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# Voice of Research

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## EDITORIAL

With the upcoming Christmas and the New Year, I take the opportunity to extend the seasons greetings and best wishes. I think these three months were something very special. With demonetisation, Supreme court posing ban on liquor, verdict related to the Tallak, I think its great opportunity for the researchers to study the real effect on the society. With the people standing in queue for long hours and saying – it's fine... No problem... I think it is something just opposite to the laws of human psychology which demands rigorous multi faceted research to study this behaviour. The functioning of media and its impact on the society is also a matter of study. The study of societal impact following the judgement is of immense importance. At the end of this 2016, I am pleased to present this issue of Voice of Research in orange with joyous and bravery spirit all around. This spirit insists me to ask the authors to conduct some research on current issues and come up with new theories. Well, with the adherence to the belief of researchers - *All time is to sow and then harvest at appropriate time*, we are here with this issue with the positive attitude and commitment of the potential researchers. With reference to education, sociology, psychology, management and technology the current issue highlights topics related to teacher professional documents, life skills and ramcharitmanas, creating the creators, manipuri nata sankirtana, webbased library resources and services, financial performance of public sector banks, e-commerce and handicraft artisans, intellectual property parameters and financial reporting, marketing strategic planning, multi-factor econometric models, marketing strategies, market mechanisms for investment and HR management to cover the problems related to the students, professionals, parents, family, society as well nation.

To enrich education Njiku studies the school based professional support provided to student teachers in preparation of teacher professional documents; Rathore talks of life skills in Ramcharitmanas and adds to the living style which is the need of time in this era of stress and demonetisation; Srivastava emphasises on creating the creators; Thoiba Singh describes manipuri nata sankirtana as a mahayajna whereas Talati conducts a relative study of IITs and NITs with respect to webbased library resources and services.

To add to the management and technology area Varshney and Chawla compares financial performance of public sector banks with special reference to SBI and PNB; Shah and Patel evaluates e-commerce and rural handicraft artisans; Pulatov discusses the intellectual property parameters of financial reporting; Tillahodjaev comes up with marketing strategic planning for the textile and clothing supply chain; Rashidovich presents multi-factor econometric models that represent changes in the dynamics of the tax burden; Hamdamov analyses the marketing strategies for specialized farms; Anvarjonovich focuses on market mechanisms for investment financing in Uzbekistan whereas Dilnoza reviews HR management in fats and oils industry. Whereas Patel & Mehta talks of demonetisation.

On the whole this orange issue of Voice of Research presents the recent trends and issues by addressing the problems and presenting the solution to the issues of students, teachers, professionals, investors, parents, family, society as well nation. I am sure, this issue will add to the enthusiastic readers and researchers and Voice of Research is able to draw the necessary attention of the concerned people, authorities and departments on the related issue.

**Regards,**  
**Avdhesh S. Jha**  
**Chief Editor**

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## SCHOOL BASED PROFESSIONAL SUPPORT TO STUDENT TEACHERS IN PREPARATION OF TEACHER PROFESSIONAL DOCUMENTS

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### Abstract

*Teaching practice is an important part of teacher training. Preparation of teacher professional documents is one among the major activities student teachers do during the teaching practice. This paper discusses the preparation of scheme of work and lesson plan as teacher professional documents and the professional support provided by experienced teachers in the teaching practice centers. The study was done in the southern highland of Tanzania during the 2015/2016 teaching practice period of the University of Dar es Salaam. Document analysis and interviews were done and qualitative data was collected. Content analysis was done and some descriptive statistics were used to describe the findings. Finds show that student teachers' scheme of work and lesson plan had some variation based on the perception they had from the university and that little is learnt from the teaching practice stations. Some of the entries in the documents were wrongly constructed and in most cases differed among student teachers working in the same teaching practice station. It was also found out that little collaboration and assistance was offered from regular school teachers in the preparation of the documents. The paper suggests among others that schools should prepare their experienced teachers to actively be involved in the mentorship process.*

**Keywords:** *teaching practice, teacher professional documents, lesson plan, scheme of work.*

Teaching practice is a practical experience in teaching before one is certified as a professionally trained teacher. It is an integral part of teacher education which grants student teachers with an opportunity to practice the art of teaching before actually getting into the actual real world of teaching career (Kiggundu & Nayimuli, 2009; Lee, Kwong, & Cheung, 1994; Martinet, Raymond, & Gauthier, 2001). Thungu, Wandera, Gachie, & Alumande (2010) see teaching practice as an activity that provides student teachers with an opportunity to experience real teaching and learning situation while building up their confidence and career experience. Kansanen (2003) contends that during teaching practice student teachers become acquainted with the basic teaching of various subjects and evaluation procedures where by student teachers practically plan, teach, and evaluate lessons in different subjects assigned to them. At the University of Dar es Salaam and its constituent colleges teaching practice involves participation in some or all school based activities. It provides student teachers with on ground professional experiences in teaching which involves multiple tasks. Student teachers are normally attached to one of the participating schools called teaching practice stations. The schools provide different kinds of support including professional and social support. The teaching practice is an arena for integrating knowledge, values and skills together with the socialization of the professional person (Lee, Kwong, & Cheung, 1994). In social aspect help is provided in terms of accommodation and interaction with the school community. In the professional aspect, which is the focus of this paper, help is provided in planning and preparation for teaching, classroom and out of classroom lesson delivery, and in other important extracurricular activities. The University instructors and experienced regular school teachers should work willingly and closely with student teachers to determine the kind of

teachers they will be after the training (Thungu, Wandera, Gachie, & Alumande, 2010). This paper discusses the help provided by teaching practice centers to student teachers in the planning and preparation of professional documents. The professional documents that are of concern in this paper are the scheme of work and the lesson plan. The scheme of work in teaching profession is a document that is intended to breakdown the syllabus content into a teacher perceived easy way of curriculum implementation. The scheme of work as coined by Thungu, Wandera, Gachie, & Alumande (2010) is a document that interprets the syllabus and puts in order the learning content to be taught by the respective teacher who prepares the document. It predetermines among others the pace of delivery and teaching resources available or which have to be prepared in advance before classroom interaction. It is a teacher guiding document for a relatively long period of time which may last up to a semester or a year. It ascertains the completion of the syllabus. The lesson plan on the other hand is a single teaching session guiding document. It is a teacher made document that details the course of instruction for a lone or double lessons session and is derived from the scheme of work (Thungu, Wandera, Gachie, & Alumande, 2010). It details the activities that are to be done and how they have to be done during the lesson. Both of these documents are teacher made and require professional knowledge and skills to prepare them. Student teachers, like their counterparts regular school teachers have to prepare these documents when they are preparing for teaching (Kalebiã, 2006). At the University of Dar es salaam the document format is provided by the teaching practice office for student teachers to follow. A study by Kalebiã shows that this is the common practice in other countries and that the preparation has to be discussed with school based mentors.

## Objectives

There has been a problem in the preparation of scheme of work and lesson plan among student teachers from the University of Dar es Salaam. Such difficulties were observed during their teaching practices which are normally done for eight weeks around July to September yearly. Despite having learned methodology courses at the university and the expected help from school based mentors as suggested by Kansanen (2003), student teachers could not effectively prepare scheme of work and lesson plan documents. This paper discusses the preparation of teacher's scheme of work and lesson plan and points out common mistakes in document preparation, it also explores what help student teachers received from their school based mentors. It answers question: 1) how well are student teachers professional document prepared and 2) what help do school based mentors provide to student teachers in the preparation of professional documents.

## Methodology

The study was done during the 2015/16 teaching practice of the University of Dar es Salaam. Students who were involved were those who did their teaching practice in southern highland of Tanzania. In total the study involved 57 students who were unevenly distributed in twelve teaching practice centers. Review of their documents (scheme of work and lesson plan) was done. Student teachers were also interviewed in order to obtain the kind of help they received from schools with respect to document preparation. The interviews group based involving all student teachers in each teaching practice station.

## Findings

Instructional objectives are of two types: the general objectives and specific objectives (Franklin, n.d.). In the scheme of work some students 42(73.7%) wrote the general objectives which reflected the whole topic while others wrote specific objectives which address the subtopic. The lesson plan had both general objectives and specific objectives. Specific objective states what the teacher intends to accomplish with the students by the end of the lesson (Thungu, Wandera, Gachie, & Alumande, 2010). The most common mix-up was identified in the selection of action verbs. While writing objectives 40.4% of student teachers managed to use non measurable action verbs in their main objectives on the lesson plan. The common non measurable term used by student teachers was the verb to "understand". With reference to specific objectives 94.7% of student teachers were able to select appropriate measurable action verbs in their specific objectives. However, only 36.8% managed to correctly write their specific objectives whereby a complete specific objective was written with all the four major components: Audience, Behaviour,

Condition, and Degree of performance (ABCD). Majority of the student teachers' specific objectives (63.2%) lacked the degree/standard of performance.

Both the scheme of work and the lesson plan have teaching, learning, and assessment activities columns. The teaching and learning activities are directly derived from the syllabus and the scheme of works for the scheme of work and the lesson plan respectively with some specific circumstance customization. There was no identified trouble with writing of teaching and learning activities. However, some differences in writing the assessment activities were identified. In the scheme of work nearly all students used a guiding question to fill in the "assessment" column. In the lesson plan 12(21.1%) of the student teachers did not plan for assessment activities at all as the column was completely blank. Four students had partially filled in columns with reasons that they were taught so and that it is not necessary to fill in the entire column. Nevertheless, 71.9% of the student teachers filled in the whole assessment activities column. While 54.4% of student teachers used questions asking if students were able to do something, 31.6% of student teachers used a statement explaining what they will do with their students in the classroom as an assessment activity.

Teacher's evaluation was also studied. This is a statement which explains how the lesson was done. It reports on the level of success to which the lesson was implemented. This is part of teacher's reflection on the classroom interaction in which the teacher is the lead. Teacher's evaluation comments promote self-reflection which is vital for the process of learning to teach (Kalebiæ, 2006). Student teachers had different ways of reporting the implementation of the lesson. In the first part of the statement 57.9% of the students used a phrase "most of the students..." while 41.1% used quantitative phrase "x% of the students" (where "x" was a numeral). Other common phrases that followed were "... understood the lesson..." and they justified the success of the lesson by writing phrases such as "...they were able to answer the questions..." 26(45.6%) or "...they were able to (measurable terms used in the objectives)..." 31(54.4%).

Another area of concern was the "remarks" both in the scheme of work and in the lesson plan. In the scheme of work, 64.9% of some student teachers had the whole column full of the remarks including areas which were not yet implemented while 17.5% did not write the remarks at all. However in cases where remarks were written in the scheme of work, 51.1% of the student teachers used the word "taught" as a complete remark, 29.8% used the words "taught and understood/well understood", while 19.1% used more learner centered remarks such as "taught and student were able to do something". In the lesson plan student teachers



had long sentences as their remarks. However all of them commented on whether they will proceed to the next lesson as per their scheme of work or they will have to repeat the lesson. Their comments were based on the teacher's evaluation that they made at the end of the lesson.

In all the teaching practice centers the scheme of work and the lesson plan were reviewed by the school authorities. The documents had the head of school's signature and stamp on weekly basis. In all the student teacher documents reviewed there were no further comments by head of schools on the way documents were prepared.

Apart from reviewing the student teachers prepared professional documents, students were also interviewed on the assistance that they received from their school mentors in the documents preparation process. Very few students (31.6%) reported to have had an opportunity to collaborate with their mentors in preparing their documents especially in the first few days of their eight weeks teaching practice. This was in contrast with the view that collaboration and team work activities are important since they encourage better development of future teachers (Vaillant & Manso, 2013). Of all the student teachers only 9(15.8%) had an opportunity to see the scheme of work prepared by their mentors and had to prepare theirs on their own. Most of the student teachers (52.6%) were simply told the topics that had been covered and those that were not yet taught. These student teachers also reported that they had to forge their way to having the professional documents prepared on their own.

In a group interview with five student teachers from one teaching practice station it reported that some regular school teachers who were supposed to be their active mentors claimed that there were some differences in the formats of the documents. They also reported that the differences in the scheme of work and lesson plan formats made regular school teachers uncomfortable in sharing their experiences with student teachers. In another school, during the group interview with four student teachers it was reported that some regular school teachers felt inferior and left to student teachers all the subject teaching activities on their own. Regular school teachers' involvement may be improved through what is referred to as the articulation with teaching practice centers by building up alliance between universities and participating schools (Vaillant & Manso, 2013; Andersson & Sarenbrant, 2013; Agaoglu, 2013). The presence of student teachers provided an opportunity for school teachers to put their feet up quite contrary to the view put forward by Niemi, Toom & Kallioniemi (2012) that regular school teachers work load increases as they are supposed to teach students and supervise student teachers. In two out of twelve schools student teachers were given an isolate office different from

the usual or common offices used by regular school teachers. In these schools it was reported that there was no close interaction between school teachers and student teachers as they used quite different offices.

### Discussion

The student teachers own made professional document such as the scheme of work and the lesson plan were seen to differ greatly in the way students wrote or perceived the required content of some of the entries in the documents. Major variations in the scheme of work were identified in the writing of objectives, assessment activities, and remarks. In the lesson plan variations were noted in the instructional objectives, assessment activities, and in the teacher's evaluation. Student teachers who used instructional objectives reflecting the subtopic in the scheme of work had to rewrite it for every subtopic listed unlike those whose objectives reflected the whole topic. A good number of student teachers were able to use non measurable terms while writing their general objectives. However, the most common term used by nearly every student was the verb to "*understand*". This suggests that student teachers did not have a wide range of non measurable terms to choose from. Probably the general objective itself (by virtue of being general) does not necessarily require a big range of term to choose from. Nevertheless the general action verbs that can be used include among others to know, understand, appreciate, have faith, believe in, and grasp the importance (Winegarden, 2005). The specific instructional objective was seen as one of the most difficult things student teachers had to write. Unlike the general objectives, specific instructional objectives use action verbs such as to write, identify, explain, mention, list, recite, sort, solve, construct, compare, contrast, and build to mention but a few which have fewer interpretations (Winegarden, 2005; Soto, n.d). Some student teachers were not able to identify measurable action verbs to use in their specific objectives. More still some student teachers failed to write a statement of intent which had all the basic four components building up a complete and well constructed statement of intent. As a result most student teachers overlooked the role of the degree or standard of performance. This suggests that to most student teachers the level of performance of their students in a particular concept or task is not given the required weight in their statements of intent. In other words, any level of completion of a task is ok as their objectives are silent on any performance benchmark required. Winegarden (2005) argues that a complete specific instructional objective should have all the basic four components which are the audience, behavior, condition and degree of performance. The components should be organized to form a detailed and meaning carrying statement.



The assessment activities in the scheme of work were written in form of a question by majority of students. These questions can be used as guiding tools to determine if the curriculum implementation is a success. Questions such as “*are students able to explain/narrate....*” can suffice the purpose for assessment since the scheme of work is a projection of what has to be done but for later days. This requires a precise planning for assessment activities when it comes to lesson planning (William, 2013). While the lesson plan format explicitly requires assessment activities, most student teachers did not plan the activities that would be done in the classroom so as to assess the teaching and learning interaction but instead wrote questions. While the questions were not activities, they also did not tell what exactly would be done and who would do it.

Assessment activities provide information used by the teacher to evaluate the lesson. This evaluation tells the extent to which the lesson has been successful. Evaluation also provides the teacher with an opportunity to reflect on their work and enables them to improve their teaching (Lavriè, 2013). At the start of the sentence some student teachers used phrases such as “*most of students...*” while other used percentages. While “*most of*” is easy to determine, the percentage is difficult to obtain in a lesson of forty or eighty minutes. It is also debatable as to whether one can actually come up with the actual representative number or percentage of students who have successfully completed classroom activities within the limited lesson time. Nevertheless, it is also open to discussion if a phrase “*most of*” which is very vague can be of use in future when the lesson plan is revisited. Specific numerical data can easily inform the level of learners involvement, participation, or achievement especially when the teacher as suggested by Lavriè (2013) need to improve their teaching and address specific areas of concern in future. It is argued here that while phrases such as “*most of and majority of*” can easily present the average portion of students who did well in the lesson, the numerical portion such as percentages can help in further decision especially in organizing remedial and revision lessons as it can simply be differentiated from another numerical figure. Student teachers also explained the success of their lesson by giving reasons either that students were able to answer questions or were able to do (specific objective action verb) something. While both views tell what students have been able to do, answering questions may not necessarily reflect what was envisaged to be done in the classroom. In most cases the lesson is planned to help students do be able to do something from the syllabus content rather than simply answering questions. Therefore, a good teacher’s evaluation should tell exactly if students were able to do what specific

objective wanted them to do by the end of classroom or lesson interaction.

In both the scheme of work and in the lesson plan there were some remarks. While in the scheme of work the role of the remarks is to report the implementation of the curriculum, in the lesson plan the remarks reports the next step to be taken after the teacher’s evaluation (Thungu, Wandera, Gachie, & Alumande, 2010). In the scheme of work most remarks were “*taught*” or “*well taught*”. Few student teachers used “*taught and understood*” or “*taught and students were able to ....*”. The first two remarks were teacher centered and were silent on what has happened to students who are actually the centre of teaching and learning process. The latter two remarks were learner centered to some extent. While “*taught and understood*” considers what happened to students, it is still too vague. A good remark in the scheme of work is that which tells what students have been able to do/learn as contented by Lavriè, (2013) that teaching has now become to put students as the main focus. In the lesson plan a good remark as was written by most student teachers tells what will happen next based on the information from the assessment activities and the teacher’s evaluation. Specifically, lesson plan remarks indicated as to whether the next session will be used to learn new content and perform new activities or the lesson will be repeated. Remedial classes were also mentioned when student teachers thought it necessary.

Some of these variations were observed among student teachers working in the same teaching practice station. This suggests that student teachers from the same teaching practice station do not learn same things in the same ways. The teaching practice mentorships was not well organized by school administration to the extent that each student teacher had to forge their way forward from what they learnt at the university. Most regular school teachers neither helped student teachers to prepare the professional documents nor did they provide even a little guidance except for a few of them. In some schools regular school teachers did not even share the office rooms with student teachers. This put student teachers who are in the making in teaching practice stations in isolation. Consequently, it is argued here that little may be learnt from the teaching practice stations as far as teaching profession documents such as the scheme of work and lesson plan preparation is concerned. Therefore, it is suggested in this paper that schools should prepare their teachers to play the mentorship roles. Andersson & Sarenbrant, (2013) suggest that head of schools have a big role to play as they have to plan and organize the mentorship process for both their school development and the partner University. The collaboration between the University and the schools is vital to enable common understanding between the



involved (Andersson & Sarenbrant, 2013; Agaoglu, 2013)

### Recommendation and Conclusion

In this paper it is recommended that school based mentors should be trained by school administration to handle the mentorship process before student teachers are assigned subjects of their mentors to teach. This places the regular school teachers in a position of being comfortable to interact with student teachers placed under their professional care. While the teaching professional documents formats may differ, in most cases the basic features remain intact and if mentors are well prepared and flexible, they can easily help in preparing student teachers to gain the expected practical experiences. Furthermore, collaboration and sharing of knowledge and experiences may bridge the knowledge and social gap that may exist based on organizational based behaviors. It is also recommended to the University to update their document formats to match those used in the school. This is important because the prospective teachers that are prepared by the universities are expected to work in such schools.

This paper discussed the preparation of teacher professional documents such as the scheme of work and lesson plan by student teachers from the University of Dares Salaam during their teaching practice. It points out some variations in preparing the documents which partly result from uncoordinated school based mentorship. Student teacher faced some difficulties in writing their documents, the challenges which may be alleviated if proper mentorships is provided. As most of the student teachers find themselves working alone without any guidance from experienced teachers, they end up writing documents with lots of mistakes. The paper concludes that in most teaching practice stations that the University of Dares Salaam student teachers undertake their practical training, very little is learnt as far as writing teacher professional documents are concerned. Schools should take responsibility in ensuring that student teachers learn something new and of use from them. And this can only be done if schools train and prepare their teachers for mentorship.

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## LIFE SKILLS IN RAMCHARITMANAS

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**Abstract**

*Life Skills refer to the ability to maintain the state of mental and physical well-being while interacting with others within the local culture and environment. It refers the skills required to live life happily without any stress and tension. This seems to be a new word to intellectuals but it is surprising and amazing to know that our ancestors and forefathers were more farsighted and knowledgeable as there is sufficient description of life skills in our epics which enable a person to live life smoothly, happily and blissfully without any tension or stress. In Ramcharitmanas, Goswami Tulsidas has illustrated the life skills by providing exemplary instances of the ideal and model characters of Sri Ram, Sita, Laxman, Sbatrugghan, Bharat, Hanumanji and Urmila. Key words: Sundar Kand, Interpersonal Skills and environment savvy.*

**Keywords:** Life skills, Ramcharitmanas, tulsidas, value education

Life Skills refer to the ability to maintain the state of mental and physical well-being while interacting with others within the local culture and environment. It refers the skills required to live life happily without any stress and tension. This seems to be a new word to intellectuals but it is surprising and amazing to know that our ancestors and forefathers were more farsighted and knowledgeable as there is sufficient description of life skills in our epics which enable a person to live life smoothly, happily and blissfully without any tension or stress. In Ramcharitmanas, Goswami Tulsidas has illustrated the life skills by providing exemplary instances of the ideal and model characters of Sri Ram, Seeta, Laxman, Shatrughan, Bharat, Hanumanji and Urmila. All these model characters if studied properly provide us opportunities to live life fruitfully in this world. To live life in such a way that the pure and virtuous life becomes a source of not only moral and spiritual progress but also provides opportunity for social upliftment. That is why the researcher has selected Ramcharitmanas to find out the life skills followed by our great persons which made them immortal and ideal in the eyes of all Indians.

**Research Questions:**

- What are the life skills presented in Ramcharitmanas?
- What are the problem solving skills presented in Ramcharitmanas?
- What are the management skills presented in Ramcharitmanas?
- What are the Interpersonal skills presented in Ramcharitmanas?
- What are the skills required to control oneself as presented in Ramcharitmanas?
- What are the organisational skills presented in Ramcharitmanas?
- What are the environment savvy skills presented in Ramcharitmanas?
- What are the decision making skills presented in Ramcharitmanas?

**Objectives**

The researcher has studied the famous scripture with following objectives: To study the life skills presented in Ramcharitmanas. To study the problem solving skills presented in Ramcharitmanas. To study the management skills presented in Ramcharitmanas. To study the interpersonal skills presented in Ramcharitmanas. To study the environment savvy skills presented in Ramcharitmanas. To study the decision making skills presented in Ramcharitmanas. To study communication skills presented in Ramcharitmanas.

**Methodology Adopted**

The researcher studied the holy book with full concentration and noted quatrains and couplets related with life skills. After that the researcher again studied the pious and holy scripture and noted them according to different life skills. The researcher noted following life skills in the famous book.

**Problem Solving & Decision Making Skills**

These skills help us to solve our problems and we can find our own way from miserable and difficult uncertain conditions. They show us how to solve the problems just like Hanuman and take appropriate decision. In Sundarkand when Hanuman goes to Lanka for search of Sita, he faces so many problems in his way but he kills Sursa, the lady demon through his cleverness as he first enlarges himself then minimizes himself and thus comes out of the mouth of the lady demon like a mosquito:

जस जस सुरसा बदन बढावा। तासु दून कपि रूप देखावा।।  
सत जोजन तेहि आनन कीन्हा। अति लघु रूप पवनसुत लीन्हा।।  
बदन पड्ठि पुनि बाहेर आवा। मागा बिदा ताहि सिरु नावा।।  
मोहि सुरन्ह जेहि लागि पठावा। बुधि बल मरमु तोर मै पावा।।

**Skill of living in harmony with nature**

Lord Ram dutifully accepts his father's wish to go to forest and stay there for fourteen years away from the luxuries and amenities of life due to him being the son of a great king of powerful empire. He says that due to the blessings of his father there will be all types of comforts even in the

forest. Staying in a small cottage surviving only on fruits and vegetables Ram presents a perfect example how a person can enjoy the perfect bliss in the soothing surroundings of nature far away from the mundane realities of this world. The great poet Tulsi Das with his master-stroke exhibits the peace and joy experienced by the great Lord amid the peace and serenity of nature. Guha, the boatman who helped Ram to cross the river tells Bharat that surrounded by beautiful trees laden with leaves and fruits, Ram's cottage made up of tree leaves exists. Existing near flowing river, this cottage is surrounded by plants and trees planted by Sita and Luxman. A sitting place is also constructed by Sita under the shadowy banyan tree.

बताना छायाँ बेदिका बनाई । सियँ निज पानि सरोज सुहाई ॥  
नील सघन पल्लव फल लाला । अबिरल छाहँ सुखद सब काला ॥

The forest has the blessing of a holy river which destroys sins of all those who take bath in it. Fresh ever-flowing river water and slow air flows at the Kamadgiri hill where Ram stays-  
राम सैल बन देखन जाहीं । जहँ सुख सकल सकल दुख नाही ॥

झरना झरहि सुधासम बारी । त्रिविध तापहर त्रिविध बयारी ॥

Ram's spiritual interpretation of the universe coupled with a rich and yet delicate appreciation of the beauties of the physical world is really exhilarating. It invariably presents Ram's desire to protect and appreciate nature and human beings in unadulterated form, devoid of all artificiality. Ram presents his inmost self and his pathetic state after the kidnapping of his beloved and devoted life-partner Sita by contrasting his mental state with the joy and happiness of nature. Even at the time of his extreme sorrow when Ravan takes away Sita deceptively Lord Ram does not denounce the forest for all his sufferings but tries to seek solace amidst natural surroundings. The sad and poignant words uttered by Ram to express his unfathomable sorrow at the separation from his beloved wife Sita presents how Ram is able to perceive similarities between animal kingdom and human-beings. After all it is the same God Who has created both.

श्रीफल कनक कदलि हरषाहीं । नेकु न संक सकुच मन माहीं ॥

सुनु जानकी तोहि बिनु आजू । हरषे सकल पाइ जनु राजू ॥

Noble, eloquent and superb imagery well expresses the poignant grief at the heart of the Lord. It also presents a close bond and affinity between man and nature.

हमहि देखि मृग निकर पराहीं । मृगी कहहि तुम्ह कहँ भय नाही ॥

तुम्ह आनंद करहु मृग जाए । कंचन मृग खोजन ए आए ॥

In his later years Ram establishes Ramrajya which can be rightly considered as a sort of model or ideal kingdom where not only human beings but also birds and animals live happily and blissfully under the paternal shelter of one of the most admired, loved and admired Lord.

लता बिटप मार्गें मधु चवहीं । मनभावतो धेनु पय स्नवहीं ॥  
ससि संपन्न सदा रह धरनी । त्रेताँ भइ कृतजुग कै करनी ॥

### Skill of Empathy

Though born to a king, prince Ram heartily appreciates the simple tribal folks and accepts simple presents from them as it is described in the holy book. roaming in the forest. Not only birds, plants, trees and animals are lovely but simple and rustic tribals with simple characteristics have chaste tenderness and freshness devoid of undue disadvantages of artificial ornamentation of civilized life. Kol, Kirat, Bhil (Names of different tribes) bring tasty honey, roots and fruits. They offer humbly and modestly different types of tasty food and do not accept anything in return. Ram accepts their offers with love.

सबहि देहिं करि बिनय प्रनामा । कहि कहि स्वाद भेद गुन नामा ॥

देहिं लोग बहु मोल न लेहीं । फेरत राम दोहाई देहीं ॥

The words spoken by simple rustic tribals show their boundless love and affection for Ram and in turn also Ram's unadulterated regard for these simple, unassuming rustic people. His sympathies are truly democratic as he loves these simple humans with elemental and primal qualities.

यह जियँ जानि सँकोचु तजि कैर छोहु लखि नेहु ।

हमहि कृतारथ करन लागि फल तून अंकुर लेहु ॥

With his breadth and vigour of imagination, the great poet has presented the simple forest people with wonderful psychological insight. Their description is realistic as well as shows their real status in society. They feel so blessed in the presence of Lord Ram that they have no hesitation in frankly accepting their weaknesses and faults also. They experience a sort of divine blessedness before the Lord and feel a transformation in their lives because of his influence which can redeem all their sins.

जब तें प्रभु पद पदुम निहारे । मिटे दुसह दुख दोष हमारे ॥

बचन सुनत पुरजन अनुरागे । तिन्ह के भाग सराहन लागे ॥

Enriching and glorifying experience of being with the Lord seems to them the most memorable event in their lives. These simple rustic folks are really the sons and daughters of bountiful nature who have taken upon themselves the responsibility of preserving nature. Instead of distancing himself from simple tribals, our Lord Ram provides them enriching and inspiring experience to elevate them spiritually-  
लागे सराहन भाग सब अनुराग बचन सुनावहीं ।

बोलनि मिलनि सिय राम चरन सनेहु लखि सुखु पावहीं ॥

### Skill of Managing Human Resource

The ideal picture of Ram, his impeccable pious, moral nature and virtuous character has been a role model for Indians for generations. Almost all great writers and poets have dealt

with one or other aspect of his life. As a great poet Maithili Sharan Gupta has said—

राम तुम्हारा जीवन स्वयं एक काव्य है ।  
कोई कवि बन जाये सहज सामान्य है ॥

Ram, as embodiment of all virtues also possesses a great gift to captivate and attract all human beings. He is able to inspire unflinching devotion and loyalty among all whom he meets. Selfless, egoless, humble, polite Ram believes in the modern concept of equity, equality and fraternity. These qualities make him a good manager of human resource. Illiterate, uncultured, forest tribals drawn from his pure love turn out to be his faithful followers. As presented in the book purity of heart and intentions created an aura around him making him a charismatic figure who inspires faithful loyalty from even rustic people. They are eager to accept their faults innocently before the Lord. They consider themselves lucky in being able to serve him. From the modern narrow selfish outlook it looks strange that a man having nothing as his possession can claim so much devotion and respect from the people. It might be called supreme skill of managing human beings by accepting their weaknesses, faults, drawbacks, follies and foibles. Forest folks consider this as greatness of the Lord-

तुम्ह प्रिय पाहुने बन पगु धारे । सेवा जोगु न भाग हमारे ॥  
देब काह हम तुम्हहि गोसाँई । ईधनु पात किरात मिताई ॥  
यह हमारि अति बड़ि सेवकाई । लेहि न बासन बसन चोराई ॥  
हम जड़ जीव जीव गन घाती । कुटिल कुचाली कुमति कुजाती ॥

Ram is not only able to enchant and enthrall the tribals with his personal qualities but also influences learned rishis and munis of the forest. His meeting with great rishis like rishi Atri, Suthikshan and Augusteya could be perceived as his way of creating a support system in that dense wild forest. On the basis of mutual give and take he promises to protect the munis from the attacks of demons. It is on the positive suggestions and advice of Rishi Augusteya that Ram decides to stay at Panchvati, near Godavari river as he knows well that local people have more authoritative knowledge about that.

है प्रभु परम मनोहर ठाऊँ । पावन पंचवटी तेहि नाऊँ ॥  
दंडक बन पुनीत प्रभु करहूँ । उग्र साप मुनिबर कर हरहूँ ॥

### Social Skills

When Sita is kidnapped forcefully by the great demon king Ravan, Ram is pragmatic enough to seek the help of monkey clan staying in the forest. He is able to seek help and support of Hanuman and Sugriva. Both of them become instrumental in getting back his beautiful and devoted wife.

सुनु कपि जियँ मानसि जनि ऊना । तै मम प्रिय लछिमन ते दूना ॥  
समदरसी मोहि कह सब कोऊ । सेवक प्रिय अनन्य गति सोऊ

Like Ram, his friend and loyal servant Hanuman is also very pragmatic and socially intelligent. He is quick to perceive that in this agnostic environment, he can garner support from Vibhishan, who has saintly characteristics—to know about the whereabouts of Sita.

राम राम तेहि सुमिरन कीन्हा । हृदयँ हरष मपि सज्जन चीन्हा ॥  
एहि सन हठि करिहँ पहिचानी । साधु ते होइ न कारज हानी ॥

In fact it is Hanuman who prepares the foundation for long-lasting friendship between him and Ram. Even when some of his supporters are sceptical about Vibhishan, Ram is quick to recognize his worth and provides him not only shelter but promises him to make him king of Lanka in future.

जदपि सखा तव इच्छा नाही । मोर दरसु अमोध जग माहीं ॥  
अस कहि राम तिलक तेहि सारा । सुमन बृष्टि नभ भई अपारा ॥

### Skill of management

It is due to his superb management and organizational skill that Lord Ram is able to get victory over one of the mightiest and most affluent king, Lanka which was at the peak of affluence and prosperity and has all the resources, arms, weapons and skilled warriors can not withstand the medley crowd of monkeys, bears and human beings. Lanka is thus described by Goswami Tulsidas—

कनक कोट बिचित्र मनि कृत सुंदरायतना धना ।  
चउहट हट सुबट बीथीं चारु पुर बहु बिधि बना ॥

Without any possession and support he defeats the powerful and knowledgeable king ruling over such an affluent kingdom. It might be considered as a sheer miracle or it can be said that managing resources well gives him added advantage and he is like a hermit king who amidst all trials and tribulations is able to carve out his path for success and excellence. Greatest quality of Ram is his identifying himself with the human conditions and human predicament. That is why Ram captures the Indian imagination, perhaps enslaves it, binding it with chains of love and devotion.

### Skill of Controlling Self

The most important component of life skill is managing oneself. A person having good life skills should be able to manage his emotions and sentiments according to circumstances. He is not swayed by the turbulence of emotions but is able to express himself judiciously. His stoic calm at the time of great turmoil and unexpected turn of events which made the crown prince at one stroke of cruel destiny and fate an exiled hermit is really appreciable. His large-heartedness, positive attitude, perseverance and calm at the face of adversities make him a real hero.

नव गयंदु रधुबीर मनु राजु अलान समान ।  
छूट जानि बन गवनु सुनि उर अनंदु अधिकान ॥  
\*\*\*  
धरम धुरीन धरम गति जानी । कहेउ मातु सन अति मृदु बानी ॥  
पिताँ दीन्ह मिहि कानन राजू । जहँ सब भाँति मोर बड़ काजू ॥



Even when Sita is forcibly taken by Ravan, the demon king he expresses his deep sorrow in very controlled manner-

हे खग मृग हे मधुकर श्रेणी । तुम्ह देखी सीता मृगनेनी ॥  
खंजन सुक कपोत मृग मीना । मधुप निकर कोकिला प्रबीना ॥

His self-control is visible when he decides to send Angad for reconciliation. As a self-controlled person thinking of the peace and welfare of all, he does not want war even if Ravan has done great injustice with him. In spite of his bravery and boundless energy, he is polite and humble enough to even request sea to give passage to reach Lanka.

### Skill of Managing Relations

Ramcharitmanas presents an ideal picture of all the relations. How should a brother behave with his brother, a son with his father, wife with her husband? An ideal picture of all earthly and worldly relations is present in this. In this century marred with tensions and strife, even relations have short life. This great book teaches us that relations can be managed even amid tribulations and turmoil of adverse circumstances. Ram though dethroned and sent to exile by his intriguing step mother does not harbour any ill will and accepts it as a part of his destiny and even expresses his happiness at the idea of being able to have the pleasure of meeting saints and seers in the forest and to have the opportunity to pass his days in the lap of nature.

सुनु जननी सोइ सुतु बडभागी । जो पितु मातु बचन अनुरागी ॥  
तनय मातु पितु तोषनिहरा । दुर्लभ जननि सकल संसारा ॥

His deep love and affection for all make everyone love him boundlessly and everybody wants him to be their king. That is why even Bharat goes to the forest to requests him to come back .Sita, an epitome of ideal wife is happy even amidst the hardships of forest as she is in the company of her beloved husband..Bharat, Laxman, Shatrughan –all have characteristics of ideal brothers and are not hesitant to sacrifice even their lives for each other. Indian tradition of mutual love and respect is seen at its highest. Though having independent will and self-decision, they show utmost reverence to relations, revere the elders, love younger ones and are respectful to knowledgeable Rishis but also treat common public with utmost concern. These are really management lessons to be learnt by modern generation who though sitting at the helm of material opulence lacks proper management and thus not able to enjoy bliss of true happiness. Instead of using boring and uninteresting lessons for teaching management our forefathers were able to teach them through interesting stories.

### Findings

Thus Ramcharitmanas is really a very sacred scripture enabling us to learn the life skills of problem solving, decision making, interpersonal and social skills as well as

skills of empathy and appreciating nature and environment. If we can learn even a one percent from the life of the Lord, our lives will change.

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## CREATING THE CREATORS

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**Abstract**

*The teacher who provides a learning environment where a child can learn by himself/herself and doesn't impose his/her own theories, philosophies or ideas on the child is a real teacher. Our present educational system is focusing on teaching rather than creating. The focus needs to be shifted from teaching to learning, from teacher to child, from reproducing to creating. We are preparing a work force which can react, to some measure, to the external situations but is totally unaware of its inner self, its potential, the miracle it carries in itself. We have to shift our focus from the standardized model of education where certain values and concepts are taken for granted and we blindly keep on following and transferring them through generations. We the teachers, as a part of this standardized system, give very little opportunities to our students to imagine. Education has to be more Personal. We cannot follow the age old system because they were the best but we have to change and let our students choose what is the best and what will be the best for them. The present paper focuses on the loop holes of present system of education that blocks and systematically destroys the creative capacity of children and an attempt has also been made in the paper to present some ideas which can be implied to help foster creativity.*

**Keywords:** Learning Environment, Standardized System, Creative Capacity

To quote Thoreau "Best Government is that which governs the least" and the same goes for a teacher that "Best teacher is one who teaches the Least". The teacher who provides a learning environment where a child can learn by himself/herself and doesn't impose his/her own theories, philosophies or ideas on the child is a real teacher.

**Creativity**

Creativity is the act of turning new and imaginative ideas into reality. Creativity is characterised by the ability to perceive the world in new ways, to find hidden patterns, to make connections between seemingly unrelated phenomena, and to generate solutions. Creativity involves two processes: thinking, then producing. If you have ideas, but don't act on them, you are imaginative but not creative.

"Creativity is the process of bringing something new into being. Creativity requires passion and commitment. It brings to our awareness what was previously hidden and points to new life. The experience is one of heightened consciousness: ecstasy." – Rollo May, The Courage to Create

**Importance of Creativity:**

The world needs more and more compassionate creativity to solve difficult problems confronting us. Creative people do not have answers, but they habitually question the status quo and think about alternatives and improvements. They discover and invent possible answers. They habitually ask better questions. They have optimism. When combined with empathy and compassion, creativity is bound to be a force for good.

**Economic Orientation**

We have to realize and accept the fact that children are not machines to reproduce the feeded material, rather they are thinking, rational and above all creative beings that can absorb as well as create the huge sea of new knowledge. Our present educational system is focusing on teaching rather than creating. The focus needs to be shifted from teaching to learning, from teacher to child, from reproducing to creating. Our educational system is more oriented economically i.e. it aims mainly to make a child economically independent. Although it is an important function but we have to reconsider the fact that the educational system we

are following was basically structured for a different time, for the intellectual, culture of the enlightenment and in the economic circumstances of the industrial revolution. We are trying to meet the future by doing what they did in past and thus alienating millions of our children who don't find any purpose in the education they are being provided.

**Life Zones**

Now we are in a totally different age and hence change is inevitable. But to bring the change or to accept the change, we have to leave our Comfort Zone, the things we are habitual to or comfortable in doing. The zone that follows this comfortable zone is Learning Zone. This is the area that occupies the space where we learn new things by travelling, going to school, through books and much more. This zone is followed by the most critical zone 'The Panic Zone or The Magic Zone'. This is the zone where we have to face the unknown, the zone where nothing is familiar or known to us, the zone where we have to believe in ourselves and bring our creativity into play.

This zone has been termed as the Panic zone because we fear to enter this zone, we have the fear of the unpredictable and we are emotionally attached to our comfortable zone. This creates a situation of tension as we are torn between the emotional tension and creative tension both of which drag us in opposite directions.

**Killing the Creativity**

Our educational system is by and large responsible for it. In our present system of education we don't help the children to believe in themselves. We don't give them a chance to come up with new solutions. Most five year olds are totally confident that they can draw, sing, and dance. Tragically, within three or four years this child, if she is typical, will experience a crisis of confidence. She will no longer feel competent or creative. As teachers, we are often partly to blame for the diminished inclination to be creative as children become socialized and aware of their own limitation. As they grow up we teach them that there is only one possible solution to a particular problem and that is provided in the book and this provides a concrete proof of our education system as an Unintentional Killer of Creativity.



A research study claims that it took a sample of 1500 kids and asked them for different solutions to a problem. It was a longitudinal study. In the sample of Kinder Garden kids 98% of them showed extra ordinary power of creative thinking .But the same sample studied at an age of 8-10 years and 15-17 years showed remarked deterioration in this capacity and the most probable reason was that they have gradually become educated. The study shows that as Human Beings we all have this creative capacity but it deteriorates as we grow up being educated in this system which provides readymade solutions to the problems.

### Recognizing the Miracle

Our system of education is anaesthetizing our children. To be aesthetic means to be alive, to be responding to our inner environment and the reverse means shutting down our senses, leading oneself towards the inner self. We are preparing a work force which can react, to some measure, to the external situations but is totally unaware of its inner self, its potential, the miracle it carries in itself. As Dalai Lama has rightly quoted “To Be Born At All is A Miracle”. The miracle has already taken place and it is up to us how we use this miracle. We have disembodied our children only as Minds without an inner self.

### The Standardized Model of Education

We have to shift our focus from the standardized model of education where certain values and concepts are taken for granted and we blindly keep on following and transferring them through generations. There is a huge gap between the real life situations and modals being taught at school. Our life is unpredictable especially the life of our future generations. In this fast changing scenario we can't predict how life will be in next 6-7 years and yet we claim to teach our students about their future. We need not to teach them to apply the readymade solutions to the known problems rather we need to equip them with tools to create the divergent solutions for new, unknown and unpredictable problems. Again the problem is that our system is least fit for incorporating failures or mistakes. There is no place for such things, because there is no space for originality and experiment. We inculcate a big fear for the word FAILURE. What we forget is that failure is the first step to success. We have to develop in them a feeling to accept failures, to overcome it and to learn from it to create a new solution.

### The Power of Imagination

We are different from other living creatures. Of course Language is one feature which distinguishes us from other creatures but some of them can imitate our words and understand our commands. But there is one capacity that we as human beings have been endowed with and which no other living creature has and that is The Power of Imagination. This is the most unimaginable irony that we ourselves are curbing this distinguishing feature of ours, the power of imagination, through our system of education. In many cultures some families and most schools use a lot of negative behavior management. If children grow up in a highly controlled environment with too many prohibitions, only a small percentage of them manage to persistent and retain their natural power of imagination. Most of their neurons and thinking habits that would have developed to

make a creative mind have been pruned. Their natural tendencies to be adventuresome, experimental, imaginative and creative become suppressed. We as teachers, as a part of this standardized system, give very little opportunities to our students to imagine. We provide them with books, with all the probable questions and possible answers and thus shutting out their doorways to creativity. We systematically destroy this capacity of creativity and imagination through our present system of education.

### A New Approach

Our System of education and our approach towards children needs a never before approach because our kids have to live in a future where they have to face problems like never before. They will have to choose the career that never existed before. They have to think divergently in a ‘never before’ manner. They have to imagine the unimaginable. Training only the mind, stressing only on Science subjects, with an excuse that we are in a scientific age, will no more work. Arts have to be given an important place. We have to develop them aesthetically. Children have a vast appetite for learning and we have to exploit this innate capability to its maximum.

Education has to be more personal. Although the Economic, The Cultural and The Social Functions of education are important but its Personal Function cannot be ignored at any cost. Education is about people and this needs to be emphasized through our system as a whole. We cannot follow the age old system because they were the best but we have to change and let our students choose what the best is and what will be the best. To quote John Dewey

“Every Generation has to Rediscover Democracy”

### Conclusion

Teaching is not synonymous to delivering. We have to focus on teaching learning process as a whole. A major solution to the aforesaid problems can be brought about by actively engaging the children in their learning, by making them a active and responding member of the whole programme, by actively involving them in teaching themselves in groups. Learning in active groups is a key to opening the doorways of creativity and imagination.

Fostering Creativity is the need of the hour because in present times and the future ahead Creativity is as important as Literacy and the best part is we don't have to do much because Students can construct their learning themselves.

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## MANIPURI NATA SANKIRTANA AS A MAHAYAJNA

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ISSN 2277-7733**Abstract**

The NataSankirtana style of singing which was introduced during the reign of RajarshiBhagyachandra (1763-1798 A.D.). The great masters and scholars of that period composed and sang the padavali strictly after the Bhagavata tradition and other major Vaishnavite text and based the composition also on the traditional Ragas and Raginis of classical music tradition. Modern research has discovered a lot of regional overtones in the architecture of the particular Ragas and Raginis. The Manipuris call the NataSankirtana singing their own and it is clearly a form of collective prayer, a Mahayajna as they call it, lasting for about 5 hours at a stretch with a lot of rituals, movements and rhythmic pattern, strictly after the vaishnavite faith. NataSankirtana is a composite version of music, dance and tala; a Sangeet in the true sense of the term. It is also DrishyaKarya, a poem made visible. NataSankirtana to the followers of GoudiyaVaishnavism is a form of worship. It is considered as a Mahayajna (complete sacrifice). The Vaishnav architects trace its origin to the aesthetics and philosophy of ShrimadBhagavata. In ShrimadBhagavata the only merit in Kaliyuga is HariSankirtana (chanting the name of the lord) and through Sankirtana a person can reach his ends and attain moksha. A person in Satyayuga attains mukti through dhyana, in Treta Yuga by yajnas and Dwarpur Yuga through puja and in Kali yuga through HariSankirtana. The above dhyana, Puja, Yajana, etc., are all combined or merged in the form of HariSankirtana in Kali Yuga to attain salvation. Sri Chaitanya or Lord Gouranga preached the value and importance of Sankirtana to liberate the mortal and attain moksha. In this manner, for Meitei Vaishnavites living in the society today, NataSankirtanaMahayajna was become an indispensable event in the lives of the people since time immemorial. In short, NataSankirtana is the only highest karma for the Meitei society. This paper attempts to discuss the NataSankirtana as a Mahayajna in Manipuri society.

**Keywords:** nata sankirtana, manipur, maha yajna, vaishnavism, shrimad bhagavat, hari sankirtana, ghandharbam, vaishnava sampradaya, mahamantra, sadhana, mahapurush, paramatama, pritolok, devalok, sangskar, tulsi, urik, lukun, devatas, abhinandan, sruti, smriti, mandap mapu, moibung khonga, arangpham, khonghampam, guru-sishyaparampara

NataSankirtana of Manipur is considered as MahaYajna (complete sacrifice) in Vaishnavism of Manipur. Its origin is traced to the aesthetics and philosophy of ShrimadBhagavat. In ShrimadBhagavat, the only merit in Kali yuga is HariSankirtana in which a person can reach his end and attain Moksha. From time immemorial, human beings believed in the existence of the God. So we have been worshipping him in one form or the other. We worship him with the help of drum or with song and dance and it is known as Ghandharbam. The different religions of Prachin Bharat i.e. Sheiba, Sakta, Boudha, Jainism etc, have devised ways to worship the Istadevata starting with Sankirtana. The religious sect of Sanatan searches different means to get the almighty. Whereas Satya Yuga, Dhyana was the only means to get blessing of God, Yajna for Treta, Puja for Dwapur, and HariSankirtana for Kali are believed to be sure paths to achieve blessing of the almighty. It is also believed that the end of Dhyana, Yajna, and Puja is equal to the observance of Hari Nam Sankirtana. It is said that those who were born in Satya, Treta, Dwapur are jealous of those who will be born in Kali Yuga. Even the creator Brahma wishes to take birth as human being in Kali. In the Kali Yuga, NataSankirtana is the only means like Dhyana, Yajna and Puja of Satya, Treta and Dwapur respectively had been to get God. Thus, chanting of the name of Shree Krishna is the only means in Kali Yuga. This chanting of the Mahamantra will enable the soul to cross the sansarmaya to Godhead. Here, we may remember the sloka-

Hare nam hare nam hare nameibakebalang|

Kalonastebonastebonastebogatreinatha.

Free translation- Harinam is the only way of salvation in kali Yuga and therefore it is believed that one can reach heaven with the help of NataSankirtana. All the Manipuri VaishnavaSampradaya believe and follow the advice of Shree ChaitanyaPrabhu. So, NataSankirtana becomes a very important part and parcel of

the rituals of birth, death and other occasions. It had been developed as a great Yajna is our society. In fact, Yajna means to worship Vishnu.

On performing Yajna one should be very neat and clean, and must compulsorily use should urik (carved from the stem of the sacred Indian basil). We must also use chandan, and not to be tainted with any occasion of birth or death in the recent past. As NataSankirtana is also a Mahayajna one should follow the above principles. Those who will participate in NataSankirtana will use Astabesh (eight ornaments). By Astabesh we mean Dwadashatilak, turbanurik, lukun, (sacred thread), cloth hung on the shoulder, dhoti, waist band and inner pant etc. Without these, it is not fit for Sankirtana.

In fact, the NataSankirtana is the religious sadhana that may be used by everybody without difficulty. Vishnupuran firmly declares that ten years of Yajna of Satya is equaled with one year in Treta, one year of Treta with one month of Dwapur, one month of Dwapur with one day of Kali in this respect. So, HariSankirtana is the only way to be followed by everybody in the epoch of Kali. The 12 Skandha, 5 Adhayaya 55 sloka of ShrimadBhagavat states that-

Kalingsabhajayantyarjagunanja: sarbhagina/  
YatraSankirtaneneibasarbaswartzobhpalabhyate/ /

Free translation- In the era of Kali, Dharma, Artha, Kam, Moksa or Mukti etc, should only be achieved by HarinamSankirtana. The Wiseman like mahapurush of the kali epoch takes HarinamSankirtana most importantly for his life. Now, we have to discuss what Yajna is, before discussing Sankirtana as MahaYajna. There are different types of yajna. The Veda, Grihasutra, and Dharmasutra clearly defined that we should follow different Yajnas to purify the accumulated in different generations.

**Nata Sankirtana as a Mahayajna:**

In the Sanskrit to English dictionary of Sir MoneirMoneir



Williams, Yajna means – ‘worship’ or ‘devotion’. some Abhidhans say TyagPurbakPujaribhangAradhanabhangYajnanag, which means ‘Yajnesbhor’ It is an act of sacrifice for the sake of Shree Hari and to satisfy Shree Hari. Thus, the Puja and Aradhana of Shree Haris known as Yajna. According to Amarkos, there are seven Yajnas - Yajna, Yag, Adhabar, Makb, Saba, Krutuand SaptaTantu. It is from time immemorable that some Yajnas had been performed under different names like BisvajitYajna as Adhabar, PitriYajna as Sab, RajsuyaYajna as Krutu. In the book NataSankirtana written by SanakhyaEbotombiHaorokcham- he says

*Yajna means all the acts performed for the satisfaction of paramatama, prtilok, devalok and for those who have sangskar (Purification), for the beings, and for keeping the cycle of nature, for the goodness of all. Not only these, but it also denotes mantra performed by the believers of SanatanDhrama, drabya and sradha different sat karmas.*

According to eminent scholar Ningthoujamkhola Singh - *Yajna is the presentation of something to the Devatas that had already, kept been prescribed for presentation from the past.*

From the above it may be seen that Yajna is the nature of bowing down to the Istadevatas along with respective mantras and items according to the Devatas. There are different types of Yajnas. They are Yajna for fire, Yajna for water, Yajna for Deva and Devi with Ghot, Yajna done at the top of hills by offering a victim to the God of winds, and Yajna for Nad Brahma etc. On the other hand, Yajna is the first foundation of religion. And the whole being of the universe is the outcome of the Yajna of Devalok. The 9<sup>th</sup> sukta of Rig Vedastatesthat-

*Basantoashyasadajyangrishamab: Edham: SbaradaHabi: Saptasyasanaparidhyantri: saptasamidba: Krita: // Deva yadayajnamtanbanaababhannapurushampasum / Yajnenayajnamayajantadebastanidbarmaniprathamanyasan / //*

Free translation-*Human beings can become paramatama as a result of the Yajnas performed by the gods with the occurrence of Spring (fat), Summer (fire), Winter (offering) seasons. Above this, the seven days of a week become Meibhak or fire wood, SingkhaTaret and MeikhangAbum (morning, daytime and night time). Thus, theseyajnasdone by the Devatas become the first religious rituals which is ever going on. We should perform different kinds of yajnas to satisfy by the Dwija, Devaloks and Pritilokas so as to be able to follow the Devatas who are performing mahayajnas in every era for the welfare of human beings. One of the highest religion (Dharma) is to perform various Yajnas to sanctify Jivatama. And it is the only means to get Godhead is the main opinion of Sruti and Smriti.*

From the very beginning of Kali Yug the followers of Sanatan Dharma had been performing SankirtanaMahayajana by worshipping Shree Hari. And it is mentioned in the 11skandha, 5 Adhyaya 32 sloka of BhagavanVyas Deva’s ShrimadBhagavatMahapurana –

*Krishnabarnangtvisaaakrishnangsangopangastraparshadang/ Yajnyagei :Sankirtanaprayeirayajyastibi sumedbasa://*

Free translation-*The wise men worship Him who has dark colour and accompanied with instrument and various dresses, with SankirtanaMahayajna. The features of NataSankirtana and its natures and rules are vividly discussed in the Puja Adhyaya, AdivasaAdhyaya ,ParvarangaAdhyaya, NrityaAdhyaya, TaalaAdhyaya and DhrwaAdhyaya of Bharat NataShastra as–*

*Brahmotangsaptarupanghisamvetadbinisbritam Debataradhanangpunyamanantanggibataditam.*

Free translation- *By keeping the seven forms given by Brahma, the worshipping ceremony is celebrated for the holy Devatas along with drum and music. The seven forms made by different taalas are celebrated in order to worship the Istadevatas. And it then comes to the seven parts of SankirtanaMahayajna. Thus, there seven roopas of NataSankirtana are - Raga houba, Raga taba, Rajmel, Tanchap, Menkup, SwadhinandBijoy. A SankirtanaMahaYajna is celebrated following this order. The seven roopas of SankirtanaMahayajna according to Bharat’s NatyaShastra which has been purportedly given by Brahma means that all the vidhividhan and vyavastha are developed from veda mantras. The Nata-SankirtanaMahayajna was for the first time presented by DevarishiNarda with the help of instruments like drum, music and dance on the assembly of Deva, Danav etc. and it can be found on the 31 sloka of 5Adhayaya of Bharat’s NatyaShastra as -*

*Chitradaksbinabritoutusaptaroopeprabartite/ Sopobanesanirgitedebastatyavinandite// Naradadeiyasbchagandharvei: savayangdevadanaba:/ Nirgitangsrabita: samyagalayataksamavitam//*

Free translation-*The SaptaRoopa is developed by the chitra, vartika and daksbina on the assembly of Narda and Gandharba while, raga houba is celebrated with standing stuti. Along with this taalsAbhinandan, laya etc. are done together. Thus SankirtanaMahayajna can be celebrated in a very small form. On the other hand, it can also be celebrated as big as one can.*

In a Sankirtana, the two drummers will be the two hotris standing their facing eastward under the hall. Secondly, the group of esbeihanba will stand facing northward to (upohon) worship and to start singing like abhinandan etc. Then, the duhar and bayan group will stand on the north side facing southward to repeat mean to translate those sung by the eisbeihanba.

Thus all the palas will be ritwijars to encircleyajnabedi for the saptarupadhruva to present in serial. And it is silently observed by Mandapmapu (in the form of Bhahma) sitting on the southern side of the hall so as not to let happen any unwanted disturbances. Again, there is one Moibungkhongha who will be seated on the western side of the mandal. He will blow the conch at different occasions of theSankirtana to bring prosperity. From this we know that there is no difference between the Fireyajna (AganihotriYajna) and SankirtanaMahayajna because the underlying significance is the same. In order to describe the intricacies of Sankirtana as a Mahayajna, a detailed discussion of Sankirtana is given as follows.

A Mandap is required for such a Sankirtana. There will be a Jatra or the main post of the Mandap. Without a Jatra, there will be no Sankirtana. So, we should make the mandap on a sacred and auspicious day. We all believe that among the nine posts of a mandap eight will be the witnessess and the ninth post in the middle represents the God Gadadbar while the post very near to the house, the right side post is LalitaSundari, BishakhaSundari, ChitraSundari, ChampakalataSundari, TungabidyaSundari, IndurekhaSundari, RangadeviSundari, SudeviSundari etc. respectively. The worshipping place at the centre of the Mandap is for Shree Gourahari. So it generally is known that a mandap is the sthan or sanctum of Shree Krishna. Above all this, the four corners of the mandap also have their own gods. And there

should be a *Puja* on the *Chingkei* or east for Vasudeva, in the *Meiram* for Anirudhadevata, in *MoirangLaiji* for PradhernaDevata, in the *Koubru* for Sankersen. It is also believed that Kuber and Laxmi are the Bhandhari have seats on the western side of the *mandap*. It is a place where that Shree Radhika wants to meet Shree Krishna. At that time Shree Radhika chants her mantras like- *HariHariHaribol*. If these are known a person is known as *mandapmashakkhangba* who knows the *mandap*. So, a Sankirtanacan not be held at any place at any time. On the other hand, when a Sankirtana is to be held, Arangpham is necessary. They represent Shree BorHaridash, Shree Ramananda, Shree Rup Damudor, Shree Jagannathpandit, Shree ShivanandaSen, Kalidash, Shree RaghopPandit for service of Thaomei (light), Lei Chandon, Pana, Dhup, Babok, Khonghampham, Vandhari etc. respectively. SankirtanaMurti is from the anga of Gouranga representing Shree Nivarsh from *maanesheihanba* is being while Abdeita from *budhi* and beat drums and Govinda follows them Murali from *endri* become pala and form *prana* (mind) Mukundo become *dubar*. On the other hand, Nityainanda of *chita* come as *bobhokmakok*. Therefore, a Sankirtana is really the form and figure of Gourchandra. The Manipuri Gouriya Vishnu Sampradhyyasuppose that it is just like to see Gourachandra while seeing *Sankirtana*. That is why they worship while seeing *Sankirtana*. Abdeita had awakened Gouchandra at the *rasa* of *Nabadwip* with *hungkar*. So, the first *Raag* of *pung* is Abdeita in a *Sankirtana*.

Another important item of a *Sankirtana* is the *MoibungKhongba*. It is for the prosperity of the *Sankirtana*. On the other hand, we believe that it protects the evil spirits on a Shradha (sorat) and Samvatsor (Phiroi) Yajnas. ThokchomGopal Singhwriter '*SangkirtanaBihar*'-

*That the appropriate name Moibung (Conch) is Utgrashrabaand his father name is Rombarshran.*

As far as *Sambasa*, e, arranger is concerned it is also one of the most important parts in a *Sankirtana*. If he is not fit for the post of *Sambasa*, there is *apradha*. There is a saying that *Krishnaapradha* can be pardon but the *apradha* or ritualistic offence of *vaishnava* that can never be pardoned. On the book *NataSankirtanaNeinaba* by LeimapokpamLakpati Singh, it is written -

*If the Sambasa does not observe his duties properly it amounts to vaishnav offence. Of all the offences vaishnav offence is the most serious one. It rather paver the way to bell fir the household who is offering the Sankirtana. There is no expiation for vaishnava offence. Theoretically Sambasa is performed by Sudevi and Kasturi. The Nabadwipbhava is Shivananda or sometimes said to be Brahma. The Sambasa must arrange seats for princes, princesses and brahmanvaishnavas. Without a Sambasa everything will be chaotic.*

From the above, we know that there should be appropriate seats for princes, princesses, the royal ladies Brahman, Vaishnava etc. and it should be the duty of *Sambasa*. So without him it is a little difficult to start *Sankirtana*. So, *Sambasa* is also one of the important parts in *NataSankirtana*. In a *Sankirtana*, there is one *Khonghampham* literally washing place. It is very important one in the *Sankirtana*. It is a place where every Vaishnava, Brahmin and everybody will wash their heart and soul before entering the *yajasthan* or the *sanctum*.

There is a pit in the washing place where a piece of banana plant is kept. Here, the departed soul will live for the day to attend the Sankirtana. Shree Hari's name and his *lelais* also very important in a *kirtan*. Mahadeva is the *devata* who is on the place of *kbonghampham*. There are various rules and regulations controlling the entrances to the *mandap* at different stages of the *Sankirtana*. These rules are the traditional rules which are strictly followed even today. It is also mentioned in the book of *NataSankirtanaNeinabaAbumsubasaruk*, published by GulapiNataSankirtanaAcademy that-

*At the time of the beginning of Raag no one is allowed to seat holding a flower or even a floweret in their hands. And none is allowed to enter or exit out of the singing circle. If it is not the appropriate time nothing can be done till the end of the Raag.*

Once more another important part of the *Sankirtana* is the *Mandapmapu*. Here also, Guru Gulapi's *NataSankirtanaAcademy's NataSankirtanaNeinabaAbumsubaSaruk* describes the need of *Mandapmanpu* -

*He will be followed by the yumbu or bost who will also bow to the palas in the order of the drummers Isheishakpa, Duvar, Khonpangba and palas. After that others may enter.*

From the above we know that there are different stages during which one allowed to enter and not to enter inside the singers circle from the beginning of *Raag* and the end of *Raag*. There rules have to be observed by the *bhaktavaishnavas*.

While performing *NataSankirtana* singer and drummer should compulsory done himself with *Urik-lukun*. It is also mentioned in the '*Meitei NataSankirtanaNeinabaAbumsubaSaruk*' states that-

*A person who has not been initiated into the lukun wearing ritual is circumscribed from performing the Rajmelabbhinaya. By that very token we may ask the propriety of a female singer, who is not generally initiated into this ritual, performing the Rajmelabbhinaya.*

From this we know that all the singer and drummer must use *lukun* while participating a *Sankirtana*. And on the other hand it denotes that woman without *lukun* should not represent as singer in a *NataSankirtana* but in the *kirtan* they may. In fact, *NataSankirtana* is meant for women also but there is *Nupi Pala* in the form of worship. *Raseshori Pala* which is introduced by BhagyachandraMaharaj for his daughter *Bimbabati* is in the form of *kirtan*.

According to *ShrimadBhagavatPuran*, there are nine *Bhakties*. They are *Shriban, Kirtan, Smaran, PadaSebanam, Archan, Bandana, Dasya, Sakhyam and Atmanibedan*. All the above *Bhakties* is in a *Sankirtana*. That is why a *NataSankirtana* is a *Yajna*.

We may conclude by saying that the features of *Yajna* included in *NataSankirtana* are the internal parts of *Sankirtana*. For example *Raagabouba, Raagataba, Raagamel, Raagatanchap, RaagasswadbinandRaagaBijoyis* compulsorily to be performed in the *MahaYajna*. To perform *NataSankirtana* a *Mandap* is also essential.

*Adivash* which is performed one day before *Sankirtana* is such a form of *Yajna* of inviting *Deva* and *Devis* (gods and goddesses) and offering them their proper places in the '*YajnaMandap*'. This *Yajna* is closely related to *NataSankirtana*.

Indian sages (*Muni*) compared *Adivash* with *Yajna* and expressed that it is similar to the actual performance of the *Yajna*. To perform *puja* prior to *Sankirtana* is much similar



to perform *Yajna* itself. Therefore, before doing '*Ranga Puja*' of *Mandap* (i.e. to perform puja at the centre of the *Mandap*) *Pung*, *Eshei* and *Yajnas* not performed. *Ranga puja* is essential for *MahaYajna*. To perform *Sankirtana* for *Shradha Karma*, *Khongbampbam* is essential. All the Muni-Rishi and Brahman-Vaishnavas who come to attend the *Yajna* should be served at the *Khongbampbam* by cleaning their feet. It is believed that by doing so one could attain blessing from them. This part cannot be skipped, it is regarded as a very essential part. The 12 Skandha, 8 Adhyaya and 38 sloka of *ShrimadBhagavat* states that-

*After offering seats to Nara Narayan their feet will be washed and offering arja, chandan, dhuip, di, flowers, puja will be offered to them.*

This form is still in practice and can be seen in *Shradha karma* that *Khongbampbam* is kept at the entrance but a little farther from the actual entrance of the singers' circle. Before *Sankirtana* begins, a ritual practice called '*Boriba*' is performed. It is also an essential part of *Yajna*. The 72 sloka of *Saptamadyaya* of *Manu Sanghita* says -

*In order to perform the task according to the way of Atharva Veda a purohit of every Clan as well as a Ristik (a male brahman) is selected by the king to perform Yajna.*

Before the beginning of *Sankirtana*, the host who arranges the *Sankirtana* needs to invite the *Arangpam* (this term refers to a male attendant who serves and arranges for the occasion). Besides, he should also invite everyone who takes part in performing *Sankirtana*, for example, the *pungyeiba* (who plays the *Mridang*), the *esheishakpa* (who sings the song of *Sankirtana*), the *duhar*, the *Khonpangba*, *Pala* etc.

Invitation is given while all the preparation are completed to begin *Sankirtana* and it is done by offering *lei-chandan*, *heiruk-pana* and clothes. Without this no *Sankirtana* can start. In fact, *Sankirtana* is ritual form of offering to God. So, it is believed that service to god means service to those who perform the *Sankirtana* and all the attendants who might be sages and devotees. On this account, the host is supposed offer them presents as best as he could.

This tradition is taken seriously by *Manu Sanghita* and expresses thus-

*If the host is in a position of inability to offer proper dakshina it is better for him to indulge in other activities with total faith at heart and control of the senses, such activities which may bring punya. It is better not to perform any Yajna if the host is going to be able to offer proper dakshina.*

It means when any one would be unable to offer proper presents, he/she should not think to perform *Sankirtana*. Instead, they should find other ways to attain godhead. Therefore many *Karmadata* do not fear to sacrifice anything to offer to them. All those who would take part in performing *Yajna* have to wear sacred clothes, *dwadarshatilak*, *uric*, *lukum*, *trikatchapheijom* and *kokyet* (turban). This form of *Yajna* is done in *Sankirtana*. The part of *MoibungKhongba* is also essential as it would pave the way to have the grace of god. Importance of *Moibung* (conch shell) is clearly shown in *ShrimadBhagavat*, *Vishnu puja*, *Atharva Veda* says-

*A conch shell is a blend of space, the planetary system and gold. Its sound frightens enemies, controls demons and evil spirits, chases away ignorance, laziness and disease and promotes long life.*

That's why, *Moibung* occupies a significant place in

performing *Sankirtana* and it is compulsory to perform it at the beginning, while playing high form of *punglon* in the midst of *Rajmel* and at the end of *Sankirtana* i.e. at the time of taking *Bijoy*. The positions of all the singers and *pung* players are arranged in a fixed pattern for *Yajna*, and it is followed in performing *Sankirtana*. The two *pung* players who are *Yajnabota* would sit facing towards the east direction, the *esheibanba* who is the *tantadbar* would sit facing towards the north direction and *Utgatatantadhar* would sit facing towards the south, the *duhar* would also sit facing the south and in this way all the *Ritiks* sit to perform *Yajna* would sit in a semi-circular form in the *Sankirtana* circle.

The *MandapMapu* would take responsibility of taking care of the *Sankirtana*. He takes the same responsibility as the *Brahma* does in *Yajna*.

Because of the similarity between *Yajna* and *Nata-Sankirtana*, there is no doubt that *Nata-Sankirtana* is a great *Yajna*. Besides, the 32 sloka 5 adhyaya of *Akadashskandha* of *ShrimadBhagavat* introduces *NataSankirtana* as *Yajna*. Undoubtedly, *Manu Sanghita* says that *Brahma Yajna* is *MahaYajna*. So there is no doubt in saying that *Sankirtana* which is taken as a form of *Brahma Yajnas* *MahaYajna*.

In support of this, here is the statement given in *Shree ShreeCheitanyaCharitaMrita* which state that -

*Of all the Yajnas Krishna namYajna is the most important hundred thousand Ashwamedha are equal to one KrishnamYajna.*

### Conclusion

Thus, viewing from different angles, when a *NataSankirtana* is performed based on the particular *taala* with strict rules and regulations, no doubt it becomes a *MahaYajna*. Because of the above reason, in *Manipur VaishnavaSampradhyaya*, *NataSankirtana* is taken as a vital part in every occasion that takes place in human life from birth to death and it cannot be kept apart from any occasions. Lastly, it is notable that *Sankirtana* which is an art form transmitted from generation to generation through traditional school of *guru-sishyaparampara* is now institutionalized, along with the traditional school. And it becomes the fourth Indian art form recognized by the *UNESCO* as an *Intangible Cultural Heritage*. So it is hopeful that this ritualistic art form, associated with the cultural life of the *Manipuris* from birth to death will thrive to live on as part of *Indian Cultural Heritage* despite the onslaught of mass consumerist culture.

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**WEBBASED LIBRARY RESOURCES AND SERVICES:  
A RELATIVE STUDY OF IITS AND NITS****Yatin Talati**Research Scholar, Faculty of Management Studies (FMS),  
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**Abstract**

*The purpose of this paper addresses the web-based library services and resources provided through the library website in IITs and NITs and suggest new ways to satisfy young technocrats in the digital era. Indian Institute of Technology (IITs) and National Institutes of Technology (NITs) are renowned as leading institutes of higher education and research of technology in India. This study attempt to know about web based library resources and services offered by IITs and NITs library through their web sites. The entire study indicates that IITs and NITs are comprise with outstanding web-based resources and services, good number of IITs are having dynamic website in compare to NITs. All the libraries covered in study are having library websites and general library information on their respective library webpage. It is recommended that these libraries need to move to the next stage of bi-tech services i.e. dynamic websites, use social networking and mobile apps to satisfy the young technocrats.*

**Keywords:** Web-based Resources (WBR), Indian Institute of Technology (IITs), Web-based Services (WBS), Web 2.0, Social Networking, National Institutes of Technology (NITs), Information and communication technologies (ICT)

This era is known as a digital era. ICT have become routine entities in all aspects of life. The educational systems and processes are significantly influenced by the enormously rapid technological changes.<sup>1</sup> IITs are autonomous and independent public institutes and known for quality based technical education, research and proud of nation with globally recognized for the quality education. Education is a very socially inclined activity and quality of education in any society is a measure of its growth and development. In India quality education in engineering and technology, is the alternative word to take education at IITs because IITs are the premier institutions for engineering education and research in technology in India. Teaching and research quality of these institutes' is very high standard which is match with international technological university. According to QS (Quacquarelli Symonds) World University Rankings IIT Delhi ranked 79<sup>th</sup> and IIT Bombay ranked 13<sup>th</sup> in the year 2015 and 2016 respectively among top 200 universities in the world. (<http://www.asianage.com/print/518531>) At the moment there are total 22 IITs are in existence in India up to session of 2016. The National Institutes of Technology earlier knew as regional engineering colleges of India. These institutes came into existence by the Act of Parliament. NITs also known as pride of nation in imparting quality based technical education in the India. NITs offers undergraduate to doctoral courses in the area of science and technology.

**Traditional Library Services to Web-based Library Services**

In traditional libraries printed resources are used to create library services by the library professionals. But now a day's digital web-based digital library resources are used with web-based interfaces. These services are WEBOPAC, e DDS, E CAS, Remote Access, e index, e reserve, Short Messages, e-journals and online databases, Federated Search, Discovery, Library twitter, Library Virtual Tour, Institutional Repository (IR), Library blog, Mobile apps etc. are phenomenal practices implemented to attract users with high technology. To

keeping up tuning with ICT based latest technology, Libraries are forced to increase delivery of library services in hybrid environment to satisfy the users' expectations. Now a days library users' can access library services as well as resources inside and outside campus. According to Jena<sup>2</sup> ICT have made great impact on each and every academic activity where library website is the library portal that is being called as the "Mirror of the Library". However, Libraries should provide better web-based services to their users.

**Need for the Study**

Library is service oriented organisation and supportive role in academic institute. If an institute is doing academically well, there is no doubt about it having a good library resources and services to support it. IITs libraries are expected to identify, acquire, organize, store, retrieve and disseminate information not only on the specific subject covered by the curriculum, but also on the current directions of technological advancement.<sup>3</sup> To make NITs library website effective, decorative, dynamic and informative in real situation need to compare and adoption of contents and information of fully developed library websites of other institutions of national importance such as Indian Institutes of Technology and Indian Institutes of Management.<sup>4</sup> Keeping these opinions the web-based library resources and services of IITs and NITs libraries were studied and presented in this paper.

**Objective of the Study**

To find out accessibility of libraries' websites and hosted library information; To assess the library resources and services supported through the library websites; To find out the nature of libraries' websites whether it is static or dynamic; To Analyze relative study of web-based resources and services among all IITs and NITs libraries; To suggest new ways for effective technology based library services

**Research Methodology**

This study is basically designed on observation methods, the data was collected by visiting the library websites of the



all IIT's and NIT's covered in this study. The Library website were accessed through their institute's website. Data were collected based on check list prepared for the study and maintain in Excel Sheet. The scope of this study is limited to IITs and NITs, established from year 1950 to 2009 which comprises 15 IITs among 22 IITs in India and 19 NITs among 29 NITs in India. Library website of 15 IITs and 19 NITs accessed. The collected data were analyzed and interpreted.

**Review of Literature**

Lwoga's<sup>5</sup>discussed about integrate web 2.0 technologies in its library services to provide quality library services to undergraduate medical students of MUHAS users in Tanzania. This paper also discussed about effectively implementation of web 2.0 technology to achieve university goals and user's need, difficulty faced in implementation and area also discussed and reveled that most academic libraries in Africa have not yet adopted Web 2.0 technologies to improve their services. Wordofa's<sup>6</sup>studied implementation of web 2.0 technology in libraries of top universities in Africa and reveled that web 2.0 tools mostly used to share and promote the information of library resources, services and activities to the users. Author concludes that the adoption of Web 2.0 technologies by academic libraries in Sub-Saharan Africa appears to be still at an early stage. The adoption rate by libraries of the elite universities in Africa was found to be far below that of the developed world. Faisal<sup>7</sup>discussed about role of emergence social networks in library services. Blog of kendriyaVidyalaya, Pattom, Kerala and various library services and activities through the home page of library blogs also described and reveled that web 2.0 technology that can be implemented as a part of library services to reshaping the library.Madhusudhan<sup>8</sup> studied university libraries of India are still in different stage and not exploit at full potential of websites and suggested that there is an urgent need to implementation of web-based library services, web 2.0 technology services should be offer to keep user's abreast with library resources and services through the dynamic library website in Indian Universities.Chintha<sup>9</sup> described that now Indian libraries have stated to provide web-based services as well as portals and web 2.0 technology to satisfy the need of users and web-based OPAC service has key roles in access library resources from the remote places and need to provide federated search services. According to Madhusudhan<sup>10</sup>, the librarians should be experts to manage this paradigm shift of from paper to electronic delivery service and physical presence to virtual presence. Librarian can play very important leadership role to meet the challenges of providing better web-based service to the users.Mal's<sup>11</sup>Conclude that web-based information service will become highly effective in academic libraries

especially in the case of students as well as faculty/staff members access the information at their desktop without wasting their valuable time.

**Analysis and Interpretation**

The study started with the observation on nature of websites whether libraries are having dynamic website or static website. It was found that Out of 15 IITs covered in this study only 7(47%) of IITs are having dynamic website whereas ratio of dynamic websites are very poor in NITs. Out of 19 NITs only 1(5%) have dynamic website. Majority of libraries are having static website.

It has been observed from the following table 1 that availability and details of web-based resources among IITs and NITs accessible through the library websites of respective institutes. Resources are supported through website are defines as web-based library resources and services.

**Table 1 - WBR among IITs and NITs libraries in India**

Web-based library sources	Number of IIT(n=15)	Number of NIT(n=19)
Text Books	7%	21%
Newspaper Clippings	7%	16%
e thesis	33%	5%
Photographs	80%	5%
Print Journals	87%	63%
Back volume	87%	26%
Cd / DVDS	87%	11%

It is reveled from the above the table 1 that out of 15 only one (7%) IIT provides textbook and newspaper clipping as a web-based Resources(WBR) while out of 19 NITs, 4 (21%) provides textbooks and 3 NITs (16%)of NITs providing newspaper clippings as a WBR. Ratio of providing this services in NITs is sound in comparison to IITs. Now a days trend of ETD (Electronic Thesis becomes more popular in academia. 5(33%) IITsare having electronic thesis whereas only 01 NIT (5%) provides this facility online. It is also observed that Photographsas a WBR given by 13 (87%) IIT's of India whileonly 1 (5%) of NITs provides the same. It is found from the study that Print Journals,Back volume and Cd / DVDS as a WBR given by 13 (87%) IIT's whereas 12 (63%), 5(26%) and 2 (11%) respective NITs provides these services as WBR.

**Table 2 - WBR among IITs and NITs libraries in India**

Web-based library sources	Number of IIT(n=15)	Number of NIT(n=19)
FAQ	87%	32%
e books	87%	47%
Institutional Repository	87%	5%
NPTEL	87%	21%
Online Databases	93%	79%
Online e journals	93%	79%
General Library Information	100%	100%

It is depicts from the table 2 that 13(87%) of IITs providing FAQ, e-books,Institutional Repository,NPTEL as a WBR

whereas ratio of these services in NITs are very low respectively 63 (2%), 9 (47%), 1(5%) and 4(20%) of NITs. Table no. 2 also shows the number of libraries providing online databases, online e journals and general library information as a WBR. Out of 15 majority of IITs 14 (93%) provides access of online database and e-journals whereas Out of 19 NITs only 4 (21%) of NITs provides online database and majority of NITs 15 (79%) provides access of e-journals. Library website also act as handy brochure for the users. To keep all users abreast with all General Information all the IITs and NITs provides this information through the website.

**Web-based Library Services among IITs and NITs Libraries in India**

This study categorized web-based library services in five divisions namely, Reference Services, Acquisition Services, Cataloguing Services, Circulation Services, General Services and web 2.0 tools in the libraries.

**Table 3 - WBS (Reference) among IITs and NITs libraries in India**

Web-based library Services	Number of IIT(n=15)	Number of NIT(n=19)
e DDS	80%	21%
e CAS	80%	37%
e SDI	80%	32%
Remote Access	80%	63%
Ask A Librarian	93%	16%

It depicts from the table 3 that out of 15 majority 12 (80%) of IITs are having e-DDS, e-CAS, e-SDI and remote access facility through their websites where as only 4 (21%) of NITs are having e-DDS, 7(37%) having –CAS, 6(32%) are having e-SDI and good number of NITs 12(63%) are providing remote access facility to the users through their website. Majority of IITs 14(93%) are providing ask a Librarian services whereas only 3(16%) of NITs are providing this services through website.

**Table 4 - WBS (Acquisition) among IITs and NITs libraries in India**

Web-based library Services	Number of IIT(n=15)	Number of NIT(n=19)
list of new arrivals	87%	58%
e index	87%	21%
e reserve	13%	11%

It is observed from the above table 4 that out of 15 majority 13 (87%) of IITs are having list of new arrivals e-index services whereas 11(58%) of NITs provides list of new arrival and 4(21%) are having e-index services through the library websites, e-reserve services are providing by very low number of institutes.

**Table 5 - WBS (Cataloguing) among IITs and NITs libraries in India**

Web-based library Services	Number of IIT(n=15)	Number of NIT(n=19)
FEDERATED Search	87%	0%
WEBOPAC	87%	74%
path finder's bibliographies	7%	0%

Table 5 shows that the numbers of institutes are providing various cataloguing based services. Out of 15 majority 13 (87%) of IITs are having federated search or WEBOPAC services through the library website whereas good number of NITs 14 (74%) are providing WEBOPAC facility and none of NITs providing federated search facility. Path finder's bibliographies as WBS given by one (7%) IIT and no NIT deliver the same.

**Table 6 - WBS (Circulation) among IITs and NITs libraries in India**

Web-based library Services	Number of IIT(n=15)	Number of NIT(n=19)
Reservation	20%	21%
status account of user/s	87%	74%

It depicts from the above table 6 that both good number of the institutes are providing services related circulation through websites.

**Table 7 - WBS (General) among IITs and NITs libraries in India**

Web-based library Services	Number of IIT(n=15)	Number of NIT(n=19)
staff list	87%	84%
Library news	87%	47%
e mail based services	87%	16%
Library tour	87%	11%
Library map	87%	11%
Library holidays	87%	68%

It is observed from the table 7 that majority of NITs 13 (87%) are providing staff list, Library news, email based services, Library tour and library map through their websites whereas ratio of these services are poor in NITs only 2(11%) of NITs are having Library tour and Library map on their website. 3 (16%) libraries of NITs are providing email based library services, 9 (47%) of libraries of NITs are providing Library news and good number of libraries 16 (84%) out of 19 are having a staff list on their library website.

Web 2.0 tools in IITs & NITs Libraries: This is the second generation of web known as web 2.0. It is based 'interactive' in the nature and by the use of this technology library users can interact with others. Web 2.0 tools include Social networking sites, Twitter, Wikis, Blogs, Skype, cloud computing Android apps etc. Some of web 2.0 tools are used by libraries among IITs & NITs of India.

**Table 8 - WBS (web 2.0) among IITs and NITs libraries in India**

Web 2.0 tools	Number of IIT(n=15)	Number of NIT(n=19)
Social Networking	80%	11%
Library twitter	40%	5%
Library wiki	40%	5%
Institutional Repository (IR)	60%	5%
Library blog	13%2	0%
Android application	7%	0%

Table 8 shows that majority libraries of IITs are using social media through the library websites. When we are discussing about libraries presence on social networking Out of 15, 12(80%) of libraries are having presence on social networking



whereas only 02 (11%) of libraries of NITs are having presence this indicate very poor results of the same. Out of 15 Libraries of IITs only 1(7%) of libraries have android based mobile application. Presence on Twitter, Library Wiki, and Library Blog are sound in the libraries of IITs in compare to Libraries of NITs. To keep tuning with young generation's interests' libraries should have presence on social media and android based mobile application also attract the users.

### Conclusion

The entire study indicates that IITs and NITs are comprised with outstanding Web-based resources and effectively provide web-based services to their users. Study shows that prime web-based resources in the libraries of the IITs are e-thesis, photographs, Print Journals, Back Volume, Cd/DVDs, FAQ, e books, Institutional Repository, NPTEL, Online Databases and Online e journals as compare to NITs web-based resources, whereas Text Books and Newspaper Clippings as a web-based resources are prime for NITs as compare to IITs Web based sources.

The prime web-based services for IITs are Institutional Repository (IR), e DDS,e CAS,e SDI,Remote Access,List of new arrivals,e index,FEDERATED Search,WEBOPAC,status account of user/s,Library news,e mail based services,Library tour,Library map and Ask A Librarian as compare to NITs Web based services, whereas e journal and online databases are prime services of NITs as compare to IITs web based services. Regarding Web based services like Android application; Library blog; Library twitter and Library wiki are found in very low percentage in libraries of IITs and NITs.

It is also observed from the study that Libraries of IITs are providing better web-based services in compare to NITs libraries on social networking. NITs library should extend this services based on social networking to keep abreast their users with each move of the library.

A practical suggestion for improving web-based library services is that the basic function of the academic libraries is to serve user community in better way through the user focused library services and resources. Websites, social networks, library blogs, new frontier mobile apps are handy tools to incorporate into academic library to reach at each library users. This application helps library professionals to reach out to young generation users at their own space. Library website should be updated just like handy Library Brochure so that without physical visit to Library, User can make themselves aware from each and every move of the

Library. There is an urgent need to develop library mobile apps, create dynamic website and use of social networking and social media should be incorporate with library website.

Hence, internet and mobile apps scenarios, library and librarians would become content providers on an equal footing with current technology and would create apps for users to achieve an ultimate goal to give right information at right time at right format on smart phones.

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## A STUDY ON THE COMPARISON OF FINANCIAL PERFORMANCE OF PUBLIC SECTOR BANKS WITH SPECIAL REFERENCE TO STATE BANK OF INDIA AND PUNJAB NATIONAL BANK

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### Abstract

*The banking system of India is featured by a large network of bank branches, serving many kinds of financial services of the people. There are currently 27 public sector banks in India out of which 19 are nationalised banks and 6 are SBI and its associate banks, and rest two are IDBI Bank and BharatiyaMahila Bank, which are categorized as other public sector banks. There are total 93 commercial banks in India. The purpose of this study is to compare the financial performance of two leading public sector banks of India i.e. State Bank of India and Punjab National Bank. Quantitative analysis was undertaken by looking at various sets of financial ratios that are routinely used to measure bank performance. The State Bank of India, popularly known as SBI is one of the leading bank of public sector in India. SBI has 14 Local Head Offices, 57 Zonal Offices and more than 13500 branch offices located at important cities throughout the country. On the other hand Punjab National Bank Founded in 1894, the bank has over 6,968 branches and over 9,656 ATMs across the country. The period of study taken is from the year 2007-08 to 2011-12. The main ratios that were employed put a particular focus on the banks liquidity, profitability, management capacity, capital structure and share performance as reliable indicators of a bank performance. Conclusions were then drawn from the computation of the relevant ratios that allowed the author to make an effective comparison of said banks.*

**Keywords:** Credit Deposit Ratio, PNB, Net Profit Margin, Net worth Ratio, Financial Analysis, SBI.

Banking Sector plays an important role in economic development of a country. An efficient banking system is recognized as basic requirement for the economic development of any economy. Banks mobilize the savings of community into productive channels. The banking system of India is featured by a large network of bank branches, serving many kinds of financial needs of the people.

### State Bank of India Profile

State Bank of India (SBI) is that country's largest commercial bank. The government-controlled bank—the Indian government maintains a stake of nearly 60 percent in SBI through the central Reserve Bank of India—also operates the world's largest branch network, with more than 13,500 branch offices throughout India, staffed by nearly 220,000 employees. SBI is also present worldwide, with seven international subsidiaries in the United States, Canada, Nepal, Bhutan, Nigeria, Mauritius, and the United Kingdom, and more than 50 branch offices in 30 countries. Long an arm of the Indian government's infrastructure, agricultural, and industrial development policies, SBI has been forced to revamp its operations since competition was introduced into the country's commercial banking system. As part of that effort, SBI has been rolling out its own network of automated teller machines, as well as developing anytime-anywhere banking services through Internet and other technologies. SBI also has taken advantage of the deregulation of the Indian banking sector to enter the bancassurance, assets management, and securities brokering sectors. The Bank also has subsidiaries and joint ventures outside India, including Europe, the United States, Canada, Mauritius, Nigeria, Nepal, and Bhutan. The Bank has the largest retail banking customer base in India.

### Punjab National Bank Profile

Established in 1895 in Lahore, Punjab National Bank is one of the oldest banks in India having a virtual presence in every important center of the country. The bank has over 35 million customers through 4540 offices including 421 extension counters, out of which 2/3 of its branches in rural and semi rural areas—the largest among nationalized banks, which makes it enjoy one of the highest penetration rate of banking activities in the country. As on 31 March 2015, the bank had 68,290 employees. NB has had the privilege of maintaining accounts of national leaders such as Mahatma Gandhi, Jawahar Lal Nehru, Lal Bahadur Shastri, Indira Gandhi, as well as the account of the famous JalianwalaBagh Committee

### Objective

To study the financial performance of SBI and PNB.

To compare the financial performance of SBI and PNB

### Literature Review

Kumbrai et al. (2010) investigated the performance of South Africa's commercial banking sector for the period 2005-2009. They use financial ratios to measure the profitability, liquidity and credit quality performance of five large South African based commercial banks. The results showed an improvement in the bank performance in terms of profitability, liquidity, and credit quality from 2005 to 2007. They also found significant differences in profitability performance for the period 2005-2006 and the period 2008-2009.

Jha and Hui (2012) compared the financial performance of different structured banks in Nepal using camel framework. The study covered the years 2005-2010 to assess the financial performance of the eighteen commercial banks in Nepal.



The analysis was based mainly on the descriptive financial analysis to describe, measure, compare, and classify the financial situations. The authors then used multivariate regression model to test the significance of the variables used. They found that return on assets (ROA) of public sector banks were higher than those of joint venture and domestic public banks. Moreover, the values determined for the financial ratios revealed that joint venture and domestic public banks were also not so strong in Nepal to manage the possible large-scale shock to their balance sheet.

Misra and Apa (2013) analyzed the financial position and performance of the state bank group using camel model. They tested their hypothesis on six banks on the basis that there is no significant difference in performance using twenty financial ratios. Their findings showed that different banks obtained different ranks with respect to camel ratios. Their study also depicted that thought ranking of ratios is different for different banks in state group. But there is no statistically significant difference between banks the camel ratios. It signifies that overall performance of state group is same.

Ferrouhi (2014) analyzed the performance of major Moroccan financial institutions for the period 2001-2011 using camel approach. He used one financial ratio for each of capital adequacy, assets quality, management quality, earning ability, and liquidity position measures. The testing of the above measurements on six Moroccan institutions revealed that all the six banks did well over the period of study. His findings were based on ranking the average of each ratio, showed that some banks are better off than others.

Gupta (2014) evaluated the performance of public sector banks in India. He used camel approach for a 5-year period 2009-2013. The results showed that there is a statistically significant difference between the camel ratios of all the public sector banks in India. Therefore, the overall performance of public sector banks is different.

Ibrahim (2015) measured the financial performance of two Islamic banks in United Arab Emirates for the period of 2003-2007. Different groups of financial ratios have been used to measure the performance and make a comparison between these two banks. Although, the results showed that both banks did well, it appears that each bank has its focus on some area such as liquidity, profitability, capital structure and stability.

**Research Methodology**

For the purpose of the study two (2) banks i.e. State bank of India and Punjab National Bank have been selected. The study is conducted for a period of five (5) financial years i.e. from 2011–12 to 2015–16. In this study, mainly secondary data is collected. Secondary data has been obtained from the published Annual Reports of the banks for the financial years 2011-12 to 2015–16, Websites of the selected banks and Other related websites.

**Key Parameters Under the Study**

1. Credit Deposit Ratio
2. Other Income to Total Income
3. Net Profit Margin
4. Current Ratio
5. Quick Ratio

**Credit Deposit Ratio**

Credit-Deposit Ratio is the proportion of loan-assets created by a bank from the deposits received. Credits are the loans and advances granted by the bank. In other words it is the amount lent by the bank to a person or an organization which is recovered later on. Interest is charged from the borrower. Deposit is the amount accepted by bank from the savers and interest is paid to them.

Table 1.1 Credit Deposit Ratio

Year	SBI	PNB
2011-12	7.51	6.10
2012-13	5.34	4.72
2013-14	5.81	4.76
2014-15	6.76	4.88
2015-16	7.42	4.81
Mean	6.57	5.05
CGR	-0.24%	-4.64%

Source: Annual Reports of SBI and PNB from 2011-12 to 2015-16.

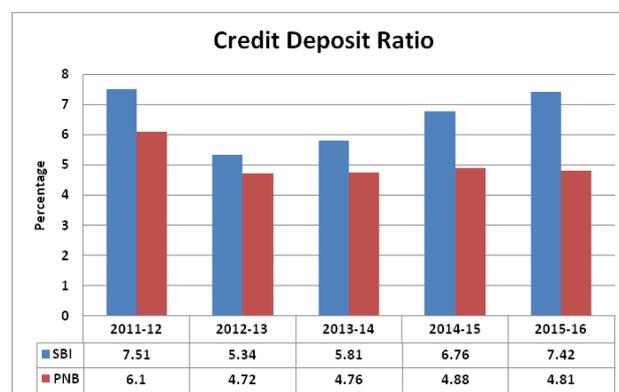


Fig. No. 1.1:- Credit Deposit Ratio

Interpretation: Table 1.1 depicts that over the course of five financial periods of study the mean of Credit Deposit Ratio in SBI was higher (6.568%) than in PNB (5.054%). And the Compound Growth Rate in PNB lowers (-4.64%) than in SBI (-0.24%) In case of SBI the credit deposit ratio was highest in 2011-12 and lowest in 2012-13. But in case of PNB credit deposit ratio was highest in 2011-12 and lowest in 2012-13. This shows that SBI has created more loan assets from its deposits as compared to PNB.

**Other Income To Total Income**

Other income to total income reveals the proportionate share of other income in total income. Other income includes non-interest income and operating income. Total income includes interest income, non-interest income and operating income.

Table 1.2 - Other Income to Total Income in SBI and PNB

Year	SBI	PNB
2011-12	11.87	10.34
2012-13	11.82	9.14
2013-14	11.98	9.57
2014-15	12.90	11.28
2015-16	14.68	12.66
Mean	12.65	10.59
CGR	4.34%	4.13%

Source: Annual Reports of SBI and PNB from 2011-12 to 2015-16.

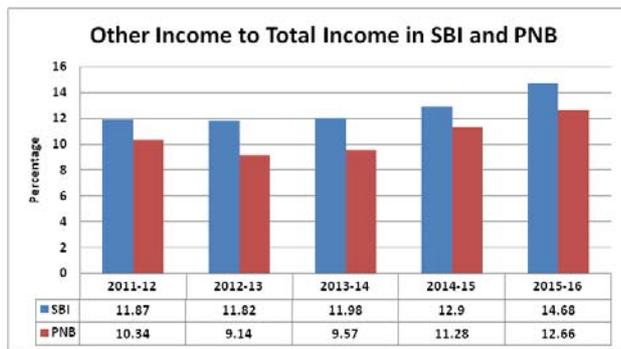


Fig. No. 1.2 Other Income to Total Income in SBI and PNB

Interpretation: The table 1.2 shows that the ratio of other income to total income was increased from 11.87 per cent in 2011-12 to 14.68 per cent in 2015-16 in case of SBI. However, the share of other income in total income of PNB was also increased from 10.34 per cent in 2011-12 to 12.66 per cent 2015-16. The table shows that the ratio of other income to total income was relatively higher in SBI (12.65%) as compared to PNB (10.59%) during the period of study.

**Net Profit Margin**

Net Profit Margin reveals the financial results of the business activity and efficiency of management in operations. The table 1.3 shows the net profit margin in SBI and PNB during the Period 2011-12 to 2015-16.

Table 1.3 - Net Profit Margin InSBI AND PNB

Year	SBI	PNB
2011-12	10.99	13.40
2012-13	11.78	11.33
2013-14	7.98	7.73
2014-15	8.59	6.61
2015-16	6.07	-8.38
Mean	9.08	6.14
CGR	-11.19%	-191.04

Source: Annual Reports of SBI and PNB from 2011-12 to 2015-16.

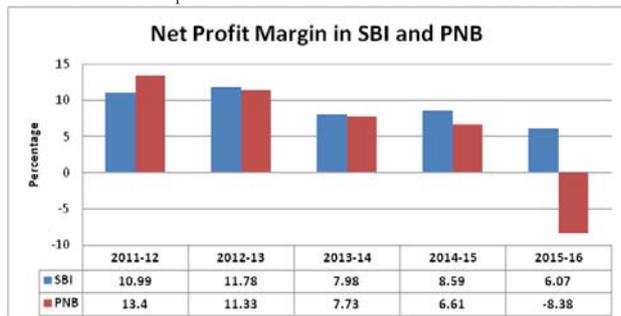


Fig. No. 1.3 Net Profit Margin in SBI and PNB

Interpretation: The table 1.3 reveals that the ratio of net profits to total income of SBI was varied from 10.99 per cent to 6.07 percent. In case of PNB, it continuously decreased from 13.40 percent to -8.38 percent in 2015-16 during the period of 5 years of study. However, the net profit margin was higher in SBI (9.082%) as compared to PNB (6.138%) during the period of study. But it was continuously decreased from 2011-12 to 2015-16 in PNB. Thus, the PNB has shown comparatively lower operational efficiency than SBI.

**Current Ratio**

The current ratio is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations. To gauge this ability, the current ratio considers the current total assets of a company (both liquid and illiquid) relative to that company's current total liabilities.

The formula for calculating a company's current ratio, then, is:

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$$

Table 1.4 - Current Ratio in SBI and PNB

Year	SBI	PNB
2011-12	0.05	0.02
2012-13	0.04	0.02
2013-14	0.03	0.02
2014-15	0.04	0.02
2015-16	0.07	0.03
Mean	0.046	0.022
CGR	6.96%	8.45%

Source: Annual Reports of SBI and PNB from 2011-12 to 2015-16.

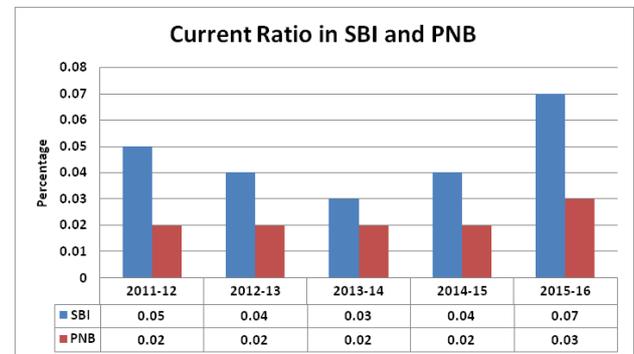


Fig. No. 1.4 Current Ratio in SBI and PNB

Interpretation: The table 1.4 reveals that the current ratio of SBI was not stable as compared to PNB during the period of 5 years of study. However, the CGR of current ratio was higher in PNB (8.45%) as compared to SBI (6.96%) during the period of study. A higher current ratio is always more favorable than a lower current ratio because it shows the company can more easily make current debt payments. Thus, the SBI is comparatively more efficient to pay its current debt payments than PNB.

**Quick Ratio**

The quick ratio or acid test ratio is a liquidity ratio that measures the ability of a company to pay its current liabilities when they come due with only quick assets. Quick assets are



current assets that can be converted to cash within 90 days or in the short-term. Cash, cash equivalents, short-term investments or marketable securities, and current accounts receivable are considered quick assets.

Table 1.5 - Quick Ratio in SBI and PNB

Year	SBI	PNB
2011-12	12.05	23.81
2012-13	12.15	22.40
2013-14	13.88	25.19
2014-15	10.78	24.23
2015-16	10.84	28.09
Mean	11.94	24.74
CGR	-2.09%	3.36%

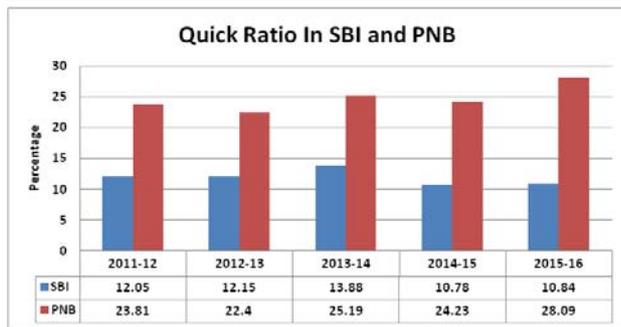


Fig. No. 1.5 Quick Ratio in SBI and PNB

Interpretation: The table 1.5 reveals that the quick ratio of PNB (24.74%) is more than of SBI (11.94%) during the period of 5 years of study. The acid test or quick ratio measures the liquidity of a company by showing its ability to pay off its current liabilities with quick assets. A higher quick ratio is always more favorable than a lower quick ratio. Thus, the PNB is comparatively more efficient to pay its current debt payments with quick assets than SBI.

**Findings and Conclusions**

The study found that the mean of Credit Deposit Ratio in SBI was higher (6.57 %) than in PNB (5.05%). This shows that SBI Bank has created more loan assets from its deposits as compared to PNB. The ratio of other income to total income was relatively higher in SBI (12.65 %) as compared to PNB (10.59 %). The Net Profit Margin of SBI is higher (9.08 %) whereas in PNB it was (6.14 %), which shows that SBI has shown comparatively better operational efficiency than PNB. the current ratio of SBI was higher (0.046%) as compared to PNB which was (0.022%) which shows that SBI is comparatively more efficient to pay its current debt payments than PNB. The quick ratio of PNB (24.74%) is more than that of SBI which was 11.94%.

On the basis of above calculated figures State Bank of India is a better performer as compared to Punjab National Bank. Hence, on the basis of the above study or analysis banking customer has more trust on State Bank of India as compared to Punjab National Bank.

**Limitations of the Study**

This study is entirely based on the published financial statements of the banks and other information received from the banks officials. So, all analysis is based on this secondary data. So it can be reliable to that extent.

As the information is collected from limited sources, it is not possible to use different tools and techniques of statistical analysis; The study is based on secondary data; the secondary data has its own limitation; The entire study is limited to two banks only. It can be carried out by including Industry.

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## E-COMMERCE AND RURAL HANDICRAFT ARTISANS

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**Abstract**

India is a country of great cultural heritage and India's cultural diversity provides plenty of remarkable art and craft products. Handicraft industry uses conventional manual methods instead of advanced technology for making various items. It is an unorganized, decentralized, labour intensive cottage industry. Though handicraft industry employs millions of artisans, it is still miniscule with respect to the global industry. This scenario is changing with the advent of E-commerce initiatives at government as well as at private or individual level. In this paper, an attempt has been made to highlight the role of E-commerce in the development of rural artisans in India by illustrating some efforts of Government and Non-Government agencies, Groups and Individuals in uplifting the socio-economic standard of the rural artisans through E-commerce. Strengths, Weaknesses, Opportunities and Threats/Challenges faced or to be faced by rural handicraft artisans adopting E-commerce have also been analyzed in this paper.

**Keywords:** Handicrafts, E-Commerce, Rural Artisans, Rural Development, SWOT Analysis

India is a country of great cultural heritage and the Indian handicrafts have a prosperous history of several centuries. History testify the fact that the artisans of India were known worldwide for their skill and craftsmanship. The carvings on the temples provide the proof of the skills, knowledge and involvement of handicraft artisans in their art. Exports of Indian hand crafted goods have taken place from time immemorial. This sector, which forms a major part of this rich cultural heritage of the country, utilizes the traditional skill of artisans in various crafts such as wooden ware, metal ware, textile weaving & printing, marble & stone crafts, leather works, jewellery etc. This skill is handed down from generation to generation in the form of family tradition. True to its name, the "Handicraft" (crafts made by hands) industry uses conventional manual methods instead of advanced technology for making various items. It is an unorganized, decentralized, labour intensive cottage industry.

India's cultural diversity provides plenty of remarkable art and craft products. Indian handicraft industry is labour intensive and is generally decentralized and spread all over the country. Though handicraft industry employs millions of artisans, it is still miniscule with respect to the global industry. This scenario is changing with the advent of many websites promoting the E-commerce of Indian handicraft industry. Government has also initiated various efforts to provide market opportunities to the artisans doing business in unorganized sector.

Handicraft reflects the culture and skill of local population and hence the country. India is one of the most sought after destinations for handicraft due to variation in culture and people who produce varied kinds of handicraft. Different places in India are famous for different handicrafts like Rajasthan for Jaipuri quilts, Gujarat for embroidered stuff, Punjab for Phulkari, Jodhpur for wrought iron products, Kashmir for woolen products, etc. Handicraft industry is one of the biggest employers in rural India. Many artisans work on full time and many on part time basis to produce these goods with hands. Low initial investment, potential for export and foreign earning are few of the factors which are helping this industry to grow further.

Industry experts believe that global trade now depends upon more on E-commerce along with traditional medium for trading. Though there is no standard definition of E-commerce but the OECD (Organization for Economic Co-operation and Development) defines E-commerce transactions as the sale or purchase of goods or services, whether between businesses, households, individuals, governments, and other public or private organisations, conducted over computer-mediated networks. The goods and services are ordered over those networks, but the payment and the ultimate delivery of the good or service may be conducted on or off-line.

India is one of the largest users of Internet across the world and expected to cross US in the coming years. Hence E-commerce has huge hidden and untapped opportunities for the businesses as well as local artisans. It has changed the way business is done and transacted by providing a global marketplace. E-commerce present a great marketing platform to the domestically produced products. It also provides scope for the expansion to the exporters. The much widened gap between artisanal clusters in India and the potential market is covered by E-commerce activities.

**Objectives**

In this paper, an attempt is made to focus mainly on the following objectives: To explain the concept of Rural Artisans and Rural Handicraft; To highlight the role of E-commerce in the development of rural artisans; To illustrate some efforts of Government and Non-Government agencies, Groups and Individuals in uplifting the socio-economic standard of the rural artisans through E-commerce; To analyze Strength, Weaknesses, Opportunities and Threats/Challenges faced or to be faced by rural handicraft artisans adopting E-commerce

**Rural Artisans**

An artisan is a skilled manual worker who crafts items that may be functional or decorative in nature. The use of hands and hand tools impart individuality and uniqueness to each item. The artisans are an important section of our society.



By providing us beautifully crafted products, they enhance our aesthetic life. Besides, they are significant contributor to our national economy. Our handicrafts have carved out a special niche in both developed and developing countries. The term 'artisan' is used to refer to those people who work with ordinary or simple tools to make things of basic need. They mainly use the locally available resources and make valuable products without the aid of machine. Thus artisans may be called as skilled manual workers who imagine, plan and build things with their hands as per the demands mostly of the local people. The artisans are heir to the people's traditions and weave them into their craft making it into an art. Most craftsmen have learned their skills from their fathers or mothers since caste and family affiliations.

The following definitions were developed by participants during a workshop organized by SRUTI (Society for Rural Urban and Tribal Initiative) (1987): An artisan is a producer of a product, that is handmade and involves a skill that is not part of a mechanical chain of production. An artisan is a skilled producer working primarily with his/her hands to make articles of daily use. Artisans are people who craft items/products or provide services, of both utilitarian and decorative value using their hands and traditional implements/tools. An artisan is a person who works with his/her hands to make products of utilitarian value from locally available natural resources.

#### Handicraft

The term 'Handicraft' encompasses a wide range of artifacts. The informal sector, which includes handicrafts has been described by the International Labour Organization (ILO) as a part of economic activity characterized by certain features like reliance on local available resources and skills, family ownership, small scale operations, labour intensity, traditional technology, skills generally acquired outside the formal school system, unregulated and competitive markets.

One of the best definitions of handicrafts adopted by the United Nations Educational, Scientific and Cultural Organization/Information Technology Community (UNESCO) and the International Trade Centre UNCTAD/WTO (ITC) during an International Symposium on "Crafts and the International Market: Trade and Customs Codification" at Manila, Philippines on 6-8 October, 1997 is: "Artisanal products are those produced by artisans, either completely by hand or with the help of hand tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. The special nature of artisanal products derived from their distinctive features, which can be utilitarian, aesthetic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant."

The Office of the Development Commissioner (Handicrafts) offered a workable definition in the Eighth Plan: "Items made by hand, often with the use of simple tools, and generally artistic and/or traditional in nature. They include objects of utility and objects of decoration". (Report of

Development Commissioner -Handicrafts in 1989)

As per the survey conducted by NCAER during 1995-96, the figure of total artisans was 47,61,186. The Development Commissioner (Handicrafts), Govt. Of India, estimated 64,21,000 artisans during 1995-96. According to Report of the Steering Committee On Handlooms and Handicrafts Constituted for the Twelfth Five Year Plan (2012 – 2017), employment in handicraft sector has risen from 65.72 lac in 2005-06 to 68.86 lac crafts persons in 2011-12. This figure is estimated to cross the limit of 70 lac in 2015-16.

#### Role of E-Commerce in the Development of Rural Handicraft Artisans

Indian cultural diversity provides remarkable art and craft products. Carpets, woodware, bamboo products, marble sculpture, bronze sculpture, leather products, paintings, zari goods, embroidered goods and jewelry are few of the most desired handicraft products from India. Rising demand of Indian handicrafts in US, Britain, Canada, Germany, Italy, etc. provide great opportunity. Each industry need handicraft such as fashion industry, real estate, home decor etc. For Internet tech savvy buyers online is the easiest way to find and shop for various handicrafts. Also E-commerce is one of the most promising channels in today's marketing scenario for selling handicrafts. It makes sure easy availability of goods at global level.

E-commerce (Electronic Commerce or EC) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the Internet. These business transactions are categorized into Business to Business (B2B), Business to Consumer (B2C), Consumer to Consumer (C2C), Consumer to Business (C2B). Now new E-governance concepts have also been evolved, i.e., Business to Government (B2G), Government to Business (G2B), Consumer to Government (C2G), Government to Consumer (G2C) and Government to Government (G2G). E-commerce processes are conducted using applications, such as E-mails, Fax, Online Catalogues and Shopping Carts, File Transfer Protocol, Electronic Data Interchange, Web Services, etc.

Like any digital technology or consumer-based purchasing market, E-commerce has evolved over the years. As mobile devices became more popular, mobile commerce has become its own market. With the rise of sites like Facebook, Twitter and Pinterest, social media has become an important driver of E-commerce.

India has experienced remarkable growth in information technology and E-commerce. The online market is offering different goods and service ranging from tour and travels, movies, hotel reservation, matrimonial service, electronic gadget, fashion accessories and groceries. According to the e-bay census guide 2011, India is home to 3311 E-commerce hubs, 1267 rural hubs, 391 export hubs and 2217 import hubs. The emergence of Information Technology in the last century as a prime driver and facilitator of change in the socio-economic development of the people has



revolutionized lives across the globe. With the advent of Internet, international boundaries have melted away and the dream of a global village is eventually becoming a reality. Electronic Commerce or E-commerce is becoming a very attractive proposition for any entrepreneur including the rural poor, as internet offers the equal growth opportunities to small and big businesses. The advantages of conducting business over the web are many. The ones that specifically appeal to the problem domain at hand are outlined below:

The major advantage that the Internet offers for a business is its global availability. Even a little known enterprise can realize the vision of expanding its market reach beyond geographic boundaries and local customer segments. Global and local E-commerce participants have launched websites that offer Indian consumers a range of products. The Internet allows an enterprise to conduct its business at a very low cost. The cost for operating and service support can be reduced greatly through the use of internet. It facilitates greater visibility; once the enterprise and its products are better known, more business flows in. Consumers are more willing to experiment with new forms of retail purchase and feel confident to search for and buy goods online. Internet penetration, the use of broadband, etc. are making it easy for consumer to shop online. Accuracy, speed, convenience and availability have remained prominent characteristics of the various elements of IT and Internet framework.

Year	2016	2015	2014	2013	2012
Total Indian Population	1,326.80	1,311.05	1,295.29	1,279.50	1,263.59
Internet Users in India	462.12	354.11	233.15	193.20	158.96
Non-Users (Internet-less)	864.68	956.94	1,062.14	1,086.29	1,104.63
Penetration (% of Population)	34.8 %	27 %	18 %	15.1 %	12.6 %

Source: <http://www.internetlivestats.com/internet-users/india/>

According to the website [www.internetlivestats.com](http://www.internetlivestats.com), the number of internet users in the world is estimated as 3,424.97 Million in 2016 among which 462.12 Million are Indian. Hence, with proportion to the population data, the penetration is 34.8% in 2016. It means that about 35 people among 100 are internet users in India. This penetration has been recorded as 12.6% in 2012, 15.1% in 2013, 18% in 2014 and 27% in 2015. Thus, it is very clear that the usage of internet has been increasing day by day in India. The fast growing internet population of 158.96 Million in the year 2012 has increased to 462.12 Millions till June 2016 (Report of Internet and Mobile Association of India). It is an indicator of the E-commerce sector's huge growth potential in India.

Growth of Internet Users v/s Mobile Internet in India 2012-2016 (In Million)

	Jun-12	Jun-13	Oct-13	Jun-14	Oct-14	Dec-14	Mar-15	Jun-15	Oct-15	Dec-15	Jun-16*
Total Internet Users	137	190	205	243	278	302	330	354	375	402	462
Mobile Internet Users	48	91	110	137	159	173	192	238	276	306	371

Mobile Internet Users (In Million)

	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16*
Mobile Internet Users	48	91	137	238	371
Rural	4	21	36	68	109
Urban	44	70	101	171	262

Source: IAMAI, Feb-2016, Figures in Million Users, \*Estimated Number

It is further noticeable that out of total 462 Million internet users in India, 371 Million are mobile internet users among which 109 are rural users and 262 are urban mobile internet users in 2016. Hence, the proportion is 29% and 71% respectively. This proportion was 8% and 92% in 2012. Hence, it shows the penetration of mobile internet in rural India.

In coming years, as Internet presence increases in rural areas, rural India will yield more E-commerce business. Internet usage has boomed in the last couple of years with the active Internet users expected to reach 500 Millions by the end of the year 2017. This situation can be viewed as positive environment providing e-commerce opportunities to the rural handicrafts artisans. E-commerce is one of the most promising channels in today's marketing scenario for selling handicrafts through... 1) B2B-Fashion industry, Real estate business, Home decorators and Interior designers; 2) B2C-Local and Global customers; 3) B2G-Government organizations, etc.

**Governmental and Non-Governmental Efforts**

A majority of our country's population lives in the rural areas and any development efforts made in the rural areas significantly impacts the country's development. Various governmental and non-governmental agencies have contributed significantly to improve the lot of the Indian rural poor and with good results. These efforts have attempted to address different needs of the rural poor.

The current marketing scenario indicates that many of the marketing issues such as demand assessment, brand identification, quality consciousness, product promotions etc. have not been extended up to the desired attention. However, a few attempts have been made which merit attention.

According to the Internet and Mobile Association of India (IAMAI) online retailing is just 8% of India's total E-commerce market but it is developing very quickly. Soon it will attain a very big status in India. Consumers get cheap and attractive deals. They can compare various products online. Increasing broadband and 3G Internet, increasing standard of living, changing lifestyle, and more online market places are giving boost to online handicraft industry in India.

Central Cottage Industries Emporium: The Office of Development Commissioner Handicrafts (D.C.H.) is currently the nodal agency for the implementation of all the Central Government schemes on handicrafts. D.C.H is expected to assist the Government in the formulation and implementation of policies aimed at the development of crafts in the country. Its other functions are to identify the new lesser known languishing handicrafts, to identify the problems related to crafts men, to participate in the market promotional events and to provide marketing assistance. It



has been entrusted with promoting the marketing of handicrafts through different market developmental programmes viz: craft bazaars, market meets and product promotion programmes. Supplying paper designs, arranging training programmes, arranging credit, assisting the artisans in forming co-operatives and attending the trade enquiries from exporters are the main aims of D.C.H.

It provides online marketing of handicraft products through its e-marketing link to Central Cottage Industries Emporium ([www.cottageemporium.in](http://www.cottageemporium.in)). It is the single largest emporium of the country, which is the perfect showcase of the traditional Indian art and crafts. It is unique in the sense that each and every foreign dignitary visiting India makes it a point to visit the Cottage Emporium. The Cottage Emporium is the leading source for Indian handicrafts created by skilled Indian artists & masters of crafts. Artist made- handicrafts, furnishings, jewellery & accessories, art objects & accents are available on line from this website now.

Rural Bazar: National Informatics Centre, Ministry of Information Technology, Government of India is committed to strengthen the efforts of other groups and agencies working for the benefit of rural poor and to that end, offers a solution in terms of an IT based marketing infrastructure to provide better visibility & sale of products produced by rural artisans. NIC addresses the problem by adopting the E-commerce approach, through its product Rural Bazar. Rural Bazar is a web store that allows customers to carry out the complete business transaction starting from browsing the products to paying for the chosen products. It offers several services to its users who may be broadly classified as the producer, the content manager, the business manager, the technical manager and the customer.

INDEXT-C: It is an initiative of Government of Gujarat. In order to handle the problem of unemployment effectively, priority has been given to make the development of cottage and village industries more employment oriented than today with a view to ensure employment to total rural youths because more employment opportunities are being created with less capital in cottage and rural industries. The INDEXT-C (Industrial Extension-Cottage) has been created to provide information and guidance & organising cottage & rural industrial sector as a catalyst. On the official website [www.craftsofgujarat.gujarat.gov.in](http://www.craftsofgujarat.gujarat.gov.in), 2229 handicraft products of various categories such as applique, tie & dye, hand printing, embroidery, hand-loom weaving, Namdah, coir, metal/stone craft, leather, bamboo craft, bead work, woodenware, puppetries, etc. are available for sale online, whereas 602 artisans are also registered. Such initiative provides a self identity and platform to artisans.

Gujarat State Handloom & Handicrafts Development Corporation Ltd.: Gujarat State Handloom & Handicrafts Development Corporation Ltd., (GSHHDC) is an undertaking of Government of Gujarat established in 1973 with the main objective of identification, revival, development of handicrafts and handlooms of Gujarat. Under its various schemes of training and design

development, thousands of handicraft/handloom artisans have been covered and their hand crafted products are demanded not only in the country but also in overseas countries. The corporation markets the products of such artisans through its GARVI-GURJARI chain of emporia. The Chief Minister of Gujarat at that time Smt. Anandiben Patel launched the e-store of Garvi-Gurjari "[www.estoregurjari.com](http://www.estoregurjari.com)" on 24<sup>th</sup> June, 2015. This is an effective endeavor providing market opportunities to vivacious and vibrant group of thousands of artisans and weavers engaged in various handicrafts such as embroidery stuff, bead work products, wood crafts, printed and woven clothes, pottery and tribal crafts, etc.

Mahila E-Haat: Mahila E-Haat is an online marketing platform ([www.mahilaahaat-rmk.gov.in](http://www.mahilaahaat-rmk.gov.in)) for meeting aspirations and needs of women entrepreneurs/SHGs/NGOs by showcasing their products and services and strengthening their inclusion in the economy. The main objective of this online marketing platform is to facilitate direct contact between the vendor and buyer. It is easy to access as the entire business of E-haat can be handled through a mobile too. Mahila E-Haat was launched on the eve of Women's Day on 7th March, 2016. This start up of Ministry of Women & Child Development at Rashtriya Mahila Kosh website leverages technology for showcasing products made/manufactured/sold by women entrepreneurs. They can even showcase their services reflecting their creative potential. This unique e-platform will empower women economically as well as socially.

The procedure of displaying the products on the Haat is very simple, transparent and easy to follow. Depending upon the prescribed criteria, an in-house committee selects the products/services for display. No registration fee is being charged from the vendor till 31st December, 2016 thereafter nominal fee would be charged. There are 16 categories of products displayed on the portal and a services section too. Thus, it is a direct online marketing platform and Mahila E-haat just acts as a facilitator between seller and buyer.

Other Efforts: Handicraft E-commerce in India has been growing steadily in recent years, with numerous start ups and some established players, capitalizing on the appeal of traditional Indian arts while making a difference to artisans' lives. According to Ankit Nagori, Senior Vice President of Flipkart, the local artisans and entrepreneurs deserve a much larger platform than what is available to them today. Therefore Flipkart is now working towards creating a marketplace ecosystem that makes it conducive for them to grow and develop — going from local to national players in their categories. Flipkart has tied up with multiple government ministries to help artisans shift towards online sales. It has created an exclusive store for Banarasi weaved sarees, as has Snapdeal partnered with India Post to enable Varanasi artisans to sell their work on the online platform. Running closely along these catchall platforms, a clutch of start ups have set up innovative business models to help rural artisans reach wider audiences.



Banna Creations was founded by Aishwarya Suresh in 2011. Banna Creations designs and promotes exquisite hand-crafted products from India. As the sector is largely unorganized, they are trying to streamline the online business process for them. Every Banna product is a blend of weaves, embroidery, block prints, paintings and a variety of art forms that give women a classy and stylish look in any setting. Banna's products include hand embroidered textiles, handbags, jewellery, eco-friendly natural fibre products and paintings. Apart from creating a market for handicraft, Banna creates awareness about different forms of art, craft, weaves through workshops conducted by the artists themselves.

Craftisan, founded in 2013, is a curated marketplace that has listed over 2,500 artisanal products on a consignment basis, selling them at 50-150% above their original cost. It also provides online solutions for artisanal groups to manage their back-end inventory. It is an online marketplace for Indian crafts featuring the best in Indian crafts and craftsmanship. It promotes handcrafted creations by artisans, master craftpersons, craft clusters, NGOs, Self Help Groups (SHGs) and designers across India. It offers products that combine crafting practices from ancient and medieval times with technology from the modern era to connect India's rural villages and its artisans to the rest of the globe. By interfacing with crafts persons directly, it eliminates middlemen and ensures craft sustainability and livelihoods of artisans and their communities.

UnWrapIndia is an initiative to promote "100% Made in India" products. UnWrapIndia aims to bridge this gap and provide that much-needed platform between rural artisans and urban consumers, essentially bringing India's best handicrafts from remote interiors of our country to your doorstep. It is an E-commerce site selling crafts home decor and furnishings to accessories and artifacts. It has about 2500 products from 75 different suppliers across India. It works on variety of margins based on the ease and difficulty in fetching products. It works with artisans on a commission basis. Basically it sells the products at MRP, keeps commission and transfers the rest of the amount to the artisan without charging any other fees.

NGOs such as Kala Raksha, Craftroots, Khamir, Manthan, SEWA, Ashirvad Trust, Srujan, etc. in Gujarat have been working hard to provide rural artisans an effective and efficient platform to manage their business. Some of them have started making them enriched by providing training of E-commerce and E-business.

Websites Engaged in Selling Handicraft Products: The following Websites are selling Indian handicraft items within India, to the United States and to continental Europe:

<http://www.india-crafts.com>; <http://www.fabfurnish.com>;  
<http://www.camelcraft.com>; <http://www.vedique.com>;  
<http://www.craftsvilla.com>; <http://www.aporv.com>; <http://gocoop.com>;  
<http://thebuddhasolution.com>; <http://www.handicrafts.co.in>;  
<http://www.decojunction.com/>;  
<http://www.craftshopsindia.com/>; <http://www.sanskarindia.com/sellwithus.php>;

<http://www.itshandmade.in/>; <http://www.spectrahut.com/>; <http://indiahaat.in/>;  
<https://www.villcart.com/>; <http://www.nethaat.com/>;  
<http://shopo.in/>; <http://www.vyomshop.com/>;  
<http://www.handicraftshop.in/>;  
<http://shop.gaatha.com/>

### SWOT Analysis of Rural Handicraft Artisans Adopting E-Commerce in India

**S- Strengths:** Unique local raw materials e.g. natural fibers, bamboo, cane, horn, jute, leather, etc. are abundantly available in India, which can be used in a creative and productive way; Indian villages have rich and diversified culture producing wide range of unique and exclusive handicrafts; Strong existing pool of skilled artisans; Increasing knowledge about consumer preference and demand pattern for handicraft items; Increased spread of technology and E-commerce attitude among young artisans; Positive attitude of artisans towards the promotional efforts of governmental and non-governmental agencies; Less intervention of intermediaries due to e-commerce resulting in to low distribution cost.

**Weaknesses:** Limited E-commerce competence among producer groups; Lack of adequate infrastructure and devices; Lack of awareness about new designs, latest trends and fashions, innovation and technology up gradation; Highly fragmented industry; Unstructured and individualized production systems; Lack of strong umbrella sector organizations, groups or clusters; Limited capital and low investment capacity of artisans; Insufficient market information on export trends, opportunities and prices; Limited access to credit and limited resources for production, distribution and marketing

**Opportunities:** Global identity of art, artisan and business and broader customer base due to E-commerce; Rising appreciation and demand from consumers in domestic & foreign markets; Government and NGOs' support and interest in preserving the craft and online/offline marketing support; Direct contact of customers and identity of self; Less intervention of intermediaries can make them fetch good price of the products in the market/ Collaboration with cyber intermediaries on reasonable terms and condition; SHGs collectively can join hands together and can establish common clusters for online marketing

**Threats/ Challenges:** Low Infrastructural facilities, issues of logistics and network connectivity; Handicrafts sector is not mainstreamed in planning priorities of many State Governments; Languishing crafts due to lack of recognition, proper processes and systems for identification, documentation and mapping of crafts and clusters; The lack of adequate and authentic data on artisans, including their socio-economic status, livelihood conditions and family details is a major bottleneck which adversely affects planning and policy making for this sector; Improper implementation of schemes by government which fails to work in targeted manner and desired outcomes are not achieved; Increasing competition from factory made products and also from



foreign players; Decreasing supply of good quality raw material; Better quality components and packaging are expected by other countries; Increasing consumer sophistication and expectations; Absence of institutional support and poor implementation of government programmes encouraging E-commerce activities of rural artisans; Globalization of art but not of artisans; Threats of exploitation by Cyber intermediaries

### Conclusion

Indian economy mostly depends on agriculture, as millions of people are directly or indirectly dependent on agriculture. Besides agriculture, rural arts and crafts give a gainful occupation to a large number of rural populations. They also serve as subsidiary occupation to agriculture and increase their rural income substantially. Major population of our country belongs to rural areas. Any strategy for national development must be associated with the development of its rural areas. Indian villages are full of handicraft artists, as each and every community and region possesses unique characteristics which can be shaped in to small scale or cottage industries. The following efforts can push the growth of such artisans.

Individual level efforts: An individual handicraft artisan can develop his/her own website or with the help of Cybermediaries, they can start e-commerce activity; Group level efforts: At village level artisans can organize themselves in to Clusters, Co-operatives or Self-Help Groups and start e-commerce activities collectively; NGO and other private institutions can help handicraft artisans to market their products online; Government level efforts: There must be an effective and efficient implementation of various programmes and schemes boosting e-commerce activities for handicraft artisans; Corporate level efforts: Under the head of Corporate Social Responsibilities (CSR), companies can focus on providing e-commerce platform to rural handicraft artisans; Thus, E-commerce can provide such artisans an opportunity to reap the advantage of widened markets beyond the limits of geographical boundaries.

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## INTELLECTUAL PROPERTY PARAMETERS OF FINANCIAL REPORTING

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## Abstract

*The given paper highlights the impact of future financial figures rather than past ones of the intellectual property and business transactions on current business performance. The author suggests adding the block of financial reporting showing financial result of business achieved during past years should be complemented by a special statement showing total financial result of business achieved during firm's previous entire operational period.*

**Keywords:** *intellectual property, business transactions, financial reporting*

In traditional economic analysis the business performance is measured by absolute and comparative figures. The figures of economic effectiveness and efficiency fundamentally differ from each other. Economic effectiveness is measured quantitatively by absolute figures. In this economic analysis, the financial performance figures divide into two groups [1]: Figures of financial result achieved during current period (profit or cash flow); Figures of financial results accumulated by the end of current period (net assets and market capitalization)

Economic efficiency is measured qualitatively through comparative figures and it points out the business functioning result of high quality. In a broad sense, the economic efficiency is measured by the following groups of figures: Comparative efficiency ratios (cost-efficiency, profitability, return on capital and etc.); Time ratios (velocity, frequency) to reach the desired result (asset and capital turnover); Risk ratios (instability) to reach the desired results (liquidity financial stability/dependency) of the firm [2].

The retained earnings of the firm formally exceed the result of the income and loss statement as it is not related to the process of forming the firm's financial result, but to its allotment. Stressing out that figure is of high importance for two purposes: firstly, for unveiling the nature of the financial result figures accumulated by the firm during current period, secondly, for underlining the narrowness of the accounting concept of profit as compared to that of value added.

Simplified algorithm of business's net profit allotment can be described in this way: part of net profit is retained, i.e. used for reproduction and business capitalization; the other part of the net profit is given to the business owners as dividend payment.

Thus, the net profit of business is divided into two parts: retained earnings (reinvested profit) and profit of business owners in the form of dividend will be extracted by them. Reinvested part of profit is an internal source of financing for the business owners' operations; hence it is apparent that the current profit retention policy determines the size of external financing attracted by the firm.

The parameter proprietors' dividend reflects the part of business's current financial result which is extracted from it by its owners.

**Net profit and proprietors' dividend analysis**

In financial analysis the most frequently used local parameters include business's net profit and proprietors' dividends: 1) earnings per share (EPS) equal to the ratio of net business profit (Pn) to the number of shares outstanding:

$$(Y): \text{EPS} = \text{Pn} / Y \quad (1);$$

2) Dividend from each share (DVY) is equal to the ratio of amount of dividend payment (DV) to the number of shares outstanding:

$$\text{DVY} = \text{DV} / Y \quad (2);$$

3) Dividend payment coefficient (KDV) is equal to the ratio of dividend from each share (DVY) to earnings per share (EPS):

$$\text{KDV} = \text{DVY} / \text{EPS} = \text{DV} / \text{Pn} \quad (3).$$

In financial analysis and management cash flow parameter is used as one of the measurers of the firm's financial performance as of certain period of time. In this sense, cash flow is a measure of current financial result, means a result actually obtained in monetary form from business's operation during accounting period.

The use of the cash flow parameter as a measurer of performance results (as an analogue of profit parameter) makes sense assuming that a long analyzed period is used (based on the principle of the operating enterprise, it is, theoretically, an infinity).

A detailed calculation of cash flow parameter formation is stated in a special cash flow statement (SCF). It should be noted that both international standards and the majority of national standards of accounting and bookkeeping require that this statement underline streams of cash inflows and cash outflows for operational, financial and investment activities.

Of the highest analytical value is cash flow from operations parameter (CFO) reflected in the cash flow statement and that is the main forecasting objective in business planning and business cost calculation using cash flow movements method (CFM). Cash flow from the main operations can be calculated in two ways: direct and indirect. With the indirect method, business' net profit parameter in the financial results statement is corrected into noncash articles. With the direct method (accrual basis accounting), all cash inflows and cash outflows are included. Additionally, in aggregate income statement, both proceeds and cost price, not the final financial result, will be corrected.

The necessity to determine the CFO parameter and make a special cash flow statement (apart from aggregate income statement settling the income parameter) is caused by the following: the function of the financial results statement is to measure the enterprise's cost-efficiency as of certain period. But it does not show the moment where the cash flow occurred and the influence of operational activities on liquidity and solvency. This information is provided in the cash flow statement and its CFO part which presents different aspects of the same reality.

CFO as a performance parameter is less prone to distortions than net profit value. That is why analysts prefer to relate CFO to statement value of net profit to check its quality. Theoretically, in the most general form, the firm's performance result as of certain date should equal to the sum of business' net profits for all the operational years of the organization. But this algorithm of financial results accumulated by the firm is correct only if such funds from business were not extracted, i. e. there were no dividend payments made to proprietors, no net profit



used for incentives and social security of the participants, etc. In reality, financial result accumulated by the firm equals to the sum of profit actually reinvested in business for all operational years of the business operator.

Investments in business take the form of assets, therefore net assets parameter of the business operator is traditionally used in financial analysis to show accumulated results.

By their economic essence, net assets are accounting cost of the firm's own capitals as of certain date. Thus, in accordance with national standards of accountancy of the Republic of Uzbekistan, net assets are a value identified by deducting the sum of business operator's relevant liabilities from the sum of its relevant assets. Property components (assets), liabilities and the firm's own capital (liabilities) as of certain date are reflected in the business operator's balance. Thus, the business operator's balance can be considered a statement on financial results accumulated by the firm as of certain date.

Market capitalization is a market cost of the firm's own capital as of certain date. In fact, the main difference between the firm's market capitalization and the organization's net assets is in the assets evaluation methods: based on current market prices or on accounting (historical) prices of procurement. Besides, in formulating market capitalization, the firm's business reputation (the level of the firm's fulfillment of its commitments to its counterparties) is of considerable significance. Therefore, net assets and market capitalization parameters can be seen as variants of integral criterion for the firm's performance assessment applied in financial analysis. By calculation algorithm they are similar to the methodology for determining the cost of enterprise as property complex and firm's market cost used by evaluators (property and market approaches).

Company's direct relative cost-efficiency (performance) parameter is the its cost-efficiency (profitability) coefficient. The relation of profit to invested capital is commonly referred to as cost-efficiency; relation of profit (cash flow) to effected expenditure (income) is referred to as profitability. Based on this presumption, the system of parameters of relative economic effect from the firm's performance includes two parameter classes: business profitability coefficients determined by comparing different levels of profit with income received; accounting rate of return on investment (investment cost-efficiency) parameters (capital use rate of return) [3].

The basic parameter of accounting rate of return on investment (investment cost-efficiency) is the relation of net income to capital invested in creating this income (return on Investment, ROI). ROI parameter links profit with the size of capital needed for making this profit:

$$\text{ROI} = \text{profit} / \text{capital invested} \quad (4)$$

Since a firm is a targeted business system of participants, the economic efficiency from the functioning of the business should be considered from two prospective: from the participant's prospective and from the system's prospective as a whole (from the business position). In this interpretation business capital bears productiveness for business and the participants which at the same time is the cost of capital for the firm. Therefore, by economic content, concepts such as cost of capital and price of capital are very close to the category of capital cost-efficiency. In its broad meaning, the term "cost of capital is the size of financial liability/commitment

undertaken by the firm for using its own and borrowed capital to fulfill its activities" [4]. This very opinion is upheld by authors of other works [5]. Thus, A.N. Khorin states that "price of organization's capital is generally a recognized level of profitability which is guaranteed by the organization both to proprietors and creditors.

As the above analysis shows, financial reporting is a system of financial indicators, or a set of delayed parameters for passed period of time. In order to meet the needs of economy of informational society, the coverage of firms' performance should be based primarily on anticipating parameters of transactions and business capital which define the tendency of changes in financial parameters achieved as of current moment. This means that the modernization of the existing system of external reporting by business operators includes the provision of additional block of anticipating intellectual capital and business transaction parameters as well as modification of financial statements themselves.

### Conclusion

Based on the above, the following proposals are made for the system of financial reporting by firms to reflect intellectual capital: To add the block of reports on intellectual capital and business transaction business' Intellectual capital statement and firm's major operations characteristics (business process chart); To add the block of financial reporting showing financial result of business achieved during past years should be complemented by a special statement showing total financial result of business achieved during firm's previous entire operational period (business performance results report as of certain date); Profit and loss statement (f.2) of business operator's same reporting block should be replaced with report on business' value added generation and distribution during accounting period.

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MARKETING STRATEGIC PLANNING FOR THE  
TEXTILE AND CLOTHING SUPPLY CHAIN

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## Abstract

The expansion of textile and clothing production to Asian regions has both, increased competition and created a need for integration with the global supply chain. Strategies are being designed to improve competitiveness and responsiveness of the chains by increasing the diversification of products and value addition. This study formulates and examines the potential of such strategies and their implementation for textile and clothing chains originating from Uzbekistan. The strategies were developed based on a SWOT analysis followed by their prioritization through Saaty's AHP and ANP. This work extends the previously developed phase of strategic planning to the implementation phase. Here we analyse the marketing strategic plans using the Simple Additive Weighting (SAW) method and taking into account relevant factors such as cost, time and implementability.

**Keywords:** Implementation Phase of Strategic Planning, Textile and Clothing Supply Chain, Simple Additive Weighting.

The expansion of textile and clothing chain in the Asian region has increased competition and consequently the need for improving integration in the chain. Strategies are being designed to improve competitiveness and responsiveness of the chains with increasing diversification of products. This study examines the potential of different strategies formulated by experts focusing on Uzbekistan's case. The supply chains in textile and clothing are driven by the big brands and retailers that have tremendous power in determining price, quality, delivery, and labour conditions for suppliers and producers down the chain. They are segmented into high and low profit steps. Retailers and brands keep high profit steps such as innovation, marketing and retailing. Low profit steps, such as sourcing raw materials, production and assembly, finishing and packing, are outsourced to mid-chain suppliers and low-cost producers worldwide. Thus global supply chains have created labour-intensive exports from low-cost locations especially Asian and Far East regions. The result is an enormous growth in the number of producers, increasing competition. During the last couple of decades, the major competing supply chains in textile and clothing are routed from China, India and Turkey and some others are emerging like Brazil and Bangladesh because of the low-cost production strategies.

The study on the strategic planning for the above system is based on developing the understanding of the different parts of the problem at required level of detail and then creating a holistic view through combining those parts. It covers the studies on the system and its environment, future target scenarios, strategic planning and implementation. Therefore it advances through the main phases of environment and system analysis, development and analysis of strategic plans and their implementation, and finally the monitoring and readjustment phases. We

address here mainly the implementation phase of the developed plans which were analysed for their importance to the system targets by using different analytical tools. The planning situation is focused on the textile and clothing chains in a developing country and the system is the country itself. In the following sections, the completed studies on the system and its environment analysis are presented firstly and then the implementation phase is discussed. Later, the methodology is described and the results are discussed and finally the conclusions are presented.

**System Environment and Marketing Strategic Planning**

The general environment of the textile and clothing was studied and the development status of the chain entities was established through a literature review and discussions with chain experts. A Planning-link was introduced in the strategic planning process to establish the relationship of the chain entities and their development status to the targeted opportunities. It helped to devise relevant strategies for the system. These strategies were analysed later for their importance to the target opportunities and thus the priorities were created for those plans. The prioritization process established the rating and importance of the plans which is useful in their implementation phase and also for the allocation of the limited resources of the system to achieve the objectives in shortest possible time. The previous studies on the analysis of the system and its environment and strategic planning and its evaluation are covered in [1] and [2] and are described in the following paragraphs. The strategic planning was started with the analysis of the environment which was followed by the strategy development phase. The environment analysis was linked with the strategy development phase through Planning-link. These are presented in the table 1 and 2.



Table 1 - SWOT matrix for the textile and clothing supply chains

Internal Factors	
Strengths	Weaknesses
S1 - Indigenous cotton crop S2 - Low wages/labour costs S3 - Strong investment in textiles & made - ups S4 - Skills in ICT S5 - Skills in chemistry (for textile & clothing chemical industry)	W1 - Limited base of non-cotton fibres W2 - Weak ginning sector W3 - Lower cotton yield (per acre) W4 - Low application & usage of ICT W5 - Non-competitive behaviour of entrepreneurs W6 - Skills (technical, marketing & management) W7 - Distance to (current) markets W8 - Underdeveloped logistics W9 - Weak market awareness (market's dynamics, buyer's needs, competitor s strengths and weaknesses); because of weak ultimate customer link W10 - Input 's costs and continuity W11 - Low Foreign Direct Investment (FDI)
External Factors	
Opportunities	Opportunities
O1 - Technical Textile O2 - Value added products (fashion, children clothing & home textiles) O3 - Closed proximity to future potential markets O4 - Government support for R&D O5 - Dyes & chemical manufacturing O6 - Machine manufacturing O7 - Logistic link for Far East to European and Middle East Markets	T1 - Political instability T2 - Regional competitors

The internal and external environment was developed through SWOT analysis and the status of development for the entities was established as presented in table1 and figure1. The planning-link describes the relationship of internal factors to external opportunities. Based on the environment study and the factors relationship, the strategic plans were developed as presented in table 2.

Table 2 - Strategic plans for the textile and clothing supply chains

SO Strategy	SO Strategy
SO1 - Diversification of product range SO2 - Establishing industrial – parks with common facilities of design & development centres, ICT application centres effluent treatment, etc. SO3 - Applying export incentives SO4 - Establishing downstream links/ facilities in competing regions (Turkey, Egypt, Bangladesh & Mexico...) SO5 - Improving domestic chemical industry	WO1 - Skill development programs WO2 - Expanding non cotton fibres base WO3 - Improving logistics WO4 – Developing effective linkage between industry, academia and R&D institutes WO5 – Developing domestic engineering industry
ST Strategy	ST Strategy
ST1 - Development of markets access strategies ST2 - Establishing down – stream facilities in stable, near – to - market and competing regions	WT1 - Work in collaboration with competitors WT2 -Development and implementation of long termand coordinated policies WT3 -Introduction of industry relief packages

Analysis on the effectiveness of the developed strategic plans was conducted through the Analytical Hierarchy Process (AHP) and Analytical Network Process (ANP) developed by Saaty. Reference [3] and [4] discuss AHP and ANP in more detail and the analysis on the strategic plans can be found in [1]. The importance of the strategies and their ranking in relation to targeted opportunities is presented in table 3.

Table 3 - Importance and ranking of strategies in the strategy development phase

Strategy	Importance
WO4: Developing Effective Linkage between Industry, Academia and R&D Institutes	144
WO1: Skill Development Programs	123
ST2: Establishing Down Stream Facilities in Stable, Near to Market and Competing Regions	084
WO2: Expanding Non - cotton Fibre Base	082
SO2: Establishing Industrial Parks with Common Facilities of Design & Development Centres, ICT Application Centres & Effluent Treatment Plants etc.	080
SO1: Diversification of Product Range	075
ST1: Development of Market Access Strategies	073
SO4: Establishing Downstream Facilities in Competing Regions	067
SO5: Improving Domestic Chemical Industry	062
WO3: Improving Logistics	050
WT1: Work in Close Collaboration with Competitors	049
WT2: Development and Implementation of Long - term & Coordinated Policies	040
WO5: Developing Domestic Engineering Industry	029
SO3: Applying Export Incentives	025
WT3: Introduction of Industry Relief Packages	017

### Implementation Phase of Marketing Strategic Planning

The questions raised by the implementation phase are of different nature. They require the utilization of appropriate criteria related to the effective implementation of the plans. Important aspects at this stage are the limited resources available and the implementation time. It is also necessary to establish the dependency of the strategies and how they can be scheduled within those constraints. In this section, we describe the new criteria which are useful in this phase, the methodology utilized and finally we will discuss the results and present the conclusions for the implementation phase. The Simple Additive Weighting (SAW) model is a multicriteria method based on the Multi - Attribute Utility Theory (MAUT) devised by Keeney and Raiffa [5]. The SAW method is probably one of the best known and most widely used Multiple Attribute Decision Making method [6]. It involves devising a function U that expresses the “utility” of an option in terms of a number of relevant decision criteria. Utility represents the satisfaction that each choice provides to the decision maker assuming that any decision is made on the basis of the utility maximization principle: The best choice is the one that provides the highest satisfaction to the decision maker. In a

multicriteria decision problem the decision maker must take into account several criteria whose utility functions are combined in order to produce one mathematical expression called the multi-attribute utility function. Each criterion will have its own utility function. This function is constructed by assigning points to a scale where the extremes represent the best and the worst possible outcomes for the criterion under analysis. In the simplest approach, if the utility of each criterion is independent of the others (utility independence), then the multi-attribute utility function can be constructed as a weighted average of the utility functions for each individual at tribute or criteria. A score in the SAW method is obtained by adding contributions from each attribute using a common numerical scaling system.

**Methodology**

After having identified the most important criteria for the implementation phase, experts were asked to assign values for the strategies using those criteria. Thus we created a ranking of the strategies for the implementation phase. The criteria used are discussed in the next section. Cost is one of the crucial criteria which are considered in the implementation phase. The objective for the cost criteria is to estimate and/or compare the magnitude of the financial resources required by the various strategies. The cost is classified into three general intensity levels and values were assigned according to those intensities. Strategies requiring lower financial resources are favoured relatively to higher cost strategies in the prioritization process. Values for the cost criterion are presented in table 4.

**Table 4 - Cost scale**

Intensity	Value
Low Cost	1
Medium Cost	2
High Cost	3

Time is another important criterion which is normally considered in the implementation phase of the strategic planning. Again, the time parameter is also addressed with general intensity levels and values were also assigned accordingly. The objective of the analysis was to prioritize the developed strategies according to the shortest times. Values for the time criterion are presented in table 5.

**Table 5 - Implementation time scale**

Intensity	Value
Short Time (Less than 1 Year)	1
Medium Time (1 to 3 Years)	2
Long Time (Longer than 3 Years)	3

It is meaningful to study the ability of implementation for the developed strategies as some of them involve more players and their interaction making their implementation more complex. Here the implementability of the strategies is thought in terms of their dependency on those players and the development status of the chain in focus. Under this criterion, the objective is to favour the strategies which have less dependency on the commitment required. The values for the implementability criteria are presented in table 6.

**Table 6 - Scale for implementability (based on commitment of players involved)**

Intensity	Value
Easily Implementable	3
Implementable with Moderate Commitment	2
Difficult to Implement (Need Higher Commitment)	1

The characteristics of the strategies were established from the values assigned by experts who are familiar to the process and with the previous studies on system analysis, strategy development and evaluation.

**Conclusion**

On the basis of the analysis performed concerning the implementation phase of the strategic planning, short, medium and long term strategies were identified. These strategies can be scheduled according to the availability of resources and their dependency. It is interesting to emphasize that the ranking obtained in the previous phase of marketing strategic planning can be best utilized for resource allocation while the results obtained here and the dependency of the strategies can be best utilized for their scheduling. The directions identified for future research can provide

further insight for an efficient implementation of the strategies.

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MULTI-FACTOR ECONOMETRIC MODELS THAT REPRESENT CHANGES IN THE DYNAMICS OF THE TAX BURDEN

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Abstract

Key issue for the management of the economy by the state of the economy and entrepreneurship, labor, capital, goods and services markets, the development of the provisions of the bilateral relations and the support that they need to ensure the effective functioning and development of the economy. In this case, the efficiency of the economy under the concept of socio-economic oriented to achieve results to be achieved with a minimum expenditure of efforts to understand.

Keywords: tax, tax-burden, multi-factor econometric models, dynamics of tax burden

Economics is important not only that, if such a state of society in the conduct of economic policy, social and economic and financial-investing expect opportunities to come.

The state of the economy and entrepreneurship, taxes, tariffs and other economic instruments as part of a stable system of rules that can be managed, in any circumstances waiting for the economy of the community acts representing the social optimum criterion.

At the same time, the state taxes important management tool. Taxes - agricultural businesses and citizens by public authorities in accordance with the established rates for the collection of dues.

The total amount of the tax burden on the state of its functions (management, defense, courts, regulation, etc.) is determined by the amount of the expenses you will need to perform. Expressed them in the fiscal function of taxes.

The economy, and more complex management tasks associated difficulty in public spending leads to an increase in the tendency of the economy but taxable entities (legal and natural persons) to reduce the tax burden on families. It is important to remember that the individual taxes, the total tax harvest of 2-3%, so the basis of budget receipts taxes collected undertakings. The economic condition of the economy of each of the undertakings clearly there is a limit on the amount of the tax burden, increase the tax burden on business activity declined sharply and if increased by more than a partial or complete closure of the production flow.

This event represents the Laffer curve is very good.

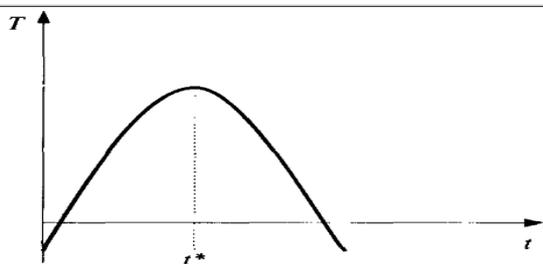


Figure 1 - Dependence on tax collection T from the tax rate t Laffer curve based on the following estimated production volume of the company lies in (the tax base) to decrease t e'' t0, t e'' t0 X '(t) < 0. Therefore, the budget revenues (taxes and fees), the tax rate t u function as T = tX (t)

he brought in the picture above. At the same time, the maximum tax rate, providing tax receipts T\* is determined by the following conditions. T'(t\*) = 0

$$\text{or } t^* = -\frac{X}{X'}, \quad t^* > t_0$$

For example, if the assessment goes on decreasing with the increase in the volume of production line

$$p(X) = b - aX,$$

And the costs associated with the quadratic function of the volume of production (excluding tax)

$$C(X) = \alpha X^2 + \beta X + \gamma$$

net profit (after tax), equal to

$$P(X) = (b - aX)X - \alpha X^2 - \beta X - \gamma - tX$$

On the criterion of maximum profit (tax rate t)

$$P'(X) = b - 2aX - 2\alpha X - \beta - t = 0$$

It stems 
$$X(t) = \frac{b - \beta}{a + \alpha} - \frac{t}{a + \alpha},$$

that is, the production function of the linear reduction of the tax rate, budget revenues (tax collection) will be the form

of a parabola 
$$T(t) = \frac{b - \beta}{a + \alpha} t - \frac{t^2}{a + \alpha},$$

Therefore, 
$$t^* = \frac{b - \beta}{2}$$

Clearly, the belief that the tax rate of the tax burden on the border line T\* and tax T (T\*) will be equal to the increase in the tax rate will lead to the acceleration of the decline in the volume of production.

It is necessary to remember that the tax rate at T < T\*, our work on the criterion of maximum profit and the tax rate t e'' T\* that- business criterion, which is trying to maintain its position in the market.

Above you can see the availability of the functions of the corresponding taxes. The state of the economy, reducing the tax burden can boost movement, otherwise it will lead to the reduction of its efforts to increase the tax burden. If you need to collect a certain amount of tax, then this should

be the distribution of the tax burden among the subjects of the economy, the economy in general management, high-tech to create the best conditions for the growth of the network should provide. Therefore, the capacity of the scientific networks, providing high-growth sectors of the economy and tax benefits. For example, the employment of a person of agricultural investments, industrial relations mutual chain of other industries to provide employment for more than ten light industry, one of which leads to additional employment in other industries provide more than a quarter of people and etc.

Assessment tax assessment base will be able to direct against inflation. If the actual assessment base increased, which will increase in proportion to the actual evaluation of the normal tax base (equal to the increase in the tax assessment tax is simple); if equal, the tax assessment will be equal to zero; a database, it's a realistic assessment of the normal tax base will be reduced proportionately. For basic goods - goods companies.

Tax liable entities formed in the present circumstances, can be divided into two groups: Capital taxes (the total fees of 15-30%); gross national income and its components taxes (fees, most of the enterprises);

Capital is only indirectly related to the results of the activities of agricultural taxes, so get rid of inefficient enterprises with funds and encourage access to capital resources to the maximum. Doing so is very difficult as possible tax evasion.

The second group of the taxes clearly seen in the image below. Each subsequent tax the tax base and economic costs of production decreases due to the payment of taxes.

The company's production has increased by more than the rate of tax revenues in the company stops the types of costs associated with the products. The production of value-added tax, which can be used to develop the production of the manufacturer and then a portion of the proceeds. This benefit applies to tax more: the top of the investment tax will reduce investment and future growth, income or consumption tax reduces the interest in the development of the model.

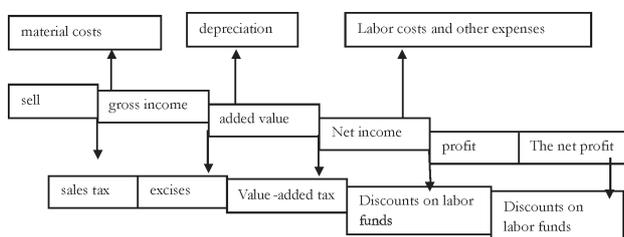


Figure 2 - Material costs in taxes

In general, representing the results of the financial activities of the company tax fiscal function, followed by an increase in prices and a decrease in the volume of production. This tax reduction, economic growth accelerated, and this is the first case with the budget deficit can be observed, and therefore, require additional emission of money, but the excessive growth of the money mass production later can be calculated.

Microeconomic level (enterprise, organization) macro-level indicators (taxes), a natural aggregation. Macro-economic Modeling Based on the results of the activities of the economy as a whole is considered as a function of the production cost aggregated resources:

$$F = (K, L)$$

where X -aggregation products (for example, compared to the base year constant prices);

K - Capital (or a significant part of the main production funds, compared to the base year constant prices);

L - The number of employed in the economy, mln. .

Thus, the production of all taxes, labor and capital taxes appears to be effective. However, the resources will lead to a reduction in the tax resource, and therefore, in accordance with the production. The decrease in the production of the production function can be calculated. Therefore, you can convert the tax on the production of such a tax.

As a result, the simulation of macro-taxation of all taxes, production tax submission. In practice, a tax rate of production in current prices in the economy (or large sections) corresponding to the current value of the collection of taxes can be calculated as a ratio of production:

$$t = \frac{T}{pX}$$

A formula that makes sense, especially if the price remains constant prices, production as a previous rising prices collected taxes will remain unchanged, the reduced tax rate at the current prices.

Neither improving the tax system to calculate taxes at the micro level nor does the opposite: it is the production of large sections of the economy, any change in the system according to the tax rate change. At the same time the burden of taxation of large sections of the economy, comparative analysis of the distribution of the tax burden between them that allows you to make conclusions about the possible directions of improvement of the tax system.

In conclusion we can say a few words about the sources of tax. Many people believe that the source of the tax benefit. As a picture, taxes are a source of economic activity. Operating results for the production of (product, service), and therefore taxes. Taxes, in our view - that economic activity and social load, the load of material costs, the depreciation charge as inevitable. As a result, the reorganization of the tax system so that the proceeds from the production of products that are necessary for life to carry out the production costs and taxes, as well as slightly should encourage the expansion of production and workers.

$$d \hat{t}^p = \sum_{i=0}^2 x_i dt_i$$

If it is positive, there was an increase in taxes called, In particular, in such situations is usually an increase in taxes.  $dt_0 > 0, dt_1 > 0, dt_2 > 0$ .



The world practice, to speed up economic growth, attraction of investments into the development of its business in one of the main conditions of the main producers of new job creation, modernization of production and does not prevent the implementation of innovations in this area, including the low tax burden of the fiscal policy in the country econometric models ensure macroeconomic stability.

However, there is another important issue which is the first review of the tax rate, and to determine how these changes in the macroeconomic situation is directly related to solving complex problems.

In fact, the different types of taxes to reduce the tax burden on the uniform of a fundamentally different macroeconomic consequences. As a result, the dynamics of the process of developing a new tax system to make it more options for GDP growth and other indicators to assess the impact of changes in the parameters of the tax burden and economic activity is considered a prerequisite for reforming the tax system.

It should be noted that the most urgent problem of tax policy in this area to identify the limits on tax optimization and tax rates, the tax is based on the scientific aspects of these issues - the budget policy will serve as a reliable econometric models.

It is known that a decrease in the equilibrium level of income taxes multiplier effect. If taxes "T reduction, increase of income, the availability of the software and consumer spending increases  $\Delta T \cdot b$  in line with the movement of the planned expenditure curve up the size of the balance of

production and an increase in the  $\Delta Y = -\Delta T \cdot \frac{b}{1-b}$  amount

of Y1 to Y2. Thus where the tax multiplier  $\frac{\Delta Y}{\Delta T} = -\frac{b}{1-b}$ .

If the income tax contributions to the state budget (Y) dynamics, as you can imagine, the tax will be able to function the following:  $T = t \cdot Y$ , where t represents the tax rate. Including in this case, the consumer will be able to function the following:  $C = a + b(Y - tY) = a + b(1-t)Y$ .

It should be noted that the above tax multiplier model  $m = -\frac{b}{1-b(1-t)}$  îe m, and this is expressed in a closed economy, the tax multiplier.

In view of the above, the full function of the tax Macroeconomic econometric model, if it is a common manifestation of the:  $T = T_a + tY$ , that  $T_a$  - self-expression, and it is related to the amount of current income taxes (for example, real estate, inheritance taxes, etc.), taxes, and also t - tax rate.

If the consumption tax taking into accounts the function of the functions of the econometric model of the recording for a while, then his appearance will be as follows:

$C = a + b[Y - (T_a + tY)]$  and in this case, the balance of the volume of production model of the economy as follows:

$$Y = \frac{a + I + G + g}{1 - b(1-t) + m'} - \frac{bT_a}{1 - b(1-t) + m'}, \text{ here } \frac{-b}{1 - b(1-t) + m'}$$

- an open economy, the tax multiplier. At the same time

$$\text{equal to } \Delta Y = \frac{\Delta G}{1 - b(1-t) + m'} - \frac{\Delta T_a \cdot b}{1 - b(1-t) + m'}$$

If it exceeds the same amount of state spending and taxes autonomous, it also increases the size of the balance of production. In this case, speak about the balanced budget multiplier and it will always be less than or equal to one.

However, the balanced budget multiplier of any budget deficit or surplus does not provide the absolute elimination. So this is a balancing changes in the income and expenditure of the budget,  $\Delta T = \Delta G$  calculated in accordance with the order to maintain equality, the  $\Delta T$  character with all the changes to the budget  $\Delta G$  All changes in the budget.

Thus public spending rises  $\Delta G$ , the production will increase the size of the balance following amounts:

$$\Delta Y = \frac{\Delta G}{1 - b(1-t) + m'}$$

If the government of autonomous taxes at the same time  $\Delta T_a = \Delta G$  reduce the amount done to balance the production capacity:

$$\Delta Y = -\Delta T_a \cdot \frac{b}{1 - b(1-t) + m'}$$

Change in the total production volume balance

$$\Delta Y = \Delta G \cdot \left( \frac{1}{1 - b(1-t) + m'} - \frac{b}{1 - b(1-t) + m'} \right), \text{ that is}$$

describes  $\Delta Y < \Delta G = \Delta T_a$ .

Tax multiplier effect of a decline in the growth of public spending multiplier effect of weaker, and this is the algebraic way expenses are characterized by the animators be more than the tax multiplier Arch. The impact of stronger income and consumption levels of public expenditures (tax changes) result. This difference is decisive in the choice of means of fiscal policy. If this policy is aimed at the expansion of the state sector of the economy, the elimination of the periodic crisis of public spending (this is a powerful incentive effect), to stop the inflationary growth of taxes (this is a relatively soft limit event).

If fiscal policy aimed at limiting the public sector, and then periodically during the crisis reduced taxes (less incentive effect), reduced public expenditures during the period, this decrease faster than the rate of inflation.



Figure 3 - The change in the tax burden

In recent years, the falling level of the tax burden in the country and strengthening the financial stability of the enterprises of the real sector of the economy, macroeconomic and played a special role.

Thus in recent years the tax burden as a result of the fiscal policy achieved the following levels (Figure 3)

This statistical data shows that the share of direct taxes in GDP in 2000 to 7.5%, while in 2010 this figure reached 5.7%, respectively. The value of the tax burden between the years 2000. Thus the average share of direct taxes in GDP reached 6.3% in the period 2000-2014.

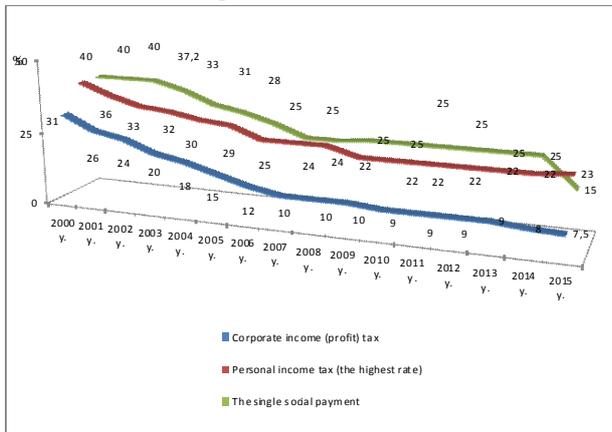


Figure 4 - The dynamics of the rates established in the years 2000-2015

As we know, the structure of indirect taxes, the budget revenues the largest share. Thus if you give attention to the trends of changes in the tax burden, this figure accounted for 16.0% of GDP in 2000, while in 2010 this figure you can see the GDP amounted to 11.1%. In particular, the period referred to in indirect taxes in the GDP average of 12.2%.

To the decline in the last years of tax rates on a regular basis in the development of small business and private entrepreneurship, as well as special attention is given to individuals' income (Figure 4).

I would like to say that, according to the econometric analysis of the tax burden, and there is a certain amount of quantitative link between inflation, according to the annual inflation rate

of 1% of the increase in the share of taxes in GDP, or in other words, 0.39% leads to an increase in the tax burden on the economy:  $TAX = 24.8 + 0.39INFLATION$ .

The stability of the model coefficients  $t_{a_1} = 2.7$  and to communicate its results equal to  $R^2 = 0.45$ ,  $F = 7.4$ , it is considered adequate statistical criteria.

In addition, the tax burden on the economy at the same time as an endogenous factor, and a 1% increase in macroeconomic conditions and other factors which influence the level of monopolization of production in the country increased by 0.37%:

The stability of the model coefficients  $t_{a_1} = 3.9$  and to communicate its results equal to  $R^2 = 0.62$ ,  $F = 15.1$ , it is also considered adequate statistical criteria.

It can be said that the above summarize the development of strategies for effective macroeconomic regulation of the huge potential of the econometric approaches, reflecting the changes happening in the national economy, the real economic indicators and the creation of new laws will help identify reliable, and also above the revised fiscal policy econometric models and econometric analysis of the tax burden in the country in ensuring macroeconomic stability in the quantitative determination of laws, as well as economists, who always attract the attention of some of the controversial issues in this area because of the clarification of certain aspects of great help.

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## MARKETING STRATEGIES FOR SPECIALIZED FARMS

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### Abstract

*Uzbekistan, country which is situated in Central Asia, is characterised with huge amount of agricultural resources. It is a leading economy of exporting agricultural products to CIS countries, especially Russia and Kazakhstan. Government of Uzbekistan has been supporting development of entrepreneurship in the sphere of agriculture, one of the successful results of which is presence of specialized farms almost in each region of country. At present, the main task for specialized farms is to provide both domestic and foreign markets with qualified agricultural products. In the conditions of competition and free market relations, farms need to have and use appropriate strategies, especially marketing strategies for gaining good positions in domestic and foreign markets. This article explains how specialized farms to succeed on gaining competitive positions in markets through developing and implementing effective marketing strategies.*

**Keywords:** *marketing, marketing activity of farms, agricultural enterprises, specialized farms, product sales markets, market conquest.*

Marketing activity of farms consists of lengthy processes that are hard to specifically identify and understand, this process of business planning, growing product, implementation of plans, evaluation of prospects and their analysis, creation and distribution of ideas, goods, products, services, and their further sale to meet the needs of consumers and make a profit. Farmers should be interested in making the right decisions that relate to their business customers (processing plants, markets, and supermarkets), competitors (other manufacturers of product) and intermediaries (suppliers of material and technical resources). In the marketing activity there should be conducted to monitor how customers make their choice, the demand for which products is higher, how to meet customers' requirements.

### Marketing in System of Management of the Farm

The modern market of agricultural products establishes a new level of requirements for farms, which requires them to radical rethinking of the strategic goals and methods to achieve them. Farms are different from other agricultural enterprises so that they, in many cases, are small-scale, their production volume is small, and it arises the problem of formation and realization of agricultural product batches. Now one of the main tasks of scientists must be analysis, development and implementation of key elements of the system of marketing activities for small agricultural producers. Since competitive pressure from foreign producers is becoming more powerful every year, and losing their rather shaky position in local markets is unacceptable for Uzbek farmers.

Farms are different from other agricultural enterprises so that they, in many cases, are small-scale agricultural units, and the output is small, and this arises the problem of creating and implementing parties of agricultural products (J. W. Looney, 2009). Analysis and search for new markets is also causing difficulties, because in the staff of farms, as a rule, there are no qualified marketing managers. The driving force in solving majority of these problems can be an organization of effective marketing activities, which would greatly facilitate both the production and market activities of farms, would allow them to significantly strengthen its

position in the market of agricultural products and inputs (M. L. Atkins, 2014). There is a need for submission of on-farm activities with the requirements of the environment through market research, conducting a commodity, price, sales and communication policy. All this includes marketing approach in the activities of farms.

### About Marketing Strategies

Development of an effective marketing strategy for the farm is one of the most important stages in the activity of producers of vegetable products. As in other commercial activities, seller of vegetables should have specific skills and abilities in the future sale of the harvest and its storage. Definitely, there are factors that are out of control. Reducing factors of risk of crop failure and the uncertainty of farm management should be kept to a minimum, and farming activities are focused on making a profit.

In conditions of Uzbekistan farmers should ideally focus on the production of so-called "core cultures", which are in great demand among the processing enterprises, and, if possible, maximally avoid non-profitable crops. Marketing strategies of producers of agricultural products can be divided into 4 categories (John C. Abbott, 2007):

Product sales markets. Product sales market partially depends on the expected volume of production growing. In general, the greater the volume of products is grown, the greater the number of possible alternative distribution channels of product. Small producers can only be limited to local markets, while large producers can go to both the national and international markets;

Making decisions what and when to grow, how to store the harvest, as the pre-sale preparation, packaging and transportation will be carried out. Thus, when the supply of vegetables to be ahead of time to take care of cooling systems of products in the field for the purpose of its further transportation to processing enterprises;

Assessment of strategy - understanding the opportunities and potential of the economy. What volumes of product can be treated by a farmer, what resources it has, what is needed to use, where to get, how much it will cost, what



effect will be received by a farmer, what is the expected profit; Sale - the maximum product sales. The best market for manufacturers - not just the market that offers the highest price, but also one that meets its specific features at any time (volume of sales, purchasing power of customers, competition and others).

Each farm should look for alternative ways of sales, hold market niches to increase profits in order to ensure economic independence.

General marketing strategy of activity of farms will determine the future policy of pricing for each particular case of production. Of course, the buyer dictates its own price for the goods, but the farm has to work out its own strategy of pricing for 3-5 years and correct price based on costs in the future. We can distinguish two phases of market pricing: Market conquest: maximum realization of goods manufactured through its sales on agreements, as at processing enterprises, and other markets (shops, supermarkets, public catering establishments). Application of modern technologies of growing product will provide economy with an opportunity to collect high-quality products in large volumes, that will reduce its cost;

Focus on high profit: diversification of product, cultivation on individual plots of products under special orders of processing enterprises and other markets with special requirements regarding quality standards, the size, for which the price will be higher.

An integral part of planning of business activities on the farm is definition of a diversified business strategy of enterprise for growing certain crops that have a high demand in the market and are fewer grown in conditions of Uzbekistan.

It was established that the competitive ability of farmers is determined by the extent to which goods and services produced by the farming enterprises in the framework of a single national economy in a free-market, meet the requirements of domestic and foreign markets.

#### **Development of Marketing Strategies for Specialized Farms**

In the most common form, marketing is a relationship between two parties: a thorough study of the market and potential consumers and comprehensive promotion of products (services) to these consumers. The main formula of marketing is as follows: "Produce what is sold rather than what is produced" (Dee Blick, 2011). Production of goods on the parameters corresponding to the needs of the consumer - it is only half the story. It is needed to deliver to the potential customer and create the conditions for conversion of needs into real demand. The commercial success of the farm to a greater extent depends on how efficiently organized by the movement of products in the

sphere of circulation. According to marketers, commodity circulation on the significance is second only to the quality of products as the main reason of supplier selection. The main elements are: Scheme of spreading your product: by their own way, through distributors, shops and the like. Pricing: how will you determine the price of the goods (services), how much profit you hope to have, to what extent you can reduce the cost, so that it could give the opportunity to recoup costs and obtain reasonable profit. Advertisement: how much money you can allocate to it, in what form and by what means you will advertise your business? Methods of stimulating consumers: how and by what means you will attract new customers - expand marketing areas, increase production capacity, improve products (service), provide guarantees or additional services and the like. Formation and support of a high opinion about your business: how and by what means you will achieve a strong reputation of your products (services) and the company itself.

#### **Conclusion**

At present, Uzbek specialized farms need to export their agricultural products not only to CIS countries, but also to other foreign countries, including India and China. We know that Indian large domestic market is highly open to foreign producers, and Uzbekistan has competitive advantage and critical successful factor to enter Indian market of dry fruits rather than other neighbour countries. But to enter and strengthen strong position in such global competitive market requires Uzbek specialized farms to actively and effectively use competitive marketing strategies. That's a pity, because of not having such strategies Uzbek entrepreneurs have not entered in such a competitive markets yet. I guess it's necessary to create special educational institution to train entrepreneurs in agricultural sphere how to develop and implement marketing strategies for export activities. And, moreover, here we should use Indian experience on concept of "coopetition" (mixture of words "competition" and "cooperation"). By this concept, specialized farms willing to export their products should join to one cluster, where they can easily carry out their export activities by strong support of cluster administration and so on.

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IMPROVEMENT OF MARKET MECHANISMS FOR INVESTMENT FINANCING IN UZBEKISTAN

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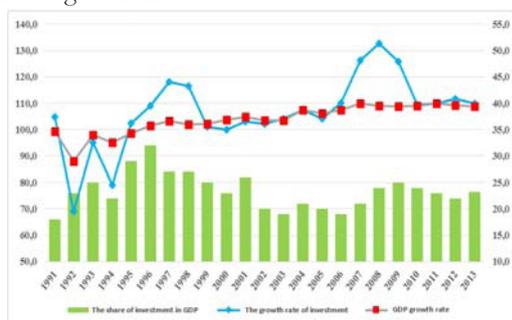
Abstract

The given article highlights the expansion issues of investment attraction in remote provinces and its betterment in ratable branch. As well as the recommendations and scientific propositions on shaping the financial management strategy of investment activities in the remote provinces are given. There exist recommendations on financing the perspective forthcoming investment projects, too.

**Keywords:** Investment, investment financing, management of finance, investment-financing sources, management investment, financing mechanisms, financial planning.

Investment is one of the most important factors of economic development. In countries with developing economies, the value of the investment is much more as they face major problems addressing issues of economic restructuring and modernization of its manufacturing capacity. In this regard, the most important task of the economies of developing countries and countries with economies in transition is a more effective use of the opportunities and advantages of the domestic private sector and the global market for international investment. Thus, an important role should definitely play public investment. Consider the major trends and challenges in improving market mechanisms for financing investment in Uzbekistan. During the years of the formation and development of the economy of the new independent state was implemented extensive measures to stimulate demand for investment, expand the resource base of investment, the creation of a favorable investment climate. All this has created the conditions for high growth investments in the country. During the years 1991-2012 the volume of investments increased by 14 times (in dollar terms), reaching by 2012 more than 22 trillion. sums, or \$ 11.7 billion[1].

During this period, the share of investment in GDP did not fall below 19%, reaching in some years 25-32%. The most important role in the growth of national wealth investment played during the economic recovery of the country (1995-1999) Moreover, in the years of the global financial and economic crisis (2008-2010) (Figure 1). Due to the active investment policy of Uzbekistan was the first post-communist countries left on the path of economic growth and has become one of the few countries in the world to successfully overcome the negative effects of the Asian and global crisis.



Source: The State Committee of the Republic of Uzbekistan on Statistics – [www.stat.uz](http://www.stat.uz)

Figure 1 - The dynamics of the investment processes and economic growth for the 1991-2013

A significant share of investment in GDP and high growth rates were due to the phased implementation of the

investment policy measures aimed at import substitution and export promotion, creation of new industries and large structure determined by production. This provided a deep diversification of the economy, helped fill the domestic market of modern high-quality domestic production, significantly increase the total volume of exports and, in particular, the production of the final processing.

Legal framework and regulation of attracting foreign investment in the Republic of Uzbekistan base on the acts like law “On Foreign Investments” (1998)[2], law “On investment activity” (1998)[3], law “On guarantees and measures of protection of the rights of foreign investors” [4], decree of the president <sup>1</sup>-3594 “On additional measures of stimulation of private foreign direct investments attraction” (2005) [5], decree of the president <sup>1</sup>-4434 “On additional measures of stimulation of foreign direct investments attraction” (2012) [6] and others.

In most developed countries, social investment groups and investment institutions have improved enough; they provide a mechanism for the transformation of capital accumulation in investment and efficient allocation of financial resources. Consequently, the amount of global investment in fixed capital investment is increasing annually (See: Table 1).

Accordingly, development trends have been studied almost completely analysed in 16 countries in 2011-2012.

Effective work to improve the financing of investment activity in Uzbekistan, optimizing sources of financing of investment and implementation of market-wide investment financing remains relevant. We believe that the establishment of a common investment market infrastructure is essential for the implementation of market mechanisms for financing investment.

Table 1 - Gross fixed capital formation at current prices and current PPPs (Billions of US dollars)

Countries	2009	2010	2011	2012	2013
Canada	289.6	317.2	332.3	354.6	361.5
Denmark	38.6	38.4	40.4	41.6	41.7
France	428.5	440.2	473.5	477.8	469.4
Germany	506.9	546.3	607.7	606.0	603.4
Italy	379.6	386.4	391.9	373.6	357.3
Japan	848.8	864.1	903.7	955.9	..
Korea	376.7	394.1	398.0	400.9	..
Mexico	366.0	366.9	412.7	448.2	..
Netherlands	129.8	120.0	128.5	123.6	117.5
Poland	153.2	154.6	169.3	168.1	166.0
Spain	350.0	324.1	307.2	288.5	266.6
Sweden	62.9	66.9	73.8	77.5	77.2
Switzerland	73.0	76.2	83.5	85.5	..
Turkey	176.9	221.0	286.9	278.2	294.4
United Kingdom	323.2	320.0	316.2	326.7	325.7
United States	2 672.7	2 691.1	2 828.2	3 028.1	..
China	4 981.1	5 537.9	6 152.6	6 891.1	..
Russian Federation	585.9	609.3	661.2	706.9	..

Source: Annual national accounts: Gross domestic product, OECD National Accounts Statistics (database) - <http://www.oecd-ilibrary.org/>



Merchant banks, non-bank financial institutions, investment funds and other financial intermediaries, investment and financial service requirements of economic entities play a major role in the formation of investment market infrastructure.

It is known that the use of the mechanisms of the stock market, which is the main financing technique for investment projects in developed countries, gives opportunity for businesses to accumulate large sums of money in the long term and permanent. For example, a source of investment in the US is 18-20 percent of the total capital investments of corporations. In the theoretical aspects of the financing through bonds and shares is stressed as the main market mechanisms for financing investment activity.

However, market of shares is unable to operate entirely, distribute and redistribute of funds in economics in Uzbekistan. Currently, GDP amount of the stock market operations' total volume in Republic made up less than 2%. Institutional investors (pension funds and insurance company) activity has not shaped completely yet in terms of the stocks and bonds market.

While exploring investment-financing sources, the amount of populace investment in developed countries contains bulk volume than the total amount. For instance, the given amount made up 70% with shared resources of banking system in Japan. The essence of giving populace savings in such way ensures high liquidity of investment and reliability (financial and credit institutes secures danger of investment return). Feeble depositors might also use the same way, which covers little profitability than stock investment.

In Uzbekistan, populace investment activity has been expanding annually because of substantial efforts on securing danger of investment return. In the first half of 2013, over 25 percent of adopted total investment amount has been invested from populace funds. This proves enhancement of populace investment activity.

As well as the leasing is thought to be a basic mechanism for investment financing in economically developed countries. In Uzbekistan, leasing turns to be resistant investment way, which replaces traditional financing ways in terms of dragging financial resources among business structures.

From the worldwide experience, the way on financing investment projects in return of syndicated credits is spread widely. It is known that, syndicate is meant as a cooperation aiming at crediting in large amounts based on contracts signed by different states. Debtor's demand on credit might increase the fixed limit for banks. In such circumstances various banks trust to their clients in syndicated way while gathering own funds.

The main differential feature of such credit lies on the amount of many creditors and accordingly credit risk, its sum are covered by various participant banks. From 2 up to 30-40 credit establishments of various states might participate in syndicate. Launch of large-scale enterprises and their demand for large amount credit causes increase of syndicated credits within international capital market.

According to international experts, syndicated credits plays important role in development of Uzbek banks, expansion of mutual banking confidence and as well as betterment of legal regulatory basis in Uzbekistan.

As well as, it is important to appoint national banks as the only syndicate participant in terms of shaping syndicate credits, appoint foreign financial establishments as leading institutions with broad financial possibilities and experience. Such credit type gives opportunity for banks to learn each another, and introduce credit portfolio that acts as an indicator displaying financial stability of cooperative bank. Thus, syndicate credit is thought to be a banking tool for mutual learning.

Measures on enhancement of international credit role which is taken with governmental guarantee requires considerable provisions on bettering attraction, usage and arrangement of syndicate credits.

Broad attraction of syndicate credits into new projects gives opportunity to produce new techniques and equipment, ecologically clean and advanced technology, sober-minded labour management plays considerable role in radical industry development. We think that attraction and usage of syndicate credits should be led according to long standing target projects. In here measures on detecting participants' rights and duties, adapting syndicate credits, stable sectors and braches with capital request ought to be considered. We think that scientifically proved strategy attracting syndicated international credits to Uzbekistan provinces should be worked out.

The process on strengthening attraction of syndicated credits to remote areas and provinces requires local authority administrations and municipalities to develop effectiveness of investment policy on the following aspects: a) Elaboration and implementation of measurements on strengthening attraction of foreign investment in the scope of working out regional investment developmental strategy. b) Elaboration of market infrastructure and favourable conditions for syndicated credit attraction. c) Elaboration of long-and-medium-term development strategy for each province and necessity of the efficiency indexes on investment projects which are financed against syndicated credits.

Uzbek economics serves to develop foreign investors' interest on fund outlays into transportation and communication, some branches of industry in terms of danger decline in investment activity and attraction growth of investment subjects.

China, Russia, South Korea and Netherlands made up constituent part of attracting foreign capital into Republic economics in terms of state investment program. China owns 35.66 percentage of attracted international investment and bilateral warm cooperation between these countries is seen in this area.

Besides it is necessary to point out that, Russia owns 26.79 %, South Korea possesses 19.50 % of attracted international investment (See: *Table 2*). Table displays that three states own major portion of attracted international investment in the scope of the State investment program of 2012.



Table 2 - Attracted international investment geography in the scope of the State investment program of 2012

No.	Investor states	Share by total attracted international investment (in percentage)
1.	China	35,66
2.	Russia	26,79
3.	Southern Korea	19,50
4.	Netherlands	3,26
5.	Great Britain	2,77
6.	Malaysia	2,50
7.	Germany	1,94
8.	Southern African Republic	1,08
9.	France	0,74
10.	Vietnam	0,73
11.	Turkey	0,71
12.	Singapore	0,66
13.	Sweden	0,65
14.	Japan	0,57
15.	Spain	0,51
16.	Cyprus	0,29
17.	Iran	0,23
18.	Bulgaria	0,21
19.	UAE	0,11
20.	others	1,09

Source: Data collection from the Ministry of Economics of Republic of Uzbekistan, 2012

China takes the first place in manufacture sphere throughout the world and its investment amount, which is attracted to Russian constructional area, is higher in terms of producing innovation products.

Currently it is necessary to develop and better regulatory legal documents on enhancing investment market infrastructure for economically developing states, as well as, establish many directive (leading) financial institutions in comfortable and useful circumstances for subjects demanding free investment fund.

In this regard, basic task of financial institutions is to mobilize investor funds into investment market on beneficial terms. As well as the development of trust and investment funds, companies, pension and insurance, brokerage and dealership company branches operating stocks and bonds seems to be a state request.

It is undoubtedly known that investment is the most important factor of economic development. Likewise, investment plays substantial role in economically developing countries, as these countries ought to solve the large-scaled issue on reconstructing economics structurally, modernizing production capability of economics. Thus, the most important task of developing countries and states in economically transition period is effectively use inner private sector; global market opportunities and advantages of international investment. In this turn, the state investment should play important role.

Thus, investment activity is such an activity, which has its own factors and ways of classification. The solution of such problems requires restoring capital accumulation in equity market, credit area, and loan market, as well; creating favourable conditions for expansion of efficiency use with financial resources, strengthening financial intermediation in terms of capital covert into investment, ensuring beforehand foresee of financial market process, which permits financial planning. Investment decisions are made while comparing contrary

projects in competitive conditions. Thus, selection of any financing mechanism determines price detection of investment resources by means of free market. The selection of financing mechanism is eventually defined by means of specified and future achieved results from project, because investment is related to the exact investment projects.

The usage of financing mechanisms, which corresponds to market economy and their selection, requires eventual formation of free capital market and price determination of resources based on the supply-and-demand.

The production development results in a real price formation on financial resources (stocks and shares) of joint-stock companies based on the supply-and-demand and in this turn, financing with stocks assures itself as the cheapest and the most way prior in selective circumstances.

Financing mechanisms of the market economy helps to determine which financial resources are easy to use and the price as the next effect is closely related to the inaccuracy and risks while considering the current prices of investments and their intension for future. As well as, the development of investment activity requires enhancing economic literacy of investors and bettering information supply of investment market participants.

Information support is not only information about the activities of business entities, which serve as an investment, but also information about upcoming prediction measures the rate of inflation when considering investments for the long term. As well as providing information on profitability, risk and investment attractiveness of the industry, it is important for investors to make investment decisions.

While summing up, mechanisms financing through leasing, corporation, venture, and projects, syndicated credits, credit lines or mechanisms financing through share contribution at the expense of international financial institutions and commercial banks, foreign investment, stock and bonds serve as the market mechanism basis of investment financing.

Likewise, market mechanisms include financing in capital return of off-budgetary funds, directing of business subjects and free populace funds towards investment objects, financing in mixed way, which is appropriate to market mechanisms of investment financing.

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**THE WAYS OF IMPROVEMENT OF HR MANAGEMENT  
IN FATS AND OILS INDUSTRY**

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**Abstract**

*Fats and Oils industry of Uzbekistan is growing in result of attraction of foreign direct investments in this industry. High demand for products of this industry and in domestic market and in foreign market requires development of effective management system. The key element of such system is human resources, and CEO, heads of departments in companies producing fats, oils and related products should be familiar with contemporary concepts of HR management.*

**Keywords:** *fats and oils industry, human resources, HR management, dynamic environment*

Managers of the majority of domestic companies focus on management of production, finance, marketing, while improving such an important part of enterprise management, as human resources, continue to be the weakest link in the overall management system.

The importance of human resource management are: Firstly, human resource management directly affects the capitalization (value) of the company. Share of intangible assets (brand and intellectual potential of staff, personnel policies) increases in the total assets of the organization. Secondly, human resource management as the most important “domestic competence” of the organization is one of the factors providing leadership in the competition, as it is put forward in the number of the most important competitive advantages of the organization; it is a guarantee of its success and survival in the conditions of increasing competition. Thirdly, according to some experts, human resource management enables companies to move from a good number of successfully working in the number of leaders in a particular market segment.

Management of People– one of the most important areas of management of organization. People are the most important resource of any organization. They create new products, accumulate and use financial resources, and control quality. People are able to continually improve and develop. Their ability and initiative are unlimited, while other resources are limited.

Human Resource Management can be viewed from different perspectives: as the system of development and implementation of inter-related, carefully considered decisions about the regulation of labour relations and employment at the organizational level; as the direction of management, in which the human component (or personnel) of the organization is considered as: one of the most important resources for its successful functioning and development, factor of its efficiency and growth, a means of achieving strategic goals.

Some authors use the concepts of “human resource management” and “personnel management” as synonyms,

another group of authors believes that the term of “human resource management” focuses on the strategic aspects of making personnel decisions, and the term of “personnel management” increasingly characterizes the daily operational work with staff (see Tab.1).

**Table 1 - Interrelationship between the concepts of “human resources management” and “personnel management”**

Field of activity	Objective of activity	Typical functions	Whom to report on the implementation to
Human resource management (strategic aspect)	Solving global, long-term, fundamentally new tasks	Human resources planning, Development of individual abilities and skills, Planning personnel costs in the general expenses of the organization	Director
Personnel management (operational activity)	The solution to everyday problems that require administrative intervention	Selection and placement of personnel, Labour motivation management, Conflict resolution, Organization of personnel evaluation, Organization of payment	Deputy Director

By the second half of XX century, in the field of human resource management theory there was stood out and developed three main approaches - economic, organic (organizational) and humanistic.

As one part of the economic approach, there is given a leading role to technical training of employees in the enterprise (aimed at mastering the techniques of labour), not the management. The organization was seen as a huge mechanism, all parts of which are strictly adjusted to each other.

This organization is based on the following principles: ensure the unity of management - subordinates receive orders from only one chief; strict compliance of vertical management - hierarchical management circuit is used as a channel for communication and decision making; fixing a necessary and sufficient volume of control - the number of workers subject to the same supervisor, should be such that it does not create problems in terms of communication and coordination; a clear separation of staff and linear structures of the organization – being responsible for the content of



activities, headquarters staff under any circumstances cannot exercise the powers vested in the line managers; achieving a balance between authority and responsibility; ensuring discipline; the subordination of individual interests to the common cause with the help of hardness, personal example, fair agreements and continuous monitoring; equality at every level of the organization based on goodwill and equity-deserved reward, boosting morale, but do not lead to excessive pay or motivation.

As part of the organizational approach there have been formed new perspectives on personnel who have come to believe not labour resource, but human resource.

Human resources comprise a set of socio-cultural and socio-psychological characteristics, and their difference from the workforce is as follows: people are endowed with intelligence, so their reaction to external influence (management) is emotional and meaningful, not mechanical; the interaction between management and employees is subject to bilateral process; possessing intelligence, workers are capable of continuous self-improvement and development, which is the most important and long-term source of improvement of efficiency of any organization; people choose a particular activity (production or non-production, mental or physical), deliberately setting themselves specific goals.

Therefore, the subject of management should provide every opportunity to achieve these objectives, create conditions for the realization of motivational attitudes towards work. Human resources are the competitive wealth of any organization.

In the 1970s, personnel departments, personnel management departments of many US companies have been renamed in the human resources departments, which meant managerial activity in the areas such as: human relations (emphasis on the organization of group behaviour and interaction of employees); labour relations (improvement of wages, working with the trade unions); personnel management (recruitment, their training and placement); engineering design (taking into account human capabilities in the design of the means of labour)

In this approach, the organization is seen as a living system, tightly packed and inextricably linked with the environment, as a set of elements connected with lines of management, communication and control.

In general, the organizational approach fixes attention on the following key points: the need to consider the specifics of the surrounding environment in which the organization operates; understanding the organization as a relationship

of intra- and inter-organizational sub-systems, the allocation of key subsystems and analysis of the ways of management with their relationships with the environment; the need to balance the subsystems and eliminate dysfunctions.

In the organizational approach, a number of recommendations aimed at improving the efficiency of personnel management.

Firstly, it is necessary to cultivate qualities in employees such as openness and reflexivity which are very useful for the inevitable collision with an external, complex and unpredictable environment. Secondly, it is necessary to develop multivariate approach to the problem or situation analysis for the employees, to initiate constructive conflicts and debates between the supporters of different points of view, this often leads to a rethinking of the goals of the organization and reformulation of the ways to achieve them. Thirdly, goals and tasks should not be set from the top, but to appear in the process of work. The plans indicate more restrictions (what should be avoided) than what we need to do. Fourthly, it is necessary to select workers, to create organizational structures and support processes that contribute to the implementation of these principles. Humanistic paradigm (approach), having been developed in recent years, is based on the understanding of the organization as a cultural phenomenon and is fixed properly on the human side of the organization: how workers are integrated into the existing system of values of the organization (the extent to which they unconditionally accept it as their own); how they are sensitive, flexible and willing to changes in the value field due to changes in the conditions of life and work.

This approach plays a positive role in the understanding of organizational reality, as: idea of the organization as a cultural phenomenon allows us to understand how, through some symbols and meanings in the organizational environment, people work together. If the economic and institutional approaches emphasize the structural side of the organization, humanistic approach (organizational and cultural) shows how to configure the organizational reality and influence it through language, norms, traditions, etc.; there is an understanding that effective organizational development – it is a change of not only structures, technologies and skills, but also the values underlying the joint activities of people.

#### **Human Resource Management in Uzbekistan**

In Uzbekistan, there are features of human resource management: the practice of making personnel decisions - the absence of formalized procedures for making personnel decisions on an alternative basis (fuzzy setting goals and

objectives, fuzzy decision-making criteria, the lack of a weighted analysis of different alternatives). The prevalence of arbitrary decisions based on intuition. Exceptionally large leadership role in making personnel decisions. In many cases, there are not carried out an assessment of the effectiveness of making decisions; strategic planning - mission of the organization is often not comprehended, there is no clear strategy and personnel policy, there is no linking it with the goals and objectives of the organization as a whole. Concentration of attention - mainly on current operational matters; employment relationships - focus on long-term employment, conclusion of unlimited employment contracts, low labour mobility; practice of selection - policy on recruitment and selection is often not formalized. In most cases, the decision is made on the basis of personal location and intuition of immediate supervisor. Highly appreciated loyalty to the leader and collectivist tendencies; promotion and career – in the most organizations there are not clearly established formal guidelines and policies of filling the vacant jobs. Career planning is not conducted. Success often depends on the ability to establish a trustful relationship with the management and to achieve his personal support; work design and labour regulation - the presence of a large number of rules, norms and regulations, while workers often live and work on the basis of unwritten rules, spontaneously emerging in every organization, so corporate culture in organization plays the most important role; evaluation of work of personnel and its promotion - assessment and promotion in many cases built on the work of the team, because for a long time equalizing trends had dominated in wages; motivation - the feeling of job security, stability, and community are highly valued. Often they even take precedence over the desire to take risks in search of higher wages, but less stable pay and employment conditions; interaction - many workers prefer to work in a team. Developed a sense of mutual aid and cooperation, however effective cooperation procedures are usually not developed, information exchange is poorly organized.

### **Functions and Environment of Human Resource Management**

Human resource management provides the functions as such: recruitment and selection of personnel; adaptation; assessment of personnel; training and development of personnel; career planning; organization of the system of compensation and benefits; security; regulation of labour relationships; strategic planning; and analysis and design of workflows. Human resource management is influenced by such important characteristics of the environment, as the

availability of resources, its dynamism and complexity. Availability of resources - financial, material and labour resources - should be optimal. Their excess is usually accompanied by their irrational use and reduced work efficiency. However, lack of resources may lead to conflicts between the entities of organization competing for the same resources. Excessive savings in personnel, shortage of labour force with respect to the planned scope of work leads to poorly-quality implementation and an increase in marriage. In addition, the work under constant surge is accompanied by stress with all its negative economic and social consequences for employees and the organization as a whole. Dynamic environment is defined as the degree of its mobility in response to changing conditions. Wherein frequent changes are occurred, for example in the field of high technology, strategy of selection, assessment, training and promotion of personnel should be built in such a way as to encourage high labour mobility of workers and to facilitate their adaptation to the constant changes of the conditions of production and management. The level of complexity of economic activity largely depends on the level of competition in the industry and the regional market of products and services.

### **Conclusion**

Competitive environment requires from management of companies to have own CA or competitive advantage. The most important thing in competitive advantage is different approach to management of human resources. In free market and entrepreneurship conditions, companies which pay great attention to needs, interests and rights of their human resources can succeed on markets. At present, companies functioning in fats and oils industry need to improve their human resources management. Improvement of such system gives an opportunity to successfully function not only in domestic market, but also in foreign markets. And, today, Uzbek companies of fats and oils industry are gravitating towards export of their goods, and here continuously improved HR management plays great role.

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## DEMONETISATION: SHIFTING GEARS FROM PHYSICAL CASH TO DIGITAL CASH

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### Abstract

*Demonetization means to the suspension of current currency units and reinstate those currency units with new currency units. In this paper researchers aim to study the advantages and disadvantages of demonetization and its impact on Indian banking sector. Despite major developments in paperless currency over the past decade, physical cash remains widely used throughout the world. Therefore one of the main motivating factors for this study is to find out the alternatives of physical cash payments such as online bank transfer, e-clearing, e-KYC, digital locker and Unified Payment Interface.*

**Keywords:** money, demonetisation, cash, cash crunch, cashless, e-money

Demonetization means to the suspension of current currency units and reinstate those currency units with new currency units. It is a most important decision and it blows all the citizens of the country because suddenly all the money you have become a piece of paper which has no value if you do not exchange it with new currency units or deposit it in the banks. It means legal tender is declared invalid. This is usually done whenever there is a transform of national currency; reinstating the old unit with a new one. Such a step, for example, was taken when the European Monetary Union nations decided to assume Euro as their currency. However, the old currencies were allowed to exchange into Euros for a period of time in order to ensure a flat conversion through demonetisation. Zimbabwe, Fiji, Singapore and Philippines were other countries to have opted for currency demonetisation.

### History of Demonetisation

In India also it is not for the first time that the government of India has gone for demonetisation of high value currency. First time it was put into operation in 1946 when Reserve Bank of India demonetised the then circulated Rs. 1000 and Rs. 10000 value currency notes and government then introduced higher denomination bank note of Rs. 1000, Rs. 5000 and Rs. 10000 value notes in 1954 and in 1978 then prime minister Shri Morarji Desai demonetised these notes in 1978. After 38 years again India witnessed demonetisation of bank notes in November, 2016 and this time government demonetised Rs. 500 and Rs. 1000 notes and replaced it with new designed 500 notes and for the first time Indian government introduced 2000 value note. In India the objective of curbing the hazard of black money and fake notes by limiting the amount of cash available in the system.

### Why Demonetization

**Boost deposit base and savings:** Global agencies have pegged the size of the parallel economy in India at close to 23% as of 2007. Basis this, we estimate unaccounted cash in the economy to the tune of 4500 billion, of which a certain significant proportion will make its way to the banks, thus

boosting deposit base as well as financial savings: The banks' deposit base is expected to receive a fillip of 0.5-1.4% of GDP; In turn, financing savings can be expected to rise by close to this proportion due to switch from savings from unproductive physical assets to financial assets.

**Improve monetary transmission and reduce lending rates:** A rise in deposit base will allow banks to lower the blended cost of funds as higher CASA (current accounts, savings accounts) deposits help to replace the high cost of borrowing and lower overall cost of funds. We expect banks to reduce deposit rates by ~125 bps over the next six months.

The new regime of MCLR (Marginal Cost of Funds based Lending Rate) will immediately take into account the lower cost and will thereby lead to a decline in lending rates, which will boost economic activity in the medium term.

**Create room for further monetary accommodation:** With improved monetary transmission, economic efficiency and structural moderation in currency in circulation, there is likely to be a greater room for the RBI to ease monetary policy rate further. I am hopeful that the RBI will ease by another 100 bps in 2017-18 to a repo rate of 4% by March 2018; The piecemeal liquidity support from OMO purchases will now to a larger extent be addressed by the structural change in currency demand

**Ready, steady, now go: financial inclusion via Jan Dhan:** Over the last two years, while the number of Jan Dhan accounts has recorded a stellar growth, the share of these accounts in total deposit base of the banking system has remained under 1%. The demonetization drive of higher denominated notes should give a push to cash deposits in Jan Dhan accounts, of which close to 43% so far have remained dormant. In addition, the move will help to inculcate banking habits among the large *unbanked* population in the country.

**Support government finances:** With some part of unaccounted money making way into the formal channel, the government stands to benefit from higher income tax collections. This should help cushion the government's FY17 fiscal deficit target, especially post the shortfall in anticipated

spectrum revenues; The latest move will move the economy from the unorganized to organized sector, dovetailing into the GST architecture that is expected to come on board next year. This is likely to enhance the government’s ability to tax commercial transactions resulting in a structural improvement in tax to GDP ratio in the economy.

Positive impacts from a bond market perspective: Improvement in bank deposit base leads to higher SLR (statutory liquidity ratio) demand; On the supply side, with tax buoyancy seeing an improvement, supply of g-secs is likely to get more rationalized due to gradual reduction in fiscal deficit over time as the impact of FRBMA (Fiscal Responsibility and Budget Management Act) is underway; Anticipation of monetary easing to further support bonds.

Rise in GDP growth potential: While there are short-term implications for growth in cash-intensive sectors such as real estate, construction, and discretionary household consumption in general, I believe that long-term benefits for GDP growth will outweigh the short term transitional impact. We are now surely heading towards a 9% GDP growth by FY2018-19.

In a single master stroke, the government has attempted to tackle all three malaises currently plaguing the economy—a parallel economy, counterfeit currency in circulation and terror financing. In addition, the Indian economy has been provided a new lease of life—a “reset” if you will—with huge positive implications for liquidity, inflation, fiscal and external deficit in the short term. Over the next two-three years, improvement in India’s position on transparency and corruption in the global stage will further add to its investor appeal. With GST on the anvil, India is now on the cusp of higher growth in the medium term—to be steered by the organized sectors including MSMEs and the revival of the private sector capex cycle.

**Advantages of Demonetization**

The biggest advantage of demonetization is that it helps the government to track people who are having large sums of unaccounted cash or cash on which no income tax has been paid because many people who earn black money keep that money as cash in their houses or in some secret place which is very difficult to find and when demonetization happens all that cash is of no value and such people have two options one is to deposit the money in bank accounts and pay taxes on such amount and second option is to let the value of that cash reduced to zero.

Since black money is used for illegal activities like terrorism funding, gambling, money laundering and also inflating the price of major assets classes like real estate, gold and due to demonetization all such activities will get reduced for some time and also it will take years for people to generate that amount of black money again and hence in a way it helps in putting an end this circle of people doing illegal activities to earn black money and using that black money to do more illegal activities.

Another benefit is that due to people disclosing their income by depositing money in their bank accounts government gets a good amount of tax revenue which can be used by the government towards the betterment of society by providing good infrastructure, hospitals, educational institutions, roads and many facilities for poor and needy sections of society.

**Disadvantages of Demonetization**

The biggest disadvantage of demonetization is that once people in the country gets to know about it than initially for few days there is chaos and frenzy among public as everybody wants to get rid of demonetized notes

Destruction of old currency units and printing of new currency new units involve costs which has to be borne by the government and if the costs are higher than benefits then there is no use of demonetization.

Most of times this move is targeted towards black money but if people have not kept cash as their black money and rotated or used that money in other asset classes like real estate, gold and so on then there is no guarantee that demonetization will help in catching corrupt people.

**Impact of Demonetisation on Indian Banking Sector**

In 1985 and 2010 the Indian Government and the World Bank respectively carried out two different studies on how big the black or “Shadow Economy” of India is. They both reached to the same conclusion- it is around 20% of the total GDP.

It is fairly an astonishing steadiness over a quarter of a century. So, we can presume that this share of “black economy” in India is still around 20% of its nominal GDP. According to both the IMF and World Bank India now is the 7th largest economy in the world. According to the IMF the size of India’s economy is 2.25 trillion dollars. 20% of 2.25 trillion is 450 billion dollars. Prior to the demonetization the total value of liquid currency in India was around Rs. 1625000000000 or around 240 billion dollars. Rs. 500 and Rs.1000notes which have been ceased as legal tender comprised 86% of this total amount which calculates its value up to around Rs. 1400000000000 or around 207 billion dollars.

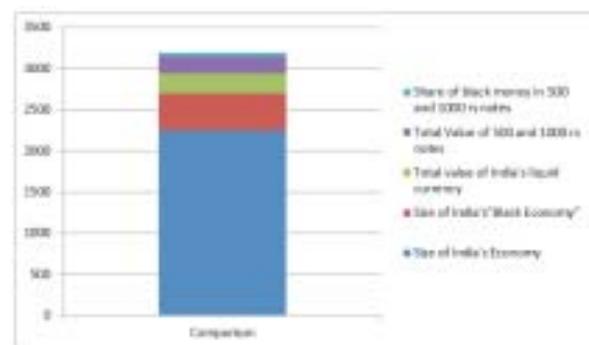


Figure 1: Values are in Billions of Dollars and Total value for December 2016

So, it can be concluded that the total value of the “black economy” is more than twice the total value of all the 500



and 1000 rupees notes. Now, let us consider that 20% of the 500 and 1000 rupees notes were “black money”. Even then, it will constitute only around 9% of what is generally considered to be the size of India’s “black or shadow economy”. It means demonetization is not going to affect more than 91% of the “Black Economy”. Thus it becomes more interesting to know why Indian government took such economically painful step on the people and what are their cost benefit calculation and that too at a time when Indian economy has reached to the 7<sup>th</sup> position as compared to 11<sup>th</sup> position in 2015 as the largest economy of the world in 2016. The answer may be to shift the paradigm from physical cash to digital cash and to prevent the delicate Indian banking sector adjacent to future uncertainty caused by reasons like US Presidential Elections.

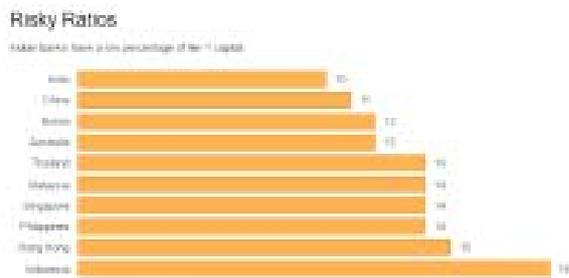


Figure 2: Source IMF[V].

The “tier 1” capital is the capital set aside by banks under the Basel Agreements so that the banks can carry on with their business even after facing a financial calamity thus providing assurance of stability to customers. But as is clear from the above diagram this assurance is lowest in India amongst other leading Asian economies. Also according to the Fitch ratings agency- Indian banks lack tier 3 capital as well. This capital is supposed to protect against tertiary risks like market risks and commodity prices risks.

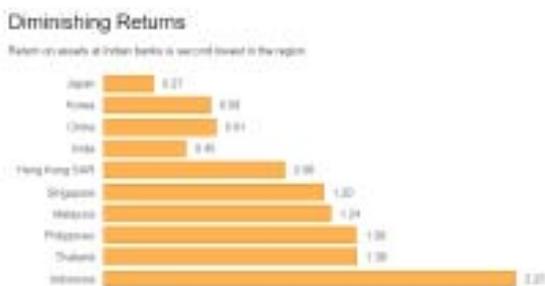


Figure 3: Source IMF[V].

The above figure shows that only Japanese Banks have lower returns on investments than Indian banks. Consider this- Japan has been going through not years but decades of recession and India is the fastest growing big economy in the world.

According to the Reserve Bank of India, 14.5% of the total loans given out by Indian banks have become NPAs or stressed assets. This amounts to 7% of India’s total GDP or around 146 billion dollars. By all parameters the

Government of India (GoI) also realises that the situation is quite grim. In 2015 the GoI began the “Indradhanush” plan to re-capitalize the banks by injecting 70,000 crore rupees by 2016. But this was not enough as the downgrades happened after this plan had been launched.

If we consider this in the light of the results of the US Presidential Election where the Indian Government was staring at a possible Donald Trump victory- a person who made cancelling both intercontinental and regional free trade agreements with some of the closest allies of the US his central theme in the election campaign. Trump’s most significant foreign policy goal was to go back to the isolationism of 1920s and 30s something which aggravated the Great Depression. Whether these things happen or not, India will have to wait till the beginning of next year but, if that happens or even if there is an indication of that happening it would lead to more serious pressure on the international markets including India and since India lacks severely in tier 1 and tier 3 capital, its banks will not be able to sustain this pressure. So, it seems that government instead of dealing with the hypothetical situation mentioned above decided to deal with the consequences of demonetization. How this works out in future time will tell but we cannot ignore one of the immediate impacts of the “currency ban”.

70000 crore rupees the Indian government was planning to spend on recapitalizing our banks. Well, within just one day after demonetization was announced the State Bank of India alone received deposits worth 53000 crore rupees. Also when the massive crowd in the banks lining up to deposit their now- worthless currencies it can be understood that probably the 70000 crore rupees target has already been crossed and by the end of this year the Indian PSU banks should have sufficient resources to deal with their stressed assets comfortably.

### Moving From Physical Cash To Digital Cash

One of the main motivating factors for this study is that, despite major developments in paperless currency over the past decade, physical cash remains widely used throughout the world. As such, the entry barrier for adoption of alternate proposals is extremely high. An appealing aspect of physical cash is that people can trade it without the assistance of computing devices. People expect that simple visual and tactile inspection reveals fake bills. Physical cash can survive extreme situations: it can endure a cycle in a washing machine and it can survive extreme temperatures that would render any smartcard unusable. Although not perfectly anonymously, physical cash, especially smaller and widely circulated bills, provides a reasonable level of privacy.

On the other hand, paperless, cryptographic digital cash offers numerous benefits, and provides two key advantages

over physical money. First, an adversary cannot forge digital cash, assuming the security of the cryptographic mechanisms and the secrecy of the associated cryptographic information are preserved. Second, replication of digital cash is easy, so that one can easily safeguard against loss or theft of digital cash through digital backups. The idea to use digital cash as a solution against money counterfeiting is not new.

This has received considerable interest from the technical community; Counterfeit resilience also spurred a large body of research as one application of quantum cryptography, although current quantum cryptography implementations are still far from being practical. A bank may offer many methods of payment, such as cheque, giro, debit and credit transfers, Unified Payment Interface, Digital signature, digital locker, e- KYC by linking Adhar card change the nature of authentication and variations thereof. Currently, the bulk of high and medium-value payments is mediated by such transactions, replacing the need for physical cash transfer. More recent efforts (e.g. the design and evaluation of a peer-to-peer mobile payment system) argue that with the ubiquity of cellular phones and PDAs, mobile devices can greatly facilitate adoption of digital cash by the masses. However, the transaction, coordination, and social costs associated with any large scale switch to digital cash explain why, in spite of the advance of cell phones and credit cards, we are still far from becoming a cashless society, especially in many developing nations. It may be more beneficial for an economy to preserve the appealing aspects of physical cash, including its ubiquitous deployment, and combine those with the advantages of digital cash essence, a kind of physical-digital money. Indeed, a few hybrid solutions coupling physical security with cryptographic verification have been suggested. Each has its own specific trade-offs. By embedding an easily verifiable cryptographic value in regular bills, the issuing government can combine physical and digital cash without requiring drastic changes to the underlying existing monetary infrastructure. However, devising such bills, or physical-digital cash, also leads to trade-offs between the security properties achieved, the technological complexity involved, and the economic costs incurred.

### Conclusion

The demonetization move could change the face of the Indian economy. This is a step which will make a positive difference, if the transition challenges get handled well by the administration, The International Monetary Fund supports the measures to fight corruption and illicit financial flows in India, but at the same time, given the large role of cash in everyday transactions in India's economy, the currency transition will have to be managed prudently to minimize possible disruption. The role of cash and high-value bank notes in the Indian economy cannot be understated. The

Indian reality is that many trades and areas are still cash-based and cannot be digitized just by willing it. Resulting disruption in the real economy stemming from this move is very significant and potentially fatal for some vulnerable sections of society. If some of the key areas are hampered, there is risk of mob violence and rioting. Since the entire country is at risk, there is no way of anticipating and preparing for this, either. So there is a risk of the situation getting out of hand as well. Apart from that it will not be enough just to do this [demonetization]. It has to be matched with a better; more streamlined and integrated tax system.

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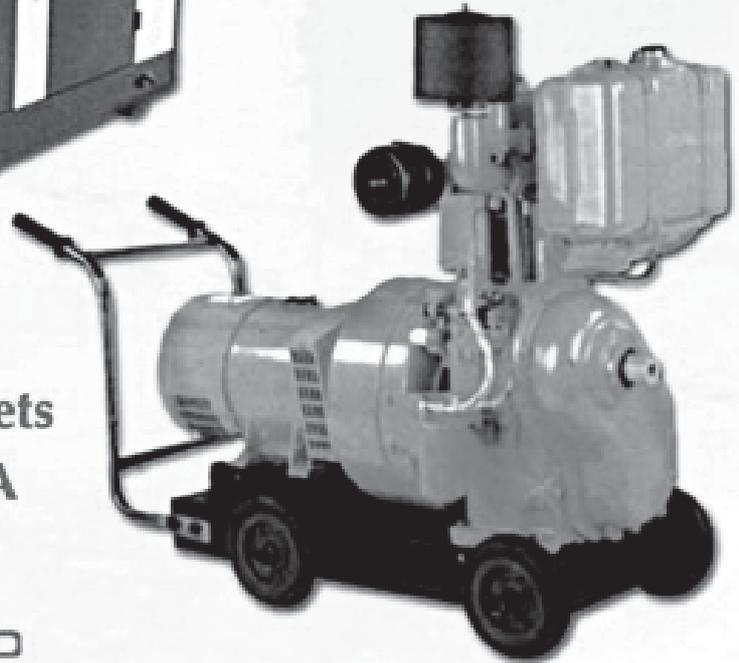
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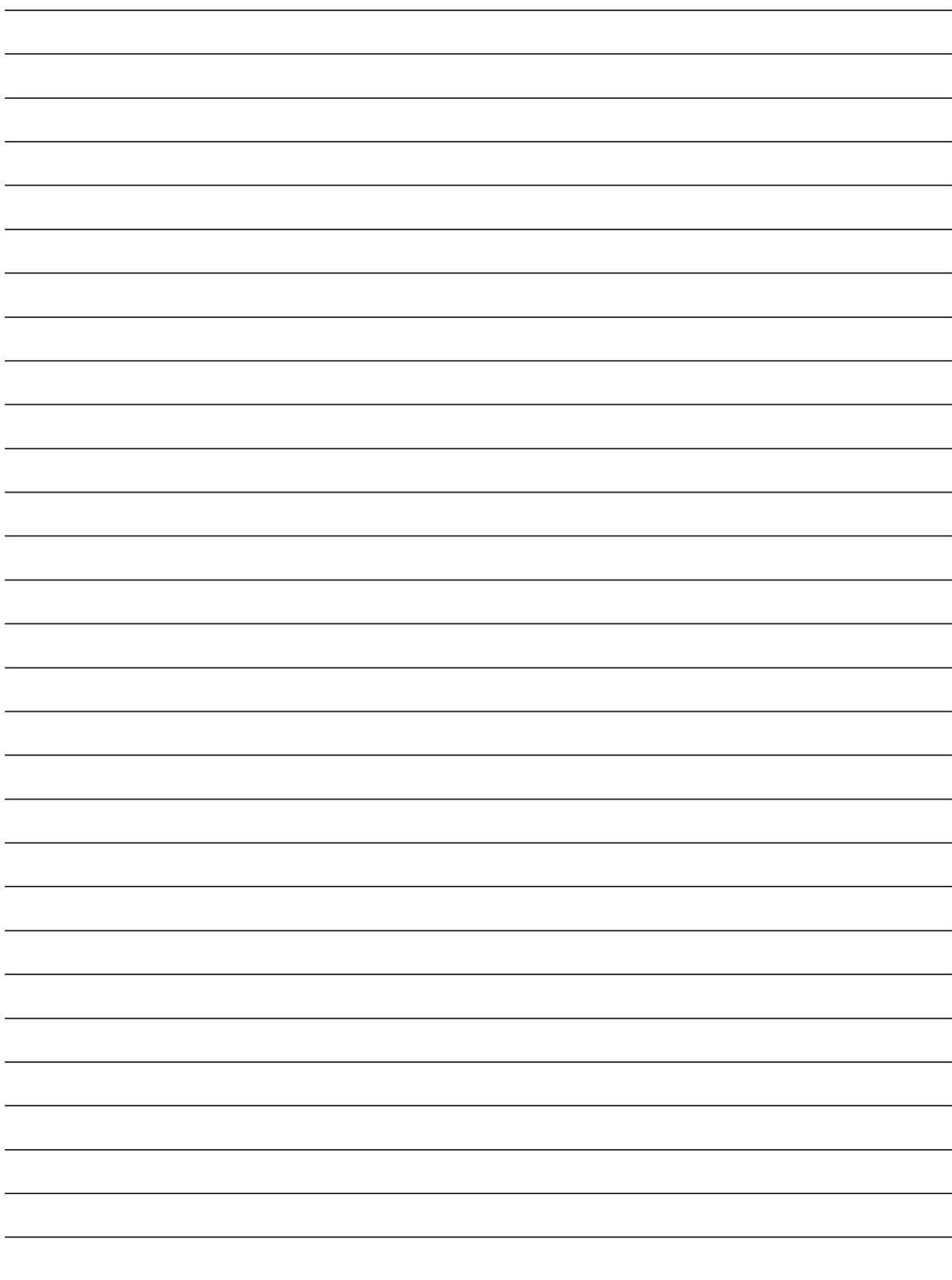


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