonization of intellectual property rights and opportunities, to secure stronger protection for these rights, new statutes were added at International level.

The questions about the impact on prospects for economic growth in the field of health insurance as a social development process, in the era of patent regime requires a new strategy to be included in the health insurance for the human development in the developing country like India.

Intellectual Property Rights

Intellectual property rights can have multiple impacts on the capabilities of societies for socio-economic development through innovation and adaptation and more creativity and growth leading to competition and regulation, good education, public health and access to knowledge

The International frame work of legislative and administrative assistance to developing countries has been strengthened by the agreement on trade related Aspects of intellectual property rights (TRIPS) administered by the world trade organization (WTO) in cooperation with WIPO. Developing countries which are member states of WTO were given different periods of time to adapt their intellectual property systems before being obliged to apply the TRIPS Agreement.¹

¹WIPO's intellectual property handbook: policy law and use, Third chapter, the role of intellectual property in



Any discussion on Indian jurisprudence in the area of economic and social rights has to begin with the constitution. The constitution of India in its preamble reflects to resolve to secure to all its citizens justice social economic and political, liberty of thought expression, belief, faith and worship and equality of status and of opportunity. It is true that the constitution reflects the dreams and aspirations of the concerned society. It is also kept in the mind that the constitution is a framework for the democratic governance of the society. Hence, it is an instrument that societies create for themselves.²

The International environment with respect to intellectual property has changed considerably with the conclusion of the TRIPS Agreement. The TRIPS Agreement accommodates the demands of the industrialized countries for higher International standards of protection by mandating the extension of patentability, virtually to all fields of technology recognized in developed countries patent systems, by prolonging the patent protection for a uniform term of twenty years and by providing, legal recognition of the patentee's exclusive rights to import the patented products.³ All the signatories to the trade negotiations are therefore, obliged to harmonize their IPR regime and to product patents for

development and WIPO's development programs, <http://www.wipo.org>

² Constitution as a living document, chapter 9, NCERT BOOKS publications

³ Nageshkumar, IPR, Technology and Economic Development; Experiences of Asian countries, study paper 1b, Commission of IPR, New Delhi available at www.iprcommission

pharmaceuticals and chemicals.⁴ The nature or major characteristic and the impact of the agreement can therefore be summarized as "*harmonization of national intellectual property regulation*", because the TRIPs Agreement implicitly considers harmonization as a norm for the WTO agenda. In effect, national intellectual property systems had to be adapted to the specific provisions.

Technology is advancing faster than ever before and developing countries that fail to build capabilities enabling them to participate in the evolving global networks of knowledge creation risk falling further behind in terms of competitiveness as well as economic and social development. Prices of medicines and loss of consumer welfare. After the introduction of product patents and its effect, on prices of medicines have simulated welfare losses for consumers in developing countries. In china, after the introduction of product patents in 1993 prices of drugs was increased.⁵ In developing countries like Argentina, Brazil, India, Mexico, Korea and Taiwan etc. finds the welfare losses from introduction of product patent would range between \$ 2.9 billion on to 14.4 \$ billion. The gains to the patent owners from such introduction of product patents stated to be between US \$ 3.5 billion to \$ 10.8 billion.

The welfare loss to India could be around 14 billion to 4.2 billion in a year.⁶ This

⁴ I bid, page 38

⁵ Lanjouw, Jean O 'the introduction of pharmaceutical product patents in India: Heartless exploitation of the poor and suffering'? NBER Working Paper Series No. 6366, national bureau of economic research, January, (1998)

⁶ Watal Jayashree, pharmaceutical patents, prices and welfare loss: Policy



trend is likely to increase pharmaceutical prices and bring down welfare measures in India. With these, product patents drug price in India could increase around 26% to 42%.⁷ Another study also reveals that maximum price increase of 67% for India following the product patents.⁸ Introduction of product patents would affect prices of medicines significantly and unless new drugs are more efficient, there will be decline in the health levels of population.⁹ Recently in south Africa, it was noticed a case of huge difference between prices of HIV AIDS drugs sold by patent holders, and their generic substitutes, just provides further evidence to the potential of price increases following the introduction of product patents and at the same time, it may be argued that the vast majority of drugs are out of patent protection and hence will not be affected.¹⁰

option for India under the WTO TRIPS Agreement, The world economy, Vol 23 no page no. 733-752

⁷Ibid

⁸. Subramanian A, 'Putting Some Numbers on the TRIPs pharmaceutical debate', International Journal of Technology Management, page no. 9, 1994 Vol .X , NoX 1994

⁹May Christopher, A global political economy of intellectual property rights: the New enclosures? London and NewYorkRoutledge published in 2000. Its brief discussion is available at the global political of intellectual property rights in the new millennium, Published in July 22 2009 by E – international relations available at [http; www er-irnfo](http://www.er-irnfo) ,accessed on 25thjan 2015 evining 4oclock

¹⁰ See supra note 7, page no 40

Intellectual property rights could play a significant role in encouraging innovation, product development, and technical change. Developing countries tend to have IPRS systems that favour information diffusion through low-cost imitation of foreign products and technologies. Inadequate IPRS could stifle technical change even at low levels of economic development. This is because much invention and product innovation are aimed at local markets and could benefit from domestic protection of patents, utility models, and trade secrets. In the vast majority of cases, invention involves minor adaptations of existing technologies and products.

The introduction of product patents for pharmaceutical inventions and the consequent threat to an Internationally renowned generic industry that has thus far ensured the supply of affordable drugs spurred widespread protests, both nationally and Internationally, to an extent never before witnessed in the annals of intellectual property law making in India. The result is an Act that attempts to balance the competing interests of a variety of stakeholders, including domestic generic medicine producers, the domestic research and development community, foreign multinational pharmaceutical companies, civil society groups concerned with access to medicines and intellectual Property lawyers.¹¹Reason behind this strategy of denying product patent protection to

¹¹F.M. Abbott, *Beginning of a New Policy Chapter: A Hopeful Way Forward in Addressing Public Health Needs*, FIN. EXPRESS, Apr. 6, 2005, http://www.financialexpress.com/fe_full_story.php?content_id=87112



pharmaceutical inventions is traceable to the Ayyangar Committee Report, a report that formed the very basis of the Patents Act, 1970.¹² The Committee found that foreigners held between eighty and ninety per cent of Indian patents and that more than ninety per cent of these patents were not even worked in India. The Committee concluded that the system was being exploited by multinationals to achieve monopolistic control over the market, especially in relation to vital industries such as food, chemicals and pharmaceuticals. Medicines were arguably unaffordable to the general public and the drug price index was rising rapidly. The Committee therefore recommended that certain inventions such as pharmaceutical inventions, food and other chemical inventions be granted only process patent protection. The multinational pharmaceutical industry, on the other hand, argues that such patents are essential to encourage innovation and help the transition of domestic pharmaceutical companies from copycat generics to innovative R&D companies.¹³ They argue that this will serve India's interests better in the long run and that there are adequate safeguards in the patent regime and

other laws to curb a sharp rise in drug prices.¹⁴

Introduction of product patent would disturb the pharmaceutical industry structure and adversely affect consumer welfare through higher drug prices, with adverse consequences for the health and well-being of citizens, the basis of their view is that the countries such as India where health insurance coverage is so rare, almost all medical-expenses are met out of pocket and any change in the demand structure could have significant impact on the poor. The Drugs have become expensive and beyond the reach of the common man due to heavy royalties being charged by the patent holder of such drugs¹⁵. The market is dominated majorly by branded generics which constitutes of nearly 70% to 80% of market. The IPM is valued at Rs 750 billion for the year ending March 2014. The growth in 2014 was subdued at 6% vs. 12% in 2013. The growth was impacted as the drug price control order (DPCO) issued notice to bring 348 drugs under price control. Despite this, the Indian pharma market remains one of the fastest growing pharma markets in the world. Currently the IPM is third largest in terms of volume and thirteen largest in terms of value.¹⁶

In India, some of the multinational pharmaceutical companies are focusing

¹²Discussed in detail in 3rd chapter

¹³Patent protection for pharmaceutical products will provide India's scientists with incentives to discover and develop new life-saving drugs. See PHARMA, *PhRMA Welcomes Passage of Patent Bill in India*, at <http://www.phrma.org/mediaroom/press/releases/23.03.2005.1157.cfm>

¹⁴Shamnad Basher, India's tryst with TRIPS: The patent (Amendment) Act, 2005, the Indian journal of law and technology, vol1,2005, page 19

¹⁵ J.K Bagchi(IAS) Retd ,Intellectual property global and Indian dimension by, Manas Publications

¹⁶ Available at www.equitymaster.com



on increasing the quantity and quality of FDI in the areas of pharmaceutical R&D and manufacturing. However, in the short run, product patents in India may be less harmful. But, in future, it may be sever because of many off-patented therapeutic equivalents are accessible to the Indian consumer and only around 3 per cent of the drugs marketed in India are patented.¹⁷

In the broad sense social development is about putting people at the centre of development efforts. Development must be sustainable as much in social as in economic and environmental terms. The World Bank has built its social development strategy based on its experience and principles that emerge from its operational work. Inclusive growth, cohesive societies with accountable institutions are better able to sustain development. Here it has meant inclusiveness as societies promote more access to opportunities.¹⁸ The enjoyment of the highest attainable standard of health as a fundamental right of every human being without distinction of race, religion. Political belief, economic or social condition was enshrined in WHO's Constitution long ago.

While the intellectual property practices including patent laws and practices are

¹⁷Panchal s(patents era: how will pharma firms cope,(2005), retrieved from www.rediff.com

¹⁸ The world bank and the Copenhagen declaration: ten years after, September 20,2004, social development department environmentally and socially sustainably network, document of the world bank available at www.worldbank.org accessed on October 3rd, 2016

undergoing major changes globally, the Indian patent laws are consolidated, more specifically in the field of pharmaceuticals. Pharmaceutical firms operating in India will give up to the competitive pressure imminent in the product patent era. Stimulating the desired research and development actively among the Indian pharmaceuticals sector will not only strengthen the industrial base but also fuel research about certain diseases. India should adopt a policy of legislative modalities to encourage industrial activity rather than controlling them. While at the macro level, the government should support and provide facilities for corporation whether in the national or multinational sector should develop their own strengths. It also supports for huge investment from MNCs for growth of these MNCs.

The Government of India has unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. It has reduced approval time for new facilities to boost investments. Further, the government has also put in place mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines.

The Health & Insurance Policies

Health insurance relates to a type of insurance that essentially covers your medical expenses. It is a contract between insurer and an individual/ group in which the insurer agrees to provide specified health insurance cover a particular "premium" subject to terms and conditions specified in the policy. Normally it covers expenses reasonably



and necessarily incurred under the following heads in respect of each insured person.

Health insurance policies may offer cumulative bonus wherein for every claim free year, the sum insured is increased by a certain percentage at the time of renewal subject to a maximum percentage. Generally 50%, in case of a claim cumulative bonus will be reduced by 10% at the next renewal. These health policies may also contain a provision for reimbursement of cost of health check-up. It also imposes conditions to claim the benefits. Pre and post hospitalization expenses are also covered under the medical insurance. This is worth for the people because it is cashless facility, as insurance companies have tie up arrangements with a network of hospitals in the country. Policy holder's takes treatment in any of the network hospitals; there is no need for the insured person to pay hospital bills. The insurance company through its third administrator (Third Party Administrator) will arrange direct payment to the hospital. There is also another provision where in non-listed hospital cases, insurer first pay bill and then can get reimbursed from insurance company.

Sometime additional benefits and other stand-alone policies like "add-ons" or riders, hospital cash, critical illness benefits and etc. a few companies have come out with products in the nature of top-up policies to meet the actual expenses, over and above the limit available in the basic health policy. These health insurance policies are not issued for less than one year period.¹⁹. The

buying health insurance protects us from the sudden, unexpected costs of hospitalization (or other covered health events, like critical illness) which would otherwise make a major dent into household savings or even lead to indebtedness. Each of us is exposed to various health hazards and a medical claim and necessity of insurance is felt for all in this high cost of living life.

Government of India looks to provide quality affordable healthcare services to all its population through integrate multi sectoral participation, national health accounts in India.

The Indian health system continues to evolve in response to changing demographics and disease patterns, rapid technological advances, complex financing and delivery mechanisms. To attain this rapid change with common health system goals of equity, efficiency and effectiveness of care, information on health system is of prime importance. At the global experience, both in highly industrialized countries as well as in low and middle -income economies clearly demonstrate the importance of achieving universal coverage through either a purely tax based regime or social health insurance mechanisms or a mix of both. Since, 1950s, the penetration of health insurance remained low for the next decades, and India has launched ESIS in 1952 and central government health scheme (CGHS) in 1954. As, the most of the people of the country uses medicines on the prescriptions of doctor and pharmaceuticals had a great fluctuation after patent amendment act 2005 and to save the people from both these pharmaceutical companies and

¹⁹ Handbook on health insurance, insurance regulatory and development authority, IRDA, available

at www.irda.gov.in, accessed on October 4th



doctors wishes, insurance is the need of the hour.

Constitution and Right to Health

Constitution of India being source of all laws, civil, political, social and economic rights to the people of India. Social and economic rights are termed as the building blocks of a coveted society. Every human being is entitled to the enjoyment of the highest attainable standard of health conducive to living a life in dignity.²⁰ It is the duty of the state to not only provide for the maintenance of life but also for the maintenance of dignified life.²¹ The right to health in broader connotation refers to all the three kind of rights. It relates to civil and political rights in relation to the protection provided to respect physical integrity. It relates to social and economic right to the extent it seeks to safeguard that the individual does not suffer social and economic injustices with respect to his health. It is cultural in nature because it seeks to safeguard that the individual's health services are sufficiently adapted to one's cultural background.

consonance with the social security, unlike other countries.

Conclusion

Health and Its guarantee under the constitution are the basic need in a civil society. Innovation and development is also need of the hour and without health there are no life and liberty explored. Hence government should take all such measures with regard to insurance for all its citizens as a matter of social security at reasonable expenses.

The health insurance policy should cover all the citizen of the country irrespective registered or unregistered and to act in

²⁰General comment no.14, UN Doc. E/C12/2004/4

²¹Maneka Gandhi v/s union of India, AIR 1978 SC 597



Agriculture Condition and Causes to the Farmers' Distress in India

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Abstract: In spite of India making rapid progress in the Agricultural Sector since post-independence, especially after the Green Revolution of the 1960s, the country has been able to achieve an overall sufficient supply of food grains to its population of more than 1 billion, but still inadequacies of serious long-term concern are even now obvious. Over the years, growth in agriculture has not been inclusive in the policy planning priorities. Approximately, 85 percent of the marginal and small farmers hold 44 percent of land over the country. In the recent years, small, marginal and tenant farmers are in a big crisis. Among these farmers, there are pure landless tenant farmers and sharecroppers, these farmers are leasing the land for cultivation from the big landlords. This is the condition of the nation's farmers who are neither feeding their family nor eating substantially for themselves from their cultivated produce in their fields, but these honorable nation farmers are unhesitatingly providing the food for the remaining country population without a deficit though they are unable to cultivate up to a mark of a profitable surplus or beyond. But, now they have begun committing suicides without blaming any government policy measures and any responsible official in person. Present study mainly based on the secondary data. It is mainly focused on to study the conditions of the marginal, small and tenant farmers and their problems, and reasons for leading to their suicides.

Introduction:

Agriculture has persisted as a dominant sector, contributing employment and subsistence to a large number of Indian households. Nearly 47 percent of the people in India are involved with agriculture and related sectors to a lesser or greater extent either as cultivators of self-owned land, landowners who employ wage labourers, sharecroppers, landless farm laborers, tenants (land leased in) or in other ways. It is a matter of serious concern in the entire country, that farmers are facing difficulties and also crisis situation. If observed, the situation before independence, Indian agriculture was mainly determined and controlled by the British India through the different land tax systems and reforms which were Zamindari, Ryotwari, and Mahalwari. In the Zamindari and Mahalwari land

systems land owned by the big landlords or *zamindars* (middle men) lent their lands on lease and collected the rent from the small and tenant farmers, in which farmers were impoverished and inhumanly subjected to atrocities and other abject problems, when they failed to pay the rent. Mostly the farmers at that time had forcefully cultivated the cash crops under the order of landlords and British officers irrespective of their interests'. Due to this at the time of the independence India has been faced with a lot of serious problems which were food insecurity, lack of land to the most of the people, less productivity. To annihilate these problems Indian government had implemented the land reforms all over the country through the various means, which were abolition of zamindari system, the distribution of the surplus land to landless



people, tenancy protection, and consolidation of holdings with the aim of increasing the production and productivity, reduce the inequalities in the land holdings and other allocations. But government has failed to fulfill, especially again farmers facing problems afterword at the time of Green Revolution and economic reforms. Green revolution has been functional successfully in the wheat producing areas, but the new rice has not been successful. It increased the regional disparities. The majority of small and marginal farmers, farming the agriculture crop land were not benefitted as much as the rich farmers (A.kChakravarti 1973). The deformation in it led the farmers into the critical situation and since the prevailing safety net programs are unable to help or reach out to them (Deshpande et.al 2005). Some of the previous studies, explained their view on farmers' suicides in which indebtedness is stated as one of the reasons for farmers' suicides in India (Revathi 1998, Deshpande 2002). It is a widely acknowledged and accepted fact, in the economic literature that a successful structural transformation is painful for agriculture in all societies, hence nearly all rich countries protect their farmers at the expense of domestic consumers and taxpayers and of foreign producers (Timmer 1988). Lack of the institutional credit, small and marginal Farmers were forced to borrow from the brokers. Wherein they had to pay an interest ranging between 36 percent and 60 percent (MuzaffarAssadi 2000).

Agriculture conditions and causes for farmers' suicides in India

Land holding situation in India:

One of the major reasons for structural constraints in the Indian agriculture is because a large proportion of the wage labor force still continues to depend on

agriculture. Despite a steady decline in their contributions of agricultural share to the national income and also of their marginal inclusion in domestic produce on the whole. Due to an oncoming dearth in resources allocated, there has been a steep rise in shortage of employment opportunities in the non-farming sectors like industry, manufacturing and services, lead to increase in labor force employments on agricultural land, which are leading to the increase in the quantity of small and marginal operational land holdings in agriculture. Table (1) shows that over the time period spanning from 2000-01 to 2010-11 all over India steady increases in the number of operational land holdings recorded from 119.931 million holdings to 138.348 million holdings and but operated area recoded as 159.436 million hectares to 159.592 million hectares. The increase in operated area has not been much as the increase in operational holdings. Average size of holdings also decreasing from 1.33 hectares to 1.15 hectares. Observing the size of operational holdings in 2010-11, the marginal and small operational holdings and operated area has increased from 81 percent to 85 percent and 38.9 percent of area to 44.9 percent area. 85 percent of the marginal and small operational holdings are controlled by 44.9 percent of the operated area. 15 percent of the semi-medium, medium and large operational holdings controlling the 65 percent of operated area. In spite of the implementation of the land reforms in India, still having inequalities in the distribution of land holdings. In India mainly, small and marginal farmers are illiterate and marginalized economically, socially poor both in standards of living and also role-status position compared to the large farmers. Increase in the marginal and small holdings has made



difficult for cultivators to utilize highly technological machines in their farm.

Farming/Agriculture suicides in India:

The suicides in agriculture, farming sector since 1998, have become symbolic to the larger and deeper problems of the Indian agriculture economy. Over the periods, number of reports and studies have acknowledged the several causes that have led the agricultural cultivators and farm labourers resort to suicides (A.R.Vasavi 2010). Green revolution and its practices implemented have been more effective in the delta and coastal areas, irrigated areas. Fruits of the Green Revolution have been mostly reaped by the large and medium farmers. Big and medium farmers were using sophisticated technology and subsidized modern inputs and seeds in their fields accessibly. This led to increase in the productivity of crops such as rice and wheat, which led to an increase of profits in agriculture. Green revolution increased the social and political and economic power of the some landed class and proprietary class, which helped the rise as a dominant caste groups. These caste groups with their profits in the agriculture came to the urban areas and invested the in the real estate and trade sectors. In 1990s economic reforms taken place in three ways, such as globalization, liberalization, and privatization, the main agenda is the changes in the larger macroeconomic policies in which key agriculture factors such as market regulation and credit availability and price support for agriculture commodities etc. have changed (R.S Dshpande and Saroj Arora 2010). Green revolution and the introduction of commercial products mainly affected the rural artisan classes, which subsequently led to the destruction of their hereditary caste based hegemonic

heritage and occupations. Displaced the artisan communities from the rural economy to the urban migrants. Green revolution and 1991 economic reforms has been one of the reasons for agriculture distress.

In the table (2) illustrates the representation of Suicides of Farming/Agriculture activity. According to (NCRB 2013) the suicides committed by persons who are occupationally self-employed in agricultural activities do not necessarily signify that suicides have been committed by farmers only but also other wage labourers. Observing the suicides in agriculture in terms of age groups from 2000 onwards to 2013 have been recorded highest among the age group of 33 – 44 years, followed by the age group of 15-29 years and age group of 45-50 years. Least in the age group of up to 14 years, followed by the age group of 60 years above. In the agriculture, highest suicide rates recorded in the Male is in the age group of 33-44 years, highest suicide rates recorded in the female is in the age group of 15 -29 years.

In the 2014 report, there is a clear cut division in agriculture suicides such as farmers (have owned land, on contract/lease), agriculture laborers. According to the 2014 NCRB report Farmers include those who own and work on the field (viz. cultivators) as well as those who employ/hire workers for field work/farming activities. It excludes agricultural laborers. A total of 5,650 farmers has committed suicides during 2014, accounting for 4.3% of total suicides victims in the country. A total of 5,178 male farmers and 472 female farmers have committed suicides, accounting for 91.6 per cent and 8.4 per cent of total farmers' suicides. 31.1 per cent, 29.2 per cent, 14.1 per cent and 11.0 per cent of female farmers' suicides, were reported in



Telangana (147 out of 472 suicides), Madhya Pradesh (138 suicides), Maharashtra (70 suicides) and Chhattisgarh (52 suicides) respectively. A total of 2,568 farmers' suicides was reported in Maharashtra followed by 898 such suicides in Telangana and 826 suicides in Madhya Pradesh, accounting for 45.5 per cent, 15.9 per cent, and 14.6 per cent respectively of the total farmer suicides during 2014.

The land holding status of farmers who have committed suicides in the year 2014

Land holding status of farmers who committed suicide revealed that 44.5 per cent and 27.9 per cent of victims were small farmers and marginal farmers respectively, they together accounted for 72.4 percent (4,095 out of 5,650) total farmer suicides. 53.1 per cent and 14.5 per cent of small farmers who committed suicides were reported in Maharashtra (1,135 out of 2,515) and Telangana (366 out of 2,515) respectively during 2014. Among marginal farmers, 39.7 per cent and 25.5 per cent respectively of farmers' suicides were reported in Maharashtra (627 out of 1,577) and Madhya Pradesh (403 out of 1,579). However, 47.3 per cent of well-off farmers (large farmers) who have committed suicides were also reported in Maharashtra during 2014.

Fluctuations in rainfall:

Indian agriculture mainly depended on the seasonal monsoons based on which either increase or decrease in the national total production of food grains, production of cash crops and productivity. If rainfall has not been seasonally frequent in time while sowing seeds it affects the overall performance of the agriculture during that crop year, especially dry land areas which mainly depends on the rainfall.

Lack of irrigation facilities

In Indian agriculture irrigation also plays an important role to increase the production and increase in the productivity of crops, if observed the whole Green Revolution concentrated only on the irrigated areas rather than unirrigated areas. Irrigated areas concentrate on the wheat, paddy, and some cash crops cultivation. Unirrigated areas are mainly depends to cultivate the crops on the seasonal rainfall and tube wells. Yield per hectare in the irrigated areas would be more than the unirrigated areas. From the table (4) it can be observed that number of operational holdings by size wise under the irrigated and unirrigated. In India out of the total operational holdings, wholly and partially irrigated operational holdings is 55 per cent, these are controlling the 47 percent of the area. 41 per cent of operational holdings under the wholly unirrigated which is controlling the 40.62 percent of the area. In the wholly irrigated, 91 percent of marginal and small operational holdings are controlling the 51 percent of area, 8 percent of semi-medium, medium, large operational holdings are controlling the 49 percent of the area.

Indebtedness:

Although the agrarian crisis is the result of multitudinous factors, including the economic reforms, and another important factor is the indebtedness of the farmers. Indebtedness causing the farmers suicides because of the more farmer's especially marginal and small farmers for their agriculture credit depending much more on private money lenders than institutional credit. Even though different types of banks are established all over the country such as RRBs, Cooperative Banks, etc who were at the ground level and have elevated, but marginal and small farmers are not getting sufficient loans from the banks as the loans are being lent



to big landlords or big farmers or medium farmers. Table (5) it can see that all over India 902.01 lakhs agricultural households were estimated in which 468.68 lakhs agricultural households were in indebtedness. Out of the total indebted agricultural households 63.68 percent marginal, 18.4 per cent small, 12.0 percent semi-medium, 5.4 percent medium, 0.6 percent large agriculture households were in indebtedness. The Average outstanding loan is increasing as the size of the land increasing. For total indebtedness, in which 81percent are marginal and small agriculture households.

Table.5 Indebtedness of Agricultural Households (all-India) in Different

Land Possessed (ha)	Estimated Number of Agricultural Households (lakh)	% to Total in each Class	Estimated No. of Indebted Agricultural Households (lakh)	% to Total in each Class	% of Indebted Agricultural Households to Total	Average Outstanding Loan Amount (Rs)
Marginal 0.41-1.00	626.36	69.44	298.33	63.68	47.62	30133
Small 1.01-2.00	154.58	17.14	86.11	18.4	55.7	54800
Semi-medium 2.01-4.00	84.35	9.35	56.10	12.0	66.5	94900
Medium 4.01-10.00	33.02	3.66	25.21	5.4	76.3	182700
Large 10 & above	3.71	0.41	2.92	0.6	78.7	290300
All India	902.01	100.00	468.48	100.0	51.9	47000

Size Classes of Land Possessed

Source: Agricultural statistics at a glance 2014, Department of Agriculture and Cooperation, Directorate of Economics & Statistics

Low yield or Productivity of various crops:

In the table (6) it can be noted that area, production, and yield of crops in various countries during the 2012. In the world average paddy yield is 4548 Kgs per hectare, in India yield for per hectare paddy is the 3751 Kgs, area enumerated in the world paddy cropping is 26.17 percent, and production is 21.38 per cent. In the world If observed the China comparatively has less cultivated area in terms of paddy cultivation (18.72 percent)

and having the greater yield (4786 Kgs) per hectare and more production (27.90 percent) compared to India. Likewise, it can observed in other countries in the paddy and wheat and sugarcane cultivations. In the wheat production China, UK and Germany having the more productivity per hectare compared to India. In the sugarcane Brazil, USA, Thailand, Egypt having the more productivity compared to India. Another important reason is, a decrease in the productivity and seed supply as most of



the seeds are being sold off to Multi-National Companies (MNC) increasingly over the years, in which these companies supplying are distributing the genetically modified seeds all over the country. These companies supplying genetically modified seeds generated in some other countries in the name of increase in the productivity of crops, but when that seed export or

import in any other countries may increase productivity, higher than expected and may also decrease the productivity, lower than in other imported countries indigenous seed productivity, this is due to the differences in the weather condition among the countries where seeds generated and where it used in the cultivation

Table: 8 Percentage of agricultural households reported sale of crops having the awareness and Access to MSP during January 2013- June 2013

crop	Percentage of households reporting sale of crops			of the households sold to procurement agency	
	Aware of MSP	aware of procurement agency	sold to procurement agency	% of sale at MSP to total sale	avg. sale rate received at MSP Rs. per Kg
Paddy	31.5	18.7	10	14	13.15
jowar	21.3	20.7	19.2	36	13.83
Maize	11.8	6.1	2.9	4	11.45
Wheat	39.2	34.5	16.2	35	13.99
Barely	11	10.5	1.6	1	40.75
Gram	12.6	9.7	3.9	5	29.96
Sugarcane	45.4	40.7	36.6	33	3.25
Potato	12.1	0.9	0.6	2	8.33
Onion	15.3	9.8	0.6	1	17.5
Groundnut	8.9	8.2	1.3	1	37.62
Mustard	15.5	12.8	2.9	14	30.84
Coconut	21.5	11.0	1.7	0	9.34
Cotton	22.6	17.7	8.4	3	34.15

Source: NSSO 70th round 2013

Differences in the Cost of cultivation:

Cost of cultivation is also one of the key factor causing to farmers distress in India. After the implementation of the Green Revolution in India cost of the cultivation has also increased especially for marginal and small farmers. Green revolution, especially depended on the high improved technology, new farming methods, and new hybrid seeds. From the table (7) it

can be noticed that difference in cost of cultivation per hectare at C2 cost²² and

²² Cost C2 includes all actual expenses in cash and kind incurred in production by owner, interest on value of owned fixed capital assets (including land), rental value of owned land (net of land revenue),rent paid for leased in land



cost of production for quintal at C2 of various crops among the various states. In paddy cultivation, cost per hectare highest in AP and followed by the Haryana and Punjab, cost per quintal highest in the Haryana followed by the West Bengal and AP, yield per hectare in quintals highest in Punjab followed by the AP. In the Paddy cultivation cost per hectare highest in the Maharashtra followed by the AP, cost per quintal highest in the Maharashtra followed by AP, yield per hectare in quintals highest in the Rajasthan followed by Gujarat and AP. Likewise, it can observe in the sugarcane and wheat.

Lack of awareness among the farming communities

All the state governments In India failed to make the awareness about the procuring agency and minimum support price structure of the products to the most of the marginal, small and tenant farmers. Without knowing these things farmers are selling their products with lower price and to the private trader. Table (8) shows that for all crops except sugar cane, the majority of the agriculture households are not aware about the minimum support price (MSP), procurement agency. Percent of sales at MSP to total sale highest percent in the jowar, wheat, sugarcane agriculture households.

From the table (9) it can be observed that percentage distribution of agricultural households who have not insured their crops by reasons for selected crops during January 2013- June 2013. The highest percentage of cultivating agricultural households stated that not insuring their crops during the agricultural year January 2013- June 2013 due to lack of

awareness about the crop insurance was the most prominent reason. Not having the awareness about the availability of the facility for the harvested crop was second highest stated reason for not insuring the crops. Apart from this some percentage of agriculture households who were not interested in insuring their crops or not felt the need for insuring their crops, majority of the agricultural households did not insure their crop due to reasons that can be attributed to lack of awareness, improper coverage and reach and complicated procedures and lack of resources etc.

Lack of the markets to sell the product:

Sale of the production after picking up from the farm field also one of the matter. In India lack of the markets to purchase farm product at minimum support price, often farmers approach to the various agencies for sale their output. Because of this, most of the farmers selling their products at lower products and some of the farmers are being cheated by private traders with lower price. From the table (10) It can be noticed that during the January 2013 to June 2013, in the paddy crop 72.10 percent of the agriculture households have sold their output to the local private trader. For all crops except sugar cane, the majority of the agriculture households sold off their crops either to local private traders or Mandi. For sugar cane, most of the households sold off to Cooperative & Government agencies and processor. In the case of cotton 25.35 percent of the farmer sold their product to the input dealer. The cotton crop cultivators do have most of the farmers committing suicides than rest of the crop cultivating farmers.

and imputed value of fixed capital assets (Directorate of economics and statistics 2014.).



Crop	Local private trader	mandi	Input dealer	Cooperative & govt agencies	Processors	others	all
Paddy	72.10	14.89	7.36	4.39	0.94	1.89	100
jowar	55.75	37.76	4.31	0	0.35	2.52	100
Maize	71.48	18.91	8.62	2.64	0	0.69	100
Wheat	49.18	34.78	9.23	6.79	0.28	1.08	100
Barely	55.71	35.71	8.58	0	0	0	100
Gram	41.91	46.80	10.90	0.37	0	0.56	100
Sugarcane	22.79	5.19	1.06	44.22	27.04	0.74	100
Potato	71.72	23.59	5.99	0.19	0.19	0.38	100
Onion	66.66	26.15	6.07	1.28	0	0.92	100
Groundnut	66.32	24.09	5.37	1.88	0.14	2.90	100
Mustard	46.27	45.83	8.33	0.43	0.21	0.21	100
Coconut	83.91	10.38	0.81	3.05	0	3.66	100
Cotton	44.96	24.81	25.35	1.19	3.79	0.10	100

Table: 10 Percentage of agricultural households reporting the sale of selected crops by agency for sale during January 2013-June 2013. Source: NSSO 70th round 2013.

Conditions of tenant farmers:

Tenancy farming is not new, it has been existing back since the olden days, due to the large portion of the land was concentrated small number of people, because of these mostly agriculture depended families used to leased-in land from landlords to self-sustain in the society and reduce their hunger. In India, 40 per cent of the rural households are either landless or own less than 0.2 hectares of land. Less than 1 percent of households own 14 percent of the land. If observe the Uttar Pradesh where leasing is illegal except in rare cases, 23 percent of rural households reported leasing in of land and most of these are landless households. At the All India Level, 61 percent of households leased in the land. The landless and marginal farmers are rising all over India with fixed rent, they are taking leased in the land, even though implementation of land reforms (Kripa Shankar 1999). A number of policy initiatives taken by the central and

state governments to protect the tenants, but no policy made a better impact on reducing the tenancy and give the employment assurance on the other than agriculture sectors. Tenant farmers continuously facing problems in the field of farming due to the lack of credit, lack of agriculture inputs and not getting subsidies on the purchased agricultural inputs. These tenant farmers every time in trouble, because of the landlord who impose the restriction on tenant farmer in every time and also while buying seeds, selling products, borrowing money. In 2014, according to NCRB 5650 farmer's suicides taken place, of which 701 suicides are contact or tenant farmers.

Policy implications:

To provide the life and health insurance to the farmers as like as a government employee. There is need to survey the lands of the farmers, and examine the quality of lands, then has to suggest to the farmers which crops have to cultivate in their lands. Like Panchayat secretary



and VRO (Village Revenue Officers) need to employ the agriculture adviser to give suggestion in the cultivation, for example, how much pesticides and fertilizers has to be used in the crop cultivation, ways to reduce the cost of cultivation and health effects of farmers. There is need to establish the small scale and cottage industries and also need to give the trying to rural educated youth and women. The government should announce the farm input prices in every village Panchayat, these create awareness to the framers while they buy the farm inputs and cannot be cheated by the traders. There is the need to protect the tenants' rights through the proper policy instruments. Credit availability, facilities have to increase to the marginal, small and tenant farmers through the banks without any restriction.

Conclusion:

Green revolution and economic reforms have not benefited the marginal and small farmers in the country. Due to the some drawbacks in the Indian agricultural related policies, which have not improved the conditions of farmers both in terms of standard of living and availability of technically affordable resources made aware and also to be distributively allocated, still they have been affected by various factors due to the lack of awareness about government policy aid programmes. There has been increase in the marginal and small farmers and along with these tenant farmers are also increasing in the country. Most of the farmers working in agriculture are not benefiting because of the increasing cost of cultivation, lower productivity and lower price of the product, lack of awareness about the market conditions, on insurance and higher interest rate on informal credit.

These are the reasons causing to the farmer's distress and suicides, especially in the Maharashtra, Telangana, and Karnataka and along with other states in the country.

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FDI, Economy and Development: A study of Indian Economy in Global Era

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Abstract: Since independence, India has been planned for various models of development. Although it has achieved development through various models, but globalization has a great impact on the development of Indian economy. In the global era, the economic activity of India has not only increased but also changed through the advancement in information and technology and communication. This phase of development is dependent on the various aspects. One of such aspects is FDI. So, this paper tries to analyze FDI in the context of India, and the impact of FDI in the development of Indian economy in the contemporary times. This paper also tries to debate the advantages and disadvantages of FDI model of development in India. This paper is relied on secondary sources for literature and analysis of FDI and its impact on Indian economy.

Keywords: Foreign Direct Investment, Technology, Economic Development,

1. Introduction

Foreign direct investment (FDI) is an investment made by a company or individual in one country in business interests in another country, in the form of either establishing business operations or acquiring business assets in other country, such as ownership or controlling interest in a foreign company (www.investopedia.com). In other sense, foreign direct investment (FDI) is a direct investment into production or business in a country by a company in another country, either by buying a company in the target country or by expanding operations of an existing business in that country (Ramaabaanu & Saranya 2014). In a short form, foreign direct investment means investment in foreign country where the investor retains control of the investments (Wellington & Jammu 2014). Foreign direct investment can be seen in many forms. Broadly, a foreign direct investment includes “mergers and acquisitions, buildings new facilities,

reinvesting profits earned from overseas operations and intra company loans”, while in a narrow sense, it refers to just build new facilities (Krishnaveni & Haridas 2013: 233). On the whole, foreign direct investments bring new technology; create employment and helps for the economic developments of the developing countries. For Josuph Wellington & Jammu (2014) “FDI is an engine of economic growth”. In India, the role of FDI has both and positive and negative consequences. To, understand the scenario of FDI in India and its impact on Indian economy either positively or negatively, it has to understand the circumstances attracted the DFI in India and how it affected the local market system over a period of time.

2. Understanding of Foreign Direct Investment in India

Foreign direct investments play a very important role in the economic development of a country. When a



developing country faces deficit of savings, this problem can be solved with the help of foreign direct investment (Krishnaveni & Haridas 2013). Although India started inviting foreign investments since independence, the inflow of foreign investments was very low before 1990. There are various reasons for this phenomenon. Before the economic reform in India (up to 1990), the flows of foreign direct investments to India were limited because of the type of industrial developmental strategies and various foreign investment policies followed by the nation. Until 1990, India did not receive much FDI compared to the DFI received after 1990s.

In India, foreign investment was introduced in 1991 as Foreign Exchange Management Act (FFMA) by Finance

Minister Manmohan Singh (Krishnaveni & Haridas 2013). India started LPG model of development under the Finance Minister Manmohan Singh. The LPG refers to Liberalization, Privatization and Globalization. This LPG strategy emphasized new forms of developments in India. One of its developmental strategies was inviting foreign investments. Since 1991, foreign direct investments started to increase at a considerable level. By 2000, it has become one of the major investments in Indian business which has covered all the sectors of the economy. The volume of FDI in India can be seen through various studies, statistical reports of national and international. The below mentioned table 1.1 shows FDI inflows to India during the period 2000-2010.

Table 2.1 FDI inflows during the period 2000-2010

Year	A. Direct Investment	
	Rs (in Crores)	US \$ (in Millions)
2000-2001	18406	4029
2001-2002	29235	6130
2002-2003	24367	5035
2003-2004	19860	4322
2004-2005	27188	6051
2005-2006	39674	8961
2006-2007	103367	22826
2007-2008	140180	34835
2008-2009	161536	35180
2009-2010	176304	37182
Total	740117	164551

Source: "Hand Book of Statistics on Indian Economy" RBI (2000-2004)

Table 2.1 shows the foreign direct investments in India during the period 2000-2010. From the table from 2000 onwards FDI started to increase, but in 2003-04 it reduced little bit. However, recovered very soon and started to be more in number. On the whole, from 18406 in 2000-01 increased to 176304 in

2009-10. Similarly, in the U.S dollars too, the same results can be seen. This can be understood from the bar diagram. The diagram shows that there is a more growth of FDI in India from 2006-07 to 2009-10.



While table 2.1 shown, the inflow of FDI to India from 2000-10, table 2.2 try to show the growth rate of the FDI in India from 2000-10.

Table 2.2 Trends in FDI flows to India

Year	FDI in (Crores)	Changes	Simple growth rate (%)
2000-2001	18406	9068	49
2001-2002	29235	10829	37
2002-2003	24367	4868	20
2003-2004	19860	4507	23
2004-2005	27188	7328	27
2005-2006	39674	12486	31
2006-2007	103367	63693	62
2007-2008	140180	63813	26
2008-2009	161536	21356	13
2009-2010	176304	14768	8
Total	740117	185716	296
Annual Average	74011.7	185716.6	29.6

Sources: "Hand Book of Statistics on Indian economy" RBI (2003-04)

Table 2.2 shows growth rate trends in FDI to India from 2000-2010. From the table, although India started attracting good number of FDI from 2000, but it reduced from 2003-2006. Then again it started too increased from 2006, but again went down very soon and continued for the further years. However, on the whole the growth rate of FDI ranged between -20 percent and 62 percent and reached the highest point of 62 percent in the year 2002-2003. One of the causes of reduction in DFI flows to India in mentioned period of time was due to the impact of global crisis during the 2007-08. This can be seen through diagram for a better understanding. From the diagram, although FDI has been increased from 2000-10, but there are fluctuations in growth rates.

Although there are fluctuations in DFI inflows to India over a period of time, as per the latest reports of the World Investment Report 2015 released by the United Nations Conference on Trade and Development (Unctad) India regained its

position in the list of top 10 destinations for foreign direct investments (FDI) in 2014, after failing to make it to the list a year ago (www.livemint.com). A country which was not listed in the top ten recipients of foreign direct investment after 2008, for the first time, India again broke in to the top ten recipients of foreign direct investment in 2014. India jumped to the ninth rank in 2014 with a 22 per cent rise in FDI inflows to \$34 billion. Hence, India was at the 15th position in the previous two years (www.thehindu.com). So far tables 2.1 and 2.2 showed FDI flows from 2000-10 and trends in DFI flows to India, table 2.3 will reveal top ten countries investing DFI in India.

Table 2.3 shows the share of top investing countries FDI inflows. Of the 151 countries investing DFI to Indian top ten for the years 2013-2016 are shows in table 2.3. As per the table 2.3, among the ten countries, Mauritius is the top one country which is investing more DFI than other nine countries. The below



mentioned table 2.4 represents country wise FDI flows from 2000-2016.

Table 2.3 Share of top investing countries FDI Equity inflows

S.NO	Country	2013-14 April- March	2014-15 April- March	2015-16 April- March	Cumulative Inflows April- March	%age of total inflows in terms of the US \$
1	Mauritius	29,360 (4,859)	55,172 (9,030)	54,706 (8,355)	480,363 (95910)	33%
2	Singapore	35,625 (5,985)	41,350 (6,742)	89,510 (13,692)	256,667 (45,880)	16%
3	U.K	20,426 (3,215)	8,769 (1,447)	5,938 (898)	115,592 (23,108)	8%
4	Japan	10,550 (1,718)	12,752 (2,084)	17,275 (2,614)	110,671 (20,966)	7%
5	USA	4,807 (806)	11,150 (1,824)	27,695 (4,192)	94,575 (17,943)	6%
6	Netherlands	13,920 (2,270)	20,960 (3,436)	17,275 (2,643)	98,533 (17,314)	6%
7	Germany	6,093 (1,038)	6,904 (1,125)	6,311 (986)	44,870 (8,629)	3%
8	Cyprus	3,401 (557)	3,634 (598)	3,317 (598)	242,681 (8,552)	3%
9	France	1,842 (305)	3,881 (635)	3,937 (598)	26,525 (5,111)	2%
10	U.A.E	1,562 (255)	2,251 (367)	6,528 (985)	21,658 (4,030)	1%
Total FDI flows from the countries		147,518 (24,299)	189,107 (30,931)	266,322 (40,001)	1,495,859 (288,634)	

ources:http://dipp.nic.in/English/Publications/FDI_Statistics/2016/FDI_FactSheet_JanuaryFebruaryMarch2016.pdf accessed on 12th January 2017.

Table 2.4 reveals country wise FDI flows from 2000-2016 to India. By observing the table 2.3 and 2.4 certain inference can be draw out. The inferences was that from 2000-2016, among the top ten countries which are investing FDI to India are those ten countries which are mentioned in the table 2.3 and 2.4. Moreover, the continuity of sending FDI from their countries did not change much over a period of time also. For that reason, Mauritius has been one of the top

one countries among the top ten countries investing FDI in India from 2000-2016. The FDI are in various sectors of the Indian economy. Although FDI are investing in around 66 sectors of Indian economy, the top ten sectors where these FDI are more in number can be seen through data that available the statistics. The next will try to give a brief overview about the top ten sectors attracting highest FDI inflows

**Table 2.4 shows countries wise FDI flows from 2000-2016**

S. No	Name of the Country	Amount of foreign direct investment inflows		%age with inflow
		(In Rs crores)	(In US\$ millions)	
1	Mauritius	480,363.08	95,909.73	33.24
2	Singapore	256,666.81	45,879.60	15.90
3	United Kingdom	115,591.93	23,108.35	8.01
4	Japan	110,671.35	20,965.98	7.27
5	U.S.A	95,574.89	17,943.35	6.22
6	Netherlands	94,533.14	17,314.46	6.00
7	Germany	44,870.10	8,629.27	2.99
8	Cyprus	42,680.76	8,552.40	2.96
9	France	26,525.03	5,111.48	1.77
10	U.S.A	21,648.17	4,029.89	1.40

Sources:http://dipp.nic.in/English/Publications/FDI_Statistics/2016/FDI_FactSheet_JanuaryFebruaryMarch2016.pdf accessed on 12th January 2017.

Table 2.5 Sectors attracting highest FDI equity inflows

Rank	Sector	2014-15 April- March	2015-16 April- March	2016- 17 April- March	Cumulative inflows	% to total inflows (in terms of US\$)
1	Service Sector	27,369 (4,443)	45,415 (6,889)	35,368 (5,288)	293,722 (56,080)	18%
2	Construction Development	4,652 (4,652)	727 (113)	414 (62)	114,350 (24,250)	8%
3	Computer Software & Hardware	14,162 (14,162)	38,351 (5,904)	6,903 (1,032)	119,087 (22,050)	7%
4	Telecom	17,372 (2,895)	8,637 (1,324)	16,659 (2,787)	111,388 (21,169)	7%
5	Automobile Industry	16,760 (2,726)	16,437 (2,527)	4865 (729)	88,259 (15,793)	5%
6	Drugs Pharmaceutical	9,052 (1,198)	4,975 (754)	4,270 (641)	74,367 (14,490)	5%
7	Trading	16,755 (2,728)	25,244 (3,845)	9,936 (1,482)	78,772 (13,354)	4%
8	Chemical- Fertilizers	4,658 (763)	9,664 (1,470)	3,561 (532)	63,116 (12,433)	4%
9	Power	4,296 (767)	5,662 (869)	3,744 (559)	56,357 (11,035)	4%
10	Hotel & Tourism	4,740 (777)	8,761 (1,333)	3,497 (523)	53,207 (9,750)	3%

Sources:http://dipp.nic.in/English/Publications/FDI_Statistics/2016/FDI_FactSheet_JanuaryFebruaryMarch2016.pdf accessed on 12th January 2017.



Table 2.5 represents sectors attracting highest FDI equity inflows in India. Of the ten top sectors attracting FDI, the service sector is more number followed by rest of all the remaining sectors. In service sector, the flow of investments from 2001-2017 has been on rise, there is no any down fall to this sector. The remaining all sectors have fluctuations in attracting FDI. There more reduction in

some sectors. For instance in construction and development sector, there is considerable amount of reduction in FDI flows, followed by Computer software and Hardware, Automobile Industry, and trading industry. The rest of sectors, like Power, Chemical (fertilizers), Drugs has less reduction in attracting DFI.

Table 2.6 sector wise FDI equity inflows from April 2000 to September 2016

S.No	Sector	Amount of FDI inflows		%age of total inflows
		In (Rs Crores)	In (US\$ million)	
1	Service sector	293,722.22	56,080.38	18.08
2	Construction	114,350.25	24,249.79	7.82
3	Computer (software Hardware)	119,086.87	22,050.02	7.11
4	Telecommunication	111,388.39	21,169.09	6.83
5	Automobiles	86,258.79	15,793	5.09
6	Drugs &Pharmaceutical	74,367.25	14,490.21	4.67
7	Trading	78,7772.13	13,354.42	4.31
8	Chemical (fertilizers)	63,116.31	12,432.77	4.01
9	Power	56,357	11,034.73	3.56
10	Hotel &Tourism	53,207.16	9,749.97	3.14

Sources:http://dipp.nic.in/English/Publications/FDI_Statistics/2016/FDI_FactSheet_JanuaryFebruaryMarch2016.pdf accessed on 12th January 2017.

Table 2. 6 shows about sector wise- FDI equity inflows from 2000-2016. Of the ten sectors getting highest FDI equity inflows, sector received in number followed by rest of the all other sectors. One of the unique things is the service sector which has been setting FDI inflows from 2000 to 2016; continuity is not changed at a large number, while it changed to other sectors with fluctuations.

Advantages of FDI

Foreign direct investments have many advantages to both the investors and recipients. One of its primary benefits is that it allows money to freely go to whatever business has the best prospects for growth anywhere in the world. It gives priority to well run businesses regardless of colour, creed and competition (Krishnaveni & Haridas



2013). In India, FDI has both advantages and disadvantages. The advantages include various. Economic growth is possible with FDI. Technology diffusion and knowledge transfer is possible through FDI. When a country invests in another country its companies bring out machinery, technology for the establishment of ventures. Such technology will be used to others in that country.

Disadvantages of FDI

The presence of a higher amount of FDI will dominate the business in country. For instance, FDI retail sector in India, giving services to all the citizens of India, but with the spirit of business it will dominate the entire consumer market. It may lead to an unfair competition and this may lead to exit of domestic retailers, especially the small family managed outlets.

Conclusion

FDI played an important role in the long-term development of a country not only as a source of capital but also for enhancing competitiveness of the domestic economy though new employment opportunities. However, on a negative sense, FDI is described that as a new form of western imperialism, which the Indian nations was to combat through indigenous capacities. So, by keeping in view the importance of both the foreign investments and national investments, there should be some initiatives to utilize both the FDI and Indian investments to bring out economic development appropriately. The presence of higher foreign investments would dominate Indian market for their profit, as British done in Indian. The British who came to India for business, over a period time they got power to control overall business then started to get power ultimately to control the government.

Similarly, there should a priority to attract foreign investments but it should not give the space to dictate the Indian business and markets.

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Fiscal transformations and protagonist approach of the rule

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Abstract: There is a reason why the wise make a distinction between justice and equality. Merely providing equal opportunities and equal rights for all does not necessarily guarantee justice. When it comes to formulating public policies, therefore, a one-size-fits-all approach is not the best line of action. Law requires major adjustments according to both the concept and impact of systematization of economic reforms. Since the liberalization of economic policy the process of legal reforms is going on which in turn resulted to introduction of significant policy initiatives, to provide stimulus for accelerated growth, industrial efficiency and international competitiveness. At this juncture, the importance of examining consistency within the legal system cannot be overstated. Simplified models of the formalized system of Law with regard to fiscal reforms to curb illegitimate activities are discussed in this paper.

Keywords: equality, fiscal reforms, illegitimate, justice, law, liberalization, public policy, systematization.

Introduction

At the time of independence it was said that we were undergoing three revolutions; the political revolution..., the second revolution was a social revolution ... and the third was the economic revolution. All these were dynamic and the Indian Constitution was actually trying to respond to all of these. Despite the fact that Policy decisions of the government, economic updates, web journals, articles and books on economic reforms by various authors of national and international stature are reviewed for this article. This article focuses on the objectives to study the Structural transformation of the rule pertaining to economic reform process after 1991 and the possible outcomes leading to economic advancement of the country. The hypothesis for the article is India has changed in ways unimaginable in the last 25 years and the momentum favoured economic liberalization. It was asserted that adopted liberalized economic policies to private and globalise its economy i.e., like trickle down policy would automatically solve the problems

that Indian economy encounters. Analytical and explanatory approach has been used to check the hypothesis for this article.

Theoretical reflections on the rule of Law

Theoretical reflections on the rule of Law should pay more attention to the legal duty to give reasons than has been done in the past, thereby leading to a context-sensitive assessment of the rule of Law and its virtue(s). As per William Edwards Deming, a system is a network of interdependent components that work together to try to accomplish the aim of the system. A system must have an aim. Without the aim, there is no system. At this juncture governments promise to provide economic security and public goods to its people primarily aimed at securing equality. Indeed, systematization becomes an economic notion, which is perfectly applicable in this era of growing trading states. Law require major adjustments according to both the concept and impact of systematization of economic reforms.



Reforming the rules shapes the understanding of the role of Law in the integration process, and establishes the limits of Constitutional Jurisprudence.

Legal Realists have already convincingly put forward the argument that systematization as a deductive and autonomous science that draws decisions from the applications of legal principles and precedents is not possible without reference to the values, social goals, political or economic context that underlie it. Rules achieve this purpose mainly by establishing and creating an economic union, whose aim is primarily to establish an internal and international market.

One should read Lon Fuller's passage in the 'Anatomy of Law':

"Those responsible for creating and administering a body of legal rules will always be confronted by a problem of the system. The rules applied to the decision of individual controversies cannot simply be isolated exercises of judicial wisdom. They must be brought into, and maintained in, some systematic interrelationship: they must display some coherent internal structure."

Hence, appropriate form must be distinguished from, that appropriate from should not, even in the course of its application, generally collapse into something else, such as "substance", or "policy", or "equity", and that issue of appropriate form pose many significant choices in legal ordering, general values, equitable consideration, private preferences, and more.

Liberalism and progressive populism

Neo-liberal economic policies that wreaked havoc in many underdeveloped countries are now creating problems for the First World with guardians of the

liberal order looking increasingly uncertain. The progressive liberal, by ideological and moral association, is paying the price for the insensitivity of the neo-liberal economist.

The promises of neo-liberalism, which the poor saw as helping the rich with no tangible benefits for them, never materialized: the promises of the right wing may also never get them anywhere, but then that's a matter for the longer term. The reality is that liberals of all hues have summarily failed to creatively and efficiently been unable to address economic inequalities and cultural insecurities. Liberals, comfortable in their ivory towers, have not adequately represented the poor and downtrodden. Surely, the liberal edifice is still worth fighting for, but we must shed our intellectual arrogance to face up to the real-world problems.

Proprietary to pinstripe capitalism :

India may now be on the road from proprietary to pinstripe capitalism. Demonetisation, along with GST, will bring about a fundamental reordering of business enterprise in India. The romanticisation of ordinary folk plying their trade was a fundamental aspect of the understanding of early capitalism. But politics apart, the replacement of informal proprietary capitalism by formal pinstripe capitalism has social implications as well. Capitalism's social and political legitimacy derives from the industrious small businessman and the innovative garage entrepreneur. The key protagonists in Adam Smith's *The Wealth of Nations* were not the directors of South Sea Company or Bank of Scotland, but the butcher, brewer, baker, flour miller, candle-maker and pin factory owner. Margaret Thatcher prided herself on being the daughter of a



greengrocer, just as Narendra Modi's humble chaiwala origins featured prominently in his breathless 2014 election campaign.

This romanticisation of ordinary folk plying their trade couldn't have found better expression than in the populist American politician William Jennings Bryan's famous 'Cross of Gold' speech of July 1896:

"The merchant at the crossroads store is as much a businessman as the merchant of New York. The farmer who goes forth in the morning and toils all day, begins in the spring and toils all summer, and by the application of brain and muscle to the natural resources of this country creates wealth, is as much a businessman as the man who goes upon the Board of Trade and bets upon the price of grain."

Economic concerns vis-à-vis organized crimes

List of the economic concerns of the average citizen of any Country are Jobless growth, Low credit growth, and Dismal investments etc. Some might argue developing economies cannot afford to be too selective about the sources of capital they attract. But shelving action is treacherous. The more it is deferred, the more entrenched organized crime can become. Because of the opportunities and needs created by the global dimension of business, crimes such as fraud, counterfeiting, corruption and embezzlement have opportunities to shift from individual or family ambit to move organized and competitive global structures.

As with the damaged integrity of an individual financial institution, there is a damping effect on foreign direct investment when a country's commercial

and financial sectors are perceived to be subjected to the control and influence of organized crime. Fighting money laundering and terrorist financing is therefore a part of creating a business friendly environment which is a precondition for lasting economic development.

The economic and political influence of criminal organizations can weaken the social fabric, collective ethical standards, and ultimately the democratic institutions of society. In countries transitioning to democratic systems, this criminal influence can undermine the transition. Most fundamentally, money laundering is inextricably linked to the underlying criminal activity that generated it. Laundering enables criminal activity to continue.

Unfortunately, Belgium and France were also the worst victims of indigenous and trans-border terrorism. This rampage started on January 7, 2015, with the Charlie Hebdo attacks in Paris. France did not detect that Amedy Coulibaly and Medi Nemmouche had bought their weapons from Brussels. Nor did Belgian agencies know that Molenbeek, a small 5.8-sq km area in their Country was Islamic State's busiest terror incubating unit in the world. This long bloody spree saw 15 serious terror incidents, killing 254 innocents and 16 terrorists.

Courts and economic policy

Justice requires not only an adherence to procedural integrity, where democratic institutions collectively determine social and economic policy, but, even more significantly, it also requires that any policy takes into account the potential injustice that might accrue out of its enforcement. There is an often-repeated belief that issues of policy especially those involving the state and nature of a



country's economy, such as economic reforms ought to be beyond judicial review. That is, Courts should exhibit restraint in examining what are really matters for executive determination. Obviously, India's judiciary has historically shown a reticence in interfering in matters of economic policy. As the former President of the Israeli Supreme Court Aharon Barak had once observed, separation of powers exists to "strengthen freedom and prevent the concentration of power in the hands of one governmental actor in a manner likely to harm the freedom of the individual". Differing value judgments can lead to entirely different conclusions. But that need not dissuade the Court from applying its mind to the subject, and from ruling upon questions of Law that go to the root of the policy i.e., validity of the economic reforms. In other words, Court is to judge the Government's competency in effecting the policy, and, even more gravely, to decide on whether the means of its enforcement has led to unconstitutional consequences.

Demonetization of currency

Demonetization is usually associated with decrepit economies and hyperinflation, such as Zimbabwe recently and Argentina in the past. The Argentine government demonetized several times in the last century; it even changed its currency's name from peso to austral, then back to the peso — each time, it further reduced confidence in the currency. Myanmar, Ghana, the former Soviet Union, Nigeria and Zaire also demonetized, leading to devastating economic consequences. In all cases, often done by military dictatorships, demonetization eroded confidence in the currency. It is therefore surprising that a reform-minded, popular, democratically

elected prime minister has resorted to demonetization. Even Arthakranti, the Pune NGO from where the idea ostensibly emanated, is distancing itself from a ham-handed plan to withdraw 85 per cent of the country's currency overnight. Irrespective of other economic factors, one thing is certain that is Demonetization has broken the back of terror funding in the immediate future.

India's Economic Policy

India redrafted its economic policy in the year 1991 to usher in a new era of deregulation, liberalization and global integration. Since then the process of legal reforms is going on which in turn resulted to introduction of significant policy initiatives, to provide stimulus for accelerated growth, industrial efficiency and international competitiveness. As part of reform process, the Government has also initiated legislative reforms in the area of economic laws. The Government enacted Foreign Exchange Management Act (FEMA), the Competition Act replacing the MRTP Act and amended the Consumer Protection Act in the year 2002. The Legal Metrology Act, 2009 replacing Standards of Weights and Measures Act, 1976 and Foreign Contribution (Regulation) Act, 1976.

In the area of Intellectual Property, which has economic value, the Government has enacted Trade Marks and Designs Act and amended the Patents Act and the Copyright Act. The philosophical justification for including computer programs under literary work has been that computer programs are also products of intellectual skill like any other literary work. Copyright protection gives exclusives rights to the owners of the work to reproduce the work enabling them to derive financial benefits by exercising such rights. If any person



without authorization from the owner exercises these rights in respect of the work which has copyright protection it constitutes an infringement of the copyright. In this regard the Government has further amended the Patents Act in 2005 and notified Trade Mark Rules, 2002 and Patents Rules, 2003 as amended in 2005. The Foreign Trade Policy 2009-14 has also been announced in line with the reform agenda and amended from time to time. Further, the Prevention of Money Laundering Act to deal with new categories of economic offences, has also been made operative with effect from 1st July, 2005.

Indian Laws and Regulation governing International Transactions

Indian Laws and Regulations Governing International Transactions include Foreign Exchange Management Act (FEMA), 1999; Taxation of Foreign Income in India; Foreign Investments by Indian Entities; Setting up Offices and Branches Abroad by Indian Entities; Restrictions on Trade in Endangered Species and Other Commodities.

Basel Committee's Statement of Principles

In December 1988 the Basle Committee on Banking Regulation Supervisory Practices issued a statement of principles to be complied by the international banks of member states. These principles include identifying customers, avoiding suspicious transactions, and cooperating with law enforcement agencies. The statement aims at encouraging the banking sector to adopt common position in order to ensure that banks are not used to hide or launder funds acquired through criminal activities. Hence, in India KYC norms were introduced.

Resolution of the International Organization of Securities Commissions

The International Organization of Securities Commissions (IOSCO) adopted, in October 1992, a resolution encouraging its members to take necessary steps to combat money laundering in securities and futures markets. Time to time Securities and Exchange Board of India (SEBI) is issuing guidelines for combating money laundering in India.

The Financial Action Task Force

The Financial Action Task Force is an inter-governmental body whose purpose is the development and promotion of policies, both at the national and international levels, to combat money laundering and terrorist financing. The Task Force is therefore a "policy-making body" which works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas. Since its creation the FATF has spearheaded the effort to adopt and implement measures designed to counter the use of the financial system by criminals. It established a series of Recommendations in 1990, revised in 1996 and in 2003 to ensure that they remain up to date and relevant to the evolving threat of money laundering that set out the basic framework for anti-money laundering efforts and are intended to be of universal application. India became 34th member of FATF in the year 2010. Moreover, the FATF does not have a tightly defined constitution or unlimited life span. However, the Task Force periodically reviews its mission.

Prevention of Money Laundering – Indian Initiatives

In view of an urgent need for the enactment of a comprehensive legislation



for preventing money-laundering and connected activities, confiscation of proceeds of crime, setting up of agencies and mechanism for coordinating measures for combating money laundering etc., the Government introduced the Prevention of Money Laundering Bill, 1999 in the Parliament on October 29, 1999. The Bill received the assent of the President and became Prevention of Money Laundering Act, 2002 on 17th January 2003. The Act has come into force with effect from July 1, 2005.

Objective of KYC Norms / AML Measures / CFT Guidelines

The objective of Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Measures / Combating of Financing of Terrorism (CFT) guidelines is to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. KYC procedures also enable banks to know / understand their customers and their financial dealings better which in turn help them manage their risks prudently. Notwithstanding that, Banks should ensure that the provisions of Foreign Contribution (Regulation) Act, 1976 as amended from time to time, wherever applicable are strictly adhered to. At the outset Reserve Bank of India issued KYC Guidelines.

Introduction of New Technologies viz., Credit Cards / debit cards / smart cards / gift cards

Almost all the Banks are engaged in the business of issuing a variety of Electronic Cards that are used by customers for buying goods and services, drawing cash from ATMs, and can be used for electronic transfer of funds. Banks are required to ensure full

compliance with all KYC/AML/CFT guidelines issued from time to time, in respect of add-on / supplementary cardholders also. Banks should ensure that appropriate KYC procedures are duly applied before issuing the cards to the customers. Hence, agents are also subjected to KYC measures.

Reporting to Financial Intelligence Unit - India

In terms of the PMLA Rules, banks are required to report information relating to cash and suspicious transactions and all transactions involving receipts by non-profit organizations of value more than rupees ten lakhs or its equivalent in foreign currency to the Director, Financial Intelligence Unit-India (FIU-IND) in respect of transactions.

Benami property transactions

But the Government must ensure that the crackdown does not lead to undue harassment by officers empowered under the Law to unearth and confuse benami properties. The Law says whenever a benami property is confiscated, all the rights and titles will vest with the Centre. Safeguards must make sure that this expropriatory power is used with extreme care. Benami property deals will cease when every penny is accounted for. Subsequently, after developments of demonetization took place. An efficient functioning of the judicial system is a must to lower disputes and cut needless delays in confiscation of benami properties.

Freezing of Assets under Section 51A of the Unlawful Activities (Prevention) Act, 1967

The Unlawful Activities (Prevention) Act, 1967 (UAPA) has been amended by the Unlawful Activities (Prevention) Amendment Act, 2008. Government has issued an Order dated August 27, 2009 detailing the procedure for



implementation of Section 51A of the Unlawful Activities (Prevention) Act, 1967 relating to the purposes of prevention of, and for coping with terrorist activities.

Quality of counter-terrorism, not currency crackdown, will prevent terrorism. On November 10, 2016 our prime minister said that demonetization of high value currency notes was “a decisive war against the menace of corruption, black money and terrorism”. Social media claimed that the “PM had nuked terror funding”. Subsequent discourses saw official assertions that a “cashless economy” would end “black money” to make us “terror-free”.

But a “cashless economy” need not be “terror-free”. In November 2014, CNBC conducted a survey of the 10 top “cashless” societies. It found Belgium to be the world’s top cashless society with 93 per cent non-cash consumer payments and 83 per cent debit card use. France was second, then Canada, the UK, Sweden, Australia, Holland, the US, Germany and South Korea.

E-Property Pass Book

From 1st April 2017 all properties are invalid for one year. One can’t sell or buy any property until he / she register their properties in the E-Property Pass Book. EPBB will be linked with PAN, Aadhar online. Owner has to personally report with ownership proof to Sub-Registrar office where special officers will enter all property details in EPPB.

Once it is entered in EPPB properties citizens will become the owners of their property. Citizens will have one more special counter for emergency sellers, mortgages, buyers where they can do exchange of properties but with full details of all properties. Up to 31 March 2018 all properties will be entered in

EPPB. From 1st April 2018 Government will take over the properties not entered in EPPB.

Insolvency and Bankruptcy Board

Insolvency and Bankruptcy Board seeks to consolidate and amend Laws relating to reorganization as well as insolvency resolution of corporate persons, partnership firms and individuals in a time-bound manner. Putting in place the operational framework for insolvency and bankruptcy Law, IBBI which has been established under the Insolvency and Bankruptcy Code is being assisted by two advisory panels with inputs on various aspects, including on service providers and corporate liquidation.

According to a senior official, both advisory committees have started deliberations on various matters. IBBI, which expects to soon operationalize the Insolvency and Bankruptcy Code, has already notified three sets of regulations. These rules are for Insolvency Professionals, Insolvency Agencies and Model Bye-Laws and Governing Board of Insolvency Professional Agencies.

Subject to certain conditions, advocates, chartered accountants, company secretaries and cost accountants can serve as insolvency professionals while certain classes of not-for-profit companies can act as insolvency professional agencies.

A not-for-profit company, having minimum net worth of Rs 10 crore, will be eligible to be an insolvency professional agency. Such an entity will have membership, monitoring, grievance redressal and disciplinary committees to regulate as well as have an oversight of the professional members.

Conclusion and suggestion

The result of testing the hypothesis is that, the importance of examining



consistency within the legal system cannot be overstated. Consistency is the ground upon which fundamental values of fairness are rooted. Assumed the current status of India, it would be more meaningful to have uniformity of "rights", given to all its citizens, which would also comprise of fortification of economic rights, gender justice and most importantly, education, culture and religious freedoms of its citizens. But as of now, citizens are only being told of a uniformity of Law. It is important to know what those ideas will be, how they could affect individual lives in the Country and whether they will be at the cost of national integration. However, simplified models of formalized system of Law may provide the fundamental elements necessary to examine consistency within the Law while retaining the fundamental values of the system.

Even seven decades after Independence, the areas of sustainable economic activity and the traditional skills and income generation of the people who desperately need to be included in the process of the country's growth are grossly neglected. There is a reason why the wise make a distinction between justice and equality. Merely providing equal opportunities and equal rights for all does not necessarily guarantee justice. When it comes to formulating public policies, therefore, a one-size-fits-all approach is not the best line of action. A Law that fails to ensure full-fledged justice to its citizens remains an unjust one.

Reining in black money, enlarging the tax net and working towards a digital future are worthwhile economic objectives. Far loftier is the bid to make India a more honest place and

force all Indians to think straight. That is the real challenge.

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Empowering Differently Abled People through Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)-A Study in Warangal Rural District

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Abstract: Despite a growing economy, a majority of the people in rural areas of our country live below the poverty line with limited employment opportunities. By addressing this, issue, MGNREGA aimed to ensure 100 days guaranteed job to poor rural household's vis-à-vis food security, employment of village communities, and creating useful assets in rural areas. The approach is rights-based as the assumption here is that every adult has a right to basic employment opportunities at the statutory minimum wage. If this act is properly enacted and implemented through schemes, it may definitely be able to go long way to alleviate rural poverty. There is a common concern Disabled persons are among the most excluded ones in the development process of the country. While appreciating the genuine concern and effort of the Government to ensure employment, food and livelihood security for its rural citizens with the enactment of MGNREGA, it is unfortunate that differently abled people, who constitute the most vulnerable and poorest of the poor segment of society, still have not received adequate and proper attention in terms of accessing work under MGNREGS. India has one of the more progressive disability policy frameworks in the developing world. However, their remain huge challenges in operation al zing the policy framework .increasing the status and social and economic participation of people with disabilities would have positive effects on everyone, not just disabled people.

Keywords: Poverty, MGNREGS, Disability, Mainstream and Empowerment

Introduction:

Ever since India achieved independence, poverty alleviation in rural areas became one of the major in all most all the five year plans of the country. One of the major challenges before successive governments has been provision of adequate remunerative employment to the vast majority of rural workers who have been unemployed or mostly underemployed in meager subsistence livelihood activities. The National Rural Employment Guarantee Scheme of India was designed to "provide

for the enhancement of livelihood security of the households in rural areas of the country, by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work". The NREGA ensures on demand 100 days of employment in a year to a household at the minimum wage. The NREGS is based on twin principles of universality and self-selection.

The Act places enforceable obligation on the State and gives power



to rural laborers. As a legal right to work, NREGS contrasts with previous employment generation schemes in several aspects. First and foremost, it bestows entitlements to workers, in the form of providing work for those who demand within a time frame (15 days of applying for work) at a guaranteed wages, which was not the case with earlier public works programmes. Secondly, the universal nature of the programme eliminates targeting errors. Thirdly, the process of implementation and community involvement (in the form of social audits) is expected to reduce corruption and malpractices which form an important weakness in earlier programmes.

The guarantees enshrined in the Act are expected to ensure its implementation as a binding responsibility of the government. Very high expectations are placed on the outcomes of the Act in terms of protecting rural households from poverty and hunger, reduction of rural-urban migration, increasing opportunities of employment for rural women, creating useful assets in rural areas, in changing power equations in rural areas and in activating and empowering Panchayati Raj Institutions. To what extent all these are likely to be realized and what are the processes that would enable realization assumes. Importance in analyzing the implementation experience of the initial years.

Disability Scenario in India

There is a common concern that disabled persons are among the most excluded ones in the development process of the country. For an effective

and efficient policy intervention to improve the lots of the disabled persons it is of utmost importance to get a clear idea of the dimension of disability in India. Although government and the public sector would have to play a key role in this Endeavour, it may be neither feasible, nor desirable for them to do it all. Further, there is wide heterogeneity in the situation and the policy requirements of different groups of disabled persons in India. There are major differences in social attitudes to different types of disability, coupled with variations due to gender, class, place of residence (rural/urban) etc.

The number of people with disabilities in India is substantial and likely to grow disability does not “go away” as countries get richer. People with disabilities in India are subject to deprivation in many dimensions of their lives. Social attitudes and stigma play an important role in limiting the opportunities of disabled people for full participation in social and economy life, often even within their own families. India has one of the more progressive disability policy frameworks in the developing world. However, their remain huge challenges in operational zing the policy framework. Increasing the status and social and economic participation of people with disabilities would have positive effects on everyone, not just disabled people. India has a vibrant and growing disability rights movement and civil society involvement in service delivery for people with disabilities. While there is a long way to go, focusing on “getting the basics right” on disability policy would allow for significant progress in the foreseeable future.



Number of Disabled persons and their Composition: Census in India 2011

Number of Disabled persons and their Composition: Census in India 2011

Total number of disabled persons in India and their percentage distribution by type of disability										
Population category	Total disabled persons (2011)	% of disabled in total no.	% distribution of disabled persons by type of disability							
			Seeing	Hearing	Speech	Movement	Mental Retardation	Mental illness	Any Other	Multiple disability
Total	2,68,16,557	2.21	18.8	18.9	7.5	20.3	5.6	2.7	18.4	7.9
Rural	1,86,31,921	2.24	18.7	18.2	6.9	21.6	5.5	2.6	17.6	8.5
Urban	81,78,636	2.17	18.7	20.5	8.4	17.1	5.8	2.7	17.5	6.5
Male	1,49,86,202	2.41	17.6	17.9	7.5	22.5	5.8	2.8	18.2	7.8
Female	1,18,24,355	2.01	20.2	20.2	7.4	17.5	5.4	2.6	18.6	8.1

Source: Population Census in India (2011)

In the year 2011 of the persons with disability (PWD) about 69.4% belonged to rural areas and only 30.5% were from urban areas. About 55.8% of disabled were male while only 44.2% were females. For the population of the country as a whole, 2.21% were found to have one type of disability or the other.

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MGNREGS and Differently abled People

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. The Act has come into force in 200 selected districts of the country w.e.f. 2nd February, 2006. All the districts of the Country have been brought under its ambit from April, 2008. The MGNREGA is a demand driven Scheme requiring unskilled manual labour. Separate earmarking of employment/ resources have therefore, not been provided for disabled persons.

As per Operational Guidelines Para 5.5.10, if a rural Differently abled persons applies for work, work suitable

to his/her ability and qualifications will have to be given. This may also be in the form of services that are identified as integral to the programme. Provisions of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 will be kept in view and implemented. Further, no reservation is provided to persons with SC/ ST/OBC, etc under the scheme and the same is applied to persons with disabilities. Though there is no reservation for Persons with Disabilities under MGNREGA, but in the spirit of Provisions of Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995, the Ministry of Rural Development specifically monitors the coverage the Persons with Disabilities under MGNREGA. During 2015-16, four lakh fifty nine thousand four hundred and sixteen persons with different disabilities were covered under MGNREGA.

Objectives of Study

The present study will be undertaken with the following and objective:-

- To find out the impact of MGNREGS for the Empowerment of person with disability;



- To assess the progress of the Persons with Disabilities under this programme;
- To know perceptions and views of personnel working on this programme

Methodology: the researcher would like to take evaluative type of research design and the researcher took only one mandal from Warangal rural district. i.e: Nekkonda mandal in this mandal the registered disabled are 607 in this total

Mandal at a glance:

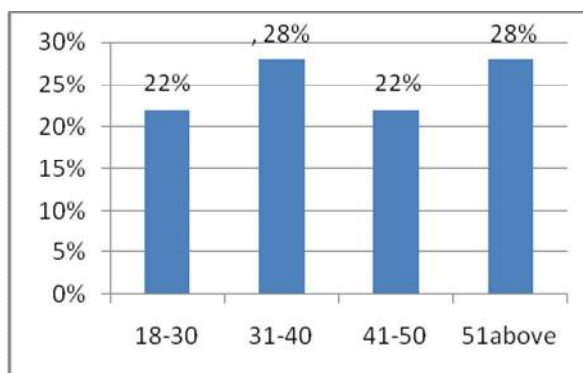
Nekkonda Mandal in Employment Analysis for Disability

Years	Regd Disabled Members	Disabled Working	Disabled Working %
2011-12	607	334	55
2012-13	607	287	47
2013-14	607	250	41
2014-15	607	263	43
2015-16	607	300	49

number, 300 disabled are worked in the year 2015-2016. The universe of the study is 300 members in whom the researcher took the random sample and selected the 50 respondent's i.e: 16% (approximate) form the total universe. The researcher collected the primary data from the field using with interview schedule, applying nominal statistical tools for analyzing the data.

The above table shows that, out of 50 respondents there are majority of them are male population consisting of 28 members (56%) and the remaining are female population consist of 22 members (44%) . the table explains us that the male population are dominating, grabbing the opportunity and benefiting out of work under the MGNREG Scheme.

Age



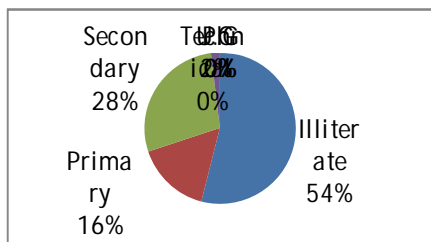
The table no: 02 present the distribution of age variation of the respondents under

given category. The age group of (31-40) & (51 and above) carried equal share of



percentage consist of 28% which means 14 respondents each. And also the remaining age groups that are (18-30) & (41-50) are also having the same percentage i.e: 22% (11 respondents each). In which the researcher observed that the younger generation are giving less priority for work in this programme

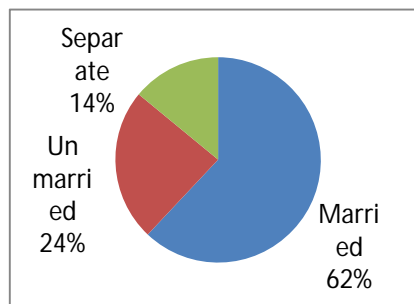
Educational Status



The above table shows that, majority of the respondents were illiterates, and the percentage is 54% (27). And the 28% of the respondents are secondary level of educational status. Remaining are primary consists 8%, the irony of the study is only one person that is 2%, respondent having undergraduate education level. In this we come to understand that how the disabled populations are backward in the education. This is also one of the factors that they can't get the employment opportunity and awareness among such schemes like MGNREGS.

Caste Composition: The table no: 04 explains us that, backward class were represents more than half of the percentage. i.e: 33 respondents (66%) and remaining were schedule casts 6 respondents having (12%) , schedule tribes 6%, minorities and others are occupied 3rd place in the study.

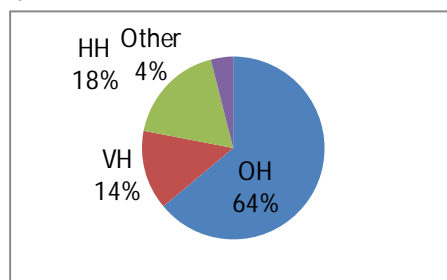
Marriage Status.



The above table shows that, more than half of the respondents are married, i. e: 62% (31 respondents), 12% of the respondents are unmarried, 7% of the population are separated from their families.

The family sizes of the respondents are consists of (0-2 members) i. e: 32 respondents are having 0-2 family member in their family, the percentage is 64%. More than (2-5 members) consist of 8respondents i.e: 16%. (6 and above) are 10 respondents i.e: 20%. The researcher find that disabled are having single status in their families and living their own.

Types of Disabilities.

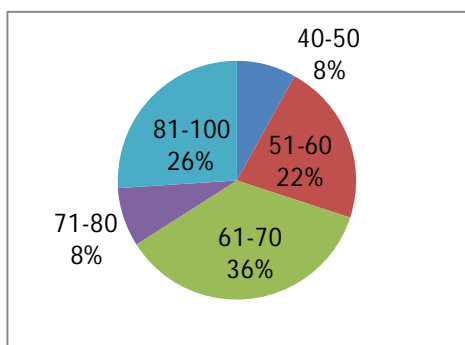


The above table represents that, more than half of the population or respondents are orthopedically handicapped the percentage consists 64% the number of respondents are 32. Simultaneously visually handicapped are 7 numbers i.e: 14%. The second highest percentage are hearing handicapped the



percentage consists of 18%, others are occupied only 4%. The respondents are only 2. The table clearly explains us that the OH population is grabbing the opportunity in the MGNREGS programme. The remaining of them are backward in getting the employment in EGS.

Table No: 07. Disability Percentage of Status



The above table explains us that, the percentage of the disability. 18 respondents are consists of 36%. (61-70 Pwd percentage) That is less than half of the population in the study. The remaining are the second height of percentage (81-100 Pwd percentage) 13 respondents i.e : 26% , the third place occupied by (51-60 Pwd percentage) 11 respondents are 22%, last place occupied by both (40-50 Pwd percentage) & (71-80 Pwd percentage) 4 respondents i.e: 8%. each. the researcher find that the more disability percent of populations are not getting opportunities in this programme.

When it comes to other related information in this study is, when it comes to the special card system in EGS. 45 respondents that is 90% are said yes and 5 respondents are said no. the EGS personnel are not giving any special cards for PWDs.

The study revealed that the wage payment as per the guide lines given by the Act (70% of work full payment) 14 respondents i.e : 28% are said yes, they get the full amount of payment as per the prescribed guidelines. And the majority of them 36 respondents are said no. consists of 72%. They are not getting the wages as per the guidelines given by MGNREGs Act.

The researcher asked about their first aid kit, and the response of the respondents is like this. The majority of them are not getting any first aid facility i.e; 30 respondents are said no. Consist of 60%. Reaming are explained 20 respondents, 40are getting first aid facility at work place.

In this study, the researcher asked the question, is there any progress is there in your life then the majority of the respondents reveled that it is poor response i. e; 27respondents (54%). And the second height was average consist of 20 respondents (40%). Only 2% are replied good, lastly only one respondents responses that his life was progressive after getting employment in MGNREGS. Where it comes to EGS is it useful for Disabled then 35 respondents (70%) are replied that it is useful remaining said that 15 respondents (30%) were said no.

Suggestions:

- If the EGS should generate the full working days for disabled, so that they can get maximum benefit out of the scheme, and pay the unemployed dole for every disabled those who are having EGS cards.
- If any disabled person did 50% of the work at work place the EGS



personnel should pay the full amount i. e : 100% of the wage.

- The EGS personnel to see to that the work site should be nearer to the disabled person

Conclusion:

The government of India has introduced the programme called MGNREGS as to reduce the poverty levels in all walks of life in India. Based on the Act the persons with disability are also included in the scheme by utilizing this scheme, the PWDs is able to come out of their poverty line and get rid of their day to day problems. And sustain themselves with economical empowerment and social empowerment by getting employment in this programme. The study revealed that the wages and the working days of EGS Should rise from 150 days to 225 day in a year especially for disabled population. The EGS personnel also give the prior priority to the all the disabled those who are having job cards to come easily to get the work at nearest places too. The MGNREGS Act should focus on employment dole for disabled person to get rid from their economical status and live their life in mainstreamed with good manner.

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Economic empowerment of tribal women in Telangana – A study

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Introduction

In India women are discriminated due to several historical, religious and other reasons, she is made to undergo the feelings of being inferior and feeble. She is denied the prospects for personal expression. It was reported during women's workshop that women's "sexuality is suppressed, their labour exploited, their property and other basic human rights denied to them and their humanity demolished". The so-called 'national movement' has further "displaced and marginalized women while at the same time, it has turned them into commodities, not just in terms of being used as machines for producing children, doing household work and even doing jobs outside but always controlled by men to whom they belong"

The status of the tribal women usually depends on the economic roles they play. The tribals in the past were usually forest dwellers and their livelihood to a great extent depended on the food-gathering economy. More than the men, the women walked long distances to fetch wood and fodder. Besides, they also collected fruits, roots, and tubers, lac, gums and leaves for self-consumption and sale. The men also complemented them by collecting timber and logs. They climbed the trees to shake down the fruits that were gathered on the ground by women. As there has been large-scale deforestation, women have to slog harder to retain the gathering economy. In the tribal areas of Khammam in Telangana,

collection and marketing of firewood are generally the domain of tribal women. They sell it at local shandies and whatever income they have, they immediately spend it on meeting the basic requirements such as rice, pulse, edible oil, soap, detergent powder, tobacco, and so on.

Indian society is marked by inequality, discrimination, exploitation, domination, and deprivation. What is even more striking is the fact that such thwarting societal features are mostly based on the lines of caste, tribe, religion, language, region, etc. There is hardly any segment or dimension of life that are not characterized by one or more of such features. Even children have been unable to escape the all-pervasive effects of such features. Tribals are one of the most exploited and deprived sections of the Indian society. All development indicators show them to be the most excluded from mainstream Indian society despite the fact that various kinds of policies and programs have been pursued and executed for their social and economic upliftment in post-Independence India. Needless to say that exclusion from the fruits of development has adversely affected the quality of life of the tribal people.

Objective of the Study

The Main objective of the paper brings about the Policy and advancement, development and empowerment of women. The Policy will be widely disseminated so as to encourage active participation of women



Methodology

The present study completely based on secondary data collected from HRD, CEDAW NFHS, Census of India, Registrar, and General in India.

Women Empowerment in India: A Brief Discussion

Safeguard the rights and legal entitlement of women. The 73rd & 74th Amendments (1993) to the constitution of India have provided some special powers to women that for reservation of seats (33%), whereas the report HRD as March 2011 shows that the legislatures with the highest percentage of women in India "The New Panchayat Raj" is the part of the effort to empower women at least at the village level. The government of India has ratified various international conventions and human rights instruments committing to secure equal rights to women. These are CEDAW (1993), the Mexico Plan of Action (1975), the Nairobi Forward Looking Strategies (1985), the Beijing Declaration as well as the platform for Action (1995) and other such instruments. The year of 2001 was observed as the year of women's empowerment. During the year, a landmark document has been adopted, 'the National Policy for the empowerment of women.' For the beneficiaries of the women, the government has been adopted different schemes and programs i.e. the National Credit Fund for Women (1993), Food and Nutrition Board (FNB), Information and Mass Education (IMF) etc. The most positive development last few years has been the growing involvement of women in the Panchayat Raj institutions. There are many elected women representatives at the village council level. At present all over India. At the central and state levels to women are progressively making a difference. Today we have seen women

chief ministers, women president, different political parties leader, well establish businessmen etc. Women are being regarded these days as a sine-quonone of progress for a country.

Status of Tribal women in Telangana overview

The government of India has introduced several welfare schemes, laws, and acts for the uplift of Scheduled Tribes (STs); the status of tribal women continues to remain pathetic in remote villages. Womenfolk and girls of primitive tribal groups are suffering from malnutrition, low literacy, poverty and lack of information on government activities and welfare schemes. The status of women in a society is a significant reflection of the level of social justice in that society. Women's status is often described in terms of their level of income, employment, education, health, and fertility as well as their roles within the family, the community, and society. In tribal communities, the role of women is substantial and crucial. They constitute about half the total population but in tribal society, women are more important than in other social groups because they work harder and the family economy and management depends on them. Even after industrialization and the resultant commercialization swamped the tribal economy, women continued to play a significant role. A collection of minor forest produce is done mostly by women and children. Many also work as laborers in industries, households, and construction, contributing to their family income. Despite exploitation by contractors and managers, tribals are more sincere and honest than non-tribals.

Tribals have been residing in forest areas for generations, cultivating land and



collecting non-timber forest produce. As per the Forest Survey of India Report, 2003, 60.04% of the 63% forest covers of the country and 63% of dense forests lie in 187 tribal districts, though the geographical area of these districts is just 33.6% of the country's geographical area. Out of 58 districts, which have more than 67% of their area under forest cover, 51 are tribal districts. A comparison of the 2001 and 2003 assessments of forest cover in tribal districts shows a net increase of 321,100 hectares underscoring a very strong symbiotic relationship between tribals and forests and of tribals being at the forefront of conservation regimes. While tribal women have more say in family decisions than their non-tribal counterparts, they also share more responsibilities. Preparing food and providing for drinking water is solely

their responsibility so they operate closely with the forests from where they get water, fuel and minor products including edible fruits, tubers, flowers, vegetables and berries

Tribal women work as men's partners in agriculture, yet their status remains the same. Tribal women work very hard for the livelihood of the family but live a poor life, in spite of their many contributions in the house and on the farm. Tribal women are important for the improvement and progress of tribals. They are the pivot of tribal agriculture, performing many household and agricultural jobs. Without them, tribal welfare in agriculture is meaningless. Tribal Women in Ecological Development Environment and sustainable development are firmly on the global agenda. Ecofeminism is to be viewed in this context.

Table-1: Telangana State Tribal Women & General women Literacy Rate and Work Participation in Agriculture

SL.NO	District	General women		Tribal women	
		Literacy Rate	Work Participation in Agriculture	Literacy Rate	Work Participation in Agriculture
1	Adilabad	51.3	41.9	41.37	52.7
2	Nizamabad	51.5	44.3	34.25	52.8
3	Karimnagar	54.8	40.0	42.19	51.9
4	Meadak	51.4	19.1	32.04	51.0
5	Hyderabad	79.4	27.2	62.08	23.8
6	Ranga Reddy	69.4	47.1	44.87	39.9
7	Mahabubnagar	44.7	44.3	30.44	53.6
8	Nalgonda	54.2	44.3	35.66	54.8
9	Warangal	55.7	42.5	38.96	54.4
10	Khammam	57.4	43.2	43.67	55.2
Total		57.9	38.4	39.44	52.6

Source: Directorate of Economics and Statistics, Government of Telangana, Hyderabad.

Table-1 shows that the work participation of general women 38.4 Percent and tribal women 52.6 percent in Agriculture cultivators and

agricultural labour is high among scheduled tribes is higher than the general women in Telangana State. The Literacy rates of various districts of



Telangana state in terms of tribal women and general women classes are given in above table the literacy rate of general women is 57.9 percent and the tribal women literacy rate is 52.6 percent.

Eco-feminism points to the need for an integrated view of nature, culture and gender issues. An appropriate strategy for development would be one which is not only ecologically sustainable but takes the interests of women into consideration. The problems of ecological distress and climatic changes require immediate attention with a specific formula to achieve ecological safety. All the initiatives were taken under UNEP, biosphere programs, various governmental and non-governmental actions lag behind since none was specifically empowered to achieve eco-equilibrium and ecological security. Women provide sustenance to the family and community by their judicious use and management of natural resources. Women are consumers, producers, educators and caretakers of their families, playing an important role in a sustainable eco-system in the present and future. However, environmental deterioration has a negative effect on the health and quality of life, especially for girls and women. A policy of conservation of natural resources will be successful only if women are integrated into all programs and policy making.

There are various hypotheses about why women have relatively high or low status. The common premise is that women status is high when they contribute substantially to primary subsistence activities. Women position is low in the societies where food getting is entirely men's job like hunting, herding or intensive agriculture. In the historical times when warfare was essential, men were more esteemed than women.

Likewise in the centralized political systems men had high status. Men in most societies contribute more to primary subsistence activities, as women have infant and child care responsibilities. However, women contribute substantially to primary subsistence activities that depend heavily on gathering and horticulture and in which men are away on labor or pastoral duties while subsistence work has to be done. When primary and secondary subsistence activities are counted, women work more than men.

An Overview on Economic Empowerment of tribal women

Common Interest Groups had been formed with the tribal women whose economic activity interests were of common nature. The educated tribal youth had been identified and trained as resource persons who work with the common interest groups by sharing of technology for achieving capacity building and value addition of their products. The district federation is engaged in collective marketing of their produce. It also monitors the activity in shandies, particularly the weight measurement of products. This is to improve the harvesting, post harvesting, value addition, quality control processes at the household level. This, in turn, creates better returns on investment for the target communities and promotes sustainable resource utilization in surrounding areas.

Reasons for the Economic Empowerment of Tribal Women

Today we have noticed different Acts and Schemes of the central government as well as the state government to empower the women of India. But in India women are discriminated and marginalized at every



level of the society whether it is social participation, political participation, economic participation, access to education, and also reproductive healthcare. Women are found to be economically very poor all over the India. A few women are engaged in services and other activities. So, they need economic power to stand on their own legs on par with men. Another hand, it has been observed that women are found to be less literate than men. According to 2011 Census, the rate of literacy among men in India is found to be 82.14% whereas it is only 65.46% among women. Thus, increasing education among women is of very important in empowering them. It has also noticed that some of the women are too weak to work. They consume less food but work more. Therefore, from the health point of view, women folk who are to be weaker are to be made stronger. Another problem is that workplace harassment of women. There are so many cases of rape, kidnapping of girl, dowry harassment, and so on. For these reasons, they require empowerment of all kinds in order to protect themselves and to secure their purity and dignity. To sum up, women empowerment cannot be possible unless women come with and help to self-empower themselves. There is a need to formulate reducing feminized poverty, promoting the education of women, and prevention and elimination of violence against women.

Conclusion

Training should be given to women for capacity building among them. Women should be taught not to keep the undue pressure of their family members. Workshops and seminars should be organized by the Government for regular interaction among women

representatives across districts and states. Such interaction would help them to exchange their ideas on performance and failure of local self-government institutional framework. Adequate information relating to various programs and activities including economic incentive oriented schemes promoted by the Government should be made available to women for their knowledge and involvement and implementation of such schemes, programs etc. The majority of women had no independent source of earning. It is suggested that the Government should run programs of such kind wherein the programs generate independent income earning the status of women.

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Health education in Telangana state

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Introduction

The new agenda for Public Health in India includes the epidemiological transition, demographical transition, environmental changes and social determinants of health. Based on the principles outlined at Alma-Ata in 1978, there is an urgent call for revitalizing primary health care in order to meet these challenges. The role of the government in influencing population health is not limited within the health sector but also by various sectors outside the health systems. This article is a literature review of the existing government machinery for public health needs in India, its success, limitations and future scope. Health system strengthening, human resource development and capacity building and regulation in public health are important areas within the health sector. India is presently facing unique public health challenges in terms of emergence of infectious diseases, rising trends of chronic diseases, and health systems related issues. Additionally, maternal and child health related indicators as articulated in the Millennium Development Goals are also distantly placed. It is well recognized that strengthening health systems through reforms and improving capacities of health workforce can help us address these challenges. Adam Smith stated that, "the capacities of individuals depend on their access to education," thus reiterating a strong linkage between the health workforce and public health education. It is well documented that

India has a shortfall of critical mass of public health professionals. In order to respond to this gap. There have been efforts to improve the quantity and quality of public health professionals in this country in recent past. In this context, this manuscript attempts to document the historical evolution of public health education in India and the recent trends related to it. The evolution of public health education in India can be traced back to 1835 with the establishment of the Calcutta Medical College in West Bengal in order to fulfill the growing need for health professionals. A new department to cater to education and health was constituted in 1912, with public health physicians in medical colleges were entrusted the responsibility of teaching hygiene

Concept of Health Education

Health education is a term commonly used and referred to by health professionals. Health education is indispensable in achieving individual and collective health. There is no single acceptable definition of health education which is normally perceived as an instrument of changing attitudes and behavioural patterns of people toward attaining better health status through adoption of health innovations and practices which are tested and tried. World Health Organization defines it thus: "Health education is the part of health care that is concerned with promoting healthy behaviour" Health education is the translation of what is known about health into desirable



individual and community behaviour patterns by means of an educational process. John M Last defines health communication as "the process by which individuals and groups of people learn to behave in a manner conducive to the promotion, maintenance or restoration of health" Green L W observes: "Any combination of learning opportunities and teaching activities designed to facilitate voluntary adaptation of behaviour that are conducive to health" The definition adapted by the National Conference on Preventive Medicine in USA reads: "Health education is a process that informs, motivates and helps people to adopt and maintain healthy practices and lifestyles, advocates environmental changes as needed to facilitate this goal and conducts professional training and research to the same end" Thus, health education encompasses all strategies and activities which are meant of the attainment of better health status of the people.

Health Education in India

Role of Central Government

The Government of India is responsible for providing countrywide education to the people on health care and management. The Directorate General of Health Services set up Central Health Education Bureau (CHEB) in 1956 to coordinate health education services through various divisions in the country. The goals and objectives of the division include educating the people about health plans and programmes, training health educators and workers, supplying health education materials, conducting health research activities, providing technical assistance to government and non-

government agencies in the field of health education, developing health education syllabi for different target groups and collaborating with international agencies in promoting health education. The School Health Education Division of CHEB provides and monitors the centrally sponsored school health service scheme since April 1977 meant for primary school students in rural areas. CHEB also works with UGC, NCERT, Board of Secondary Education and other agencies in imparting health education by enlisting the participation of universities, colleges and schools.

Role of State Governments, Union Territories and Local Self Government

School health services are managed by respective State Governments and Union Territories. The aim of school health programme is to provide comprehensive health care to all school children in both urban and rural areas. It comprises of medical examination, treatment, preventive medicine, follow-up action, sanitation, hygiene, safe environment and other aspects of health management. There is a provision for health check-up twice in a year undertaken by government or private agencies under the supervision of a Medical Officer who is in charge of medical inspection. Medical fee is collected in schools for the purpose of health care which is compulsory. This arrangement is made with a view to bring about awareness among parents and teachers. The Primary Health Centers of Karnataka State implement the National School Health Programme. The local-self government bodies are also involved at the grassroots level health



education activities at district, block and village panchayat levels.

Role of Educational Institutions

Health education is indeed an inter-disciplinary approach which draws contents and initiatives from physical, biological, medical and behavioural sciences. Health instruction is not considered a part of the total school curriculum. Health instruction component is missing from primary school to university levels in India. Formal health education programmes are not designed and implemented in our country. Significant health aspects such as health care, nutrition, sanitation, hygiene, preventive medicine, community health, environment protection, drug addiction, mental health, prevention of AIDS and so on are not covered systematically by our schools, colleges and universities. Healthy habits are not cultivated by the students due to lack of health education. Systematically health instruction is not imparted on mandatory and regular basis. The students do not get the benefit of incidental teaching on health care resources and methods. Printed materials, audio-visual programmes, demonstrations, exhibitions, poster campaigns, group discussions, lecture programmes, field trips, health clubs and other health instructional opportunities are not made available to the students at various levels. Very few health universities and medical colleges are imparting professional health education and training. Thus, health education in India is not imparted at various levels formally or informally to the best of the satisfaction of students, parents, teachers and other sections of society.

Objectives

To encourage people to adopt and sustain health promoting life style and practices;
To promote the proper use of health services available to them;

To arouse interest, provide new knowledge, improve skills and change attitudes in making rational decisions to solve their own problems.

To Improved access to quality healthcare, particularly women, children, and the poor by promoting integration, decentralization, and encouraging community participation.

Methods and Materials

The data usage in the appropriate places, secondary data are also collected from journal, books, reports, and various documents and related publications.

Discussions

The Twelfth Five Year plan covering 2012-2017 was formulated based on the recommendation of a High Level Experts Group (HLEG) and other stakeholder consultations. The long term objective of this strategy is to establish a system of Universal Health Coverage (UHC) in the country. Key points include:

1. Substantial expansion and strengthening of public sector health care system, freeing the vulnerable population from dependence on high cost and often unreachable private sector health care system.
2. Health sector expenditure by central government and state government, both plan and non-plan, will have to be substantially increased by the twelfth five-year plan. It was increased from 0.94 per cent of GDP in tenth plan to 1.04 per cent in eleventh plan. The provision of clean drinking water and sanitation as one of the principal factors



in control of diseases is well established from the history of industrialised countries and it should have high priority in health related resource allocation. The expenditure on health should increased to 2.5 per cent of GDP by the end of Twelfth Five Year Plan.

3. Financial and managerial system will be redesigned to ensure efficient utilisation of available resources and achieve better health outcome. Coordinated delivery of services within and across sectors, delegation matched with accountability, fostering a spirit of innovation are some of the measures proposed.

4. Increasing the cooperation between private and public sector health care providers to achieve health goals. This will include contracting in of services for gap filling, and various forms of effectively regulated and managed Public-Private Partnership, while also ensuring that there is no compromise in terms of standards of delivery and that the incentive structure does not undermine health care objectives.

5. The present Rashtriya Swasthya Bhima Yojana (RSBY) which provides cash less in-patient treatment through an insurance based system should be reformed to enable access to a continuum of comprehensive primary, secondary and tertiary care. In twelfth plan period entire Below Poverty Line(BPL) population will be covered through RSBY scheme. In planning health care structure for the future, it is desirable to move from a 'fee-for-service' mechanism, to address the issue of fragmentation of services that works to the detriment of preventive and primary care and also to reduce the scope of fraud and induced demand.

6. In order to increase the availability of skilled human resources, a large expansion of medical schools, nursing colleges, and so on, is therefore is necessary and public sector medical schools must play a major role in the process. Special effort will be made to expand medical education in states which are under-served. In addition, a massive effort will be made to recruit and train paramedical and community level health workers.

7. The multiplicity of Central sector or Centrally Sponsored Schemes has constrained the flexibility of states to make need based plans or deploy their resources in the most efficient manner. The way forward is to focus on strengthening the pillars of the health system, so that it can prevent, detect and manage each of the unique challenges that different parts of the country face.

8. A series of prescription drugs reforms, promotion of essential, generic medicine and making these universally available free of cost to all patients in public facilities as a part of the Essential Health Package will be a priority.

9. Effective regulation in medical practice, public health, food and drugs is essential to safeguard people against risks and unethical practices. This is especially so given the information gaps in the health sector which make it difficult for individual to make reasoned choices.

10. The health system in the Twelfth Plan will continue to have a mix of public and private service providers. The public sector health services need to be strengthened to deliver both public health related and clinical services. The public and private sectors also need to coordinate for the delivery of a continuum of care. A strong regulatory system would supervise the quality of



services delivered. Standard treatment guidelines should form the basis of clinical care across public and private sectors, with the adequate monitoring by the regulatory bodies to improve the quality and control the cost of care,

a) A national health education policy is necessary to prepare grounds for nation-wide health education b) Health education should be accorded a place of pride and treated as an independent subject on par with other at National level, state level and grassroots levels; d) Co-ordination committees should be established to implement health education programmes at central, state and grassroots levels; e) There should be regionspecific health curricula which fits into ground realities; f) Health educators should be trained and recruited from primary to higher education levels; g) A specialized cadre of health communicators is of utmost importance in mass media organizations; h) Multi-media campaigns should be envisaged as a holistic approach to health; i) The government media networks should be decentralized with a view to provide sustainable health education services informally; j) Outdoor media which are more effective channels of health education especially in rural areas should be utilized adequately for health promotion; k) Newspapers and television which are accessible to a majority of people should get government sponsored health advertisement among mass media; l) Health education messages should be formulated by experts in communication. Using simple language, authentic facts, local idioms and phrases and attention compellers can enhance the quality of health messages; m) Formal evaluation of health education services is required at various to

felicitate better modifications; n) Media institutions could be persuaded to provide adequate health education services regularly on a priority basis by increasing time and space; o) NGOs should also actively participate in health campaigns by providing adequate publicity and advertising support; p) Policy makers, health administrators, media professionals and academicians can be involved in directing health communication services.

Conclusion and Suggestion

The policy makers, health administrators, health educationists, media owners and professionals and organizers of NGOs have to accord a place of pride to health education which is a neglected sector. Health education must emerge as a critical factor in the process of health development in particular and national development in general. Compulsory health education will go a long way in improving the health status of people. So long as health education remains neglected, the dream of 'Health for All By 2000 AD' would remain unfulfilled. As Michael Traber once observed, people cannot develop or attain their full potential if they are cut off from communication⁹. The government, media institutions, academic institutions, NGOs, research and development organizations have to work in close collaboration toward designing an effective health education system in the country.

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