

ISSN 2277-7733

Voice of Research

Volume 5 Issue 2, September 2016

ICV 2014 59.82, Standardised Value 6.19



*An International Refereed Journal
for Change and Development*

Impact
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EDITORIAL

At the end of this Monsoon with zeal to welcome the winter, I am pleased to present this issue of Voice of Research in blue with rising spirit all around. Again, this spirit insists me to ask the authors to conduct some research on the flaws inconsideration of API score. 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 continuous and comprehensive evaluation (CCE), quality in teacher education, legal feminism, health infrastructure and health status, employee development in the workplace, emotional and family influences in succession planning, employee attrition, consumer behaviour and private label brand, determinants of income tax compliance, comparative analysis of operating, investing and financing, human capital development, innovative activity funding and cameroon professors publication to cover the problems related to the students, professionals, parents, family, society as well nation.

To add to quality of education Rajni and Yogesh describes attitude of teacher trainees towards CCE whereas Manitombi talks of significance for quality in teacher education. To add to social structure, psychology, technology and hence for appropriate management, Sarkar and Misra conceptualizes legal feminism, Goel studies public expenditure on health and its impact on health infrastructure and health status Tolani studies employee development in the workplace, Bhardwaj focusses on emotional and family influences in succession planning of family owned businesses, Bhardwaj, Singh and Lakshmi analyses the factors affecting employee attrition among engineers and non-engineers, Mehta and Mehta discuss the consumer behaviour towards private label brand, Nigam reviews the determinants of income tax compliance, Varshney and Jain conducts the comparative analysis of operating, investing and financing activities Whereas Akramova talks of demographic trends and human capital development, Dildora presents innovative activity funding, Kenneth reviews the cameroon professors with publication and without publications and Agarwal relates the RBI initiatives with export finance.

On the whole this blue 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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ATTITUDE OF TEACHER TRAINEES TOWARDS CONTINUOUS AND COMPREHENSIVE EVALUATION (CCE)

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

There is need for a functional and reliable system of school-based evaluation i.e. continuous and comprehensive evaluation." National Curriculum Framework (2005). Teacher are the most important link for the successful realization of any education policy and therefore building their capacity in understanding the concept and purpose of CCE is essential to the successful implementation of the program. Keeping in view, the investigator has conducted an independent study to measure the attitude of teacher trainees towards continuous and comprehensive evaluation (CCE). Survey method was used in the present investigation. A self-developed scale for Attitude of Teacher Trainees towards CCE was used and Mean, SD and t-test were used for analysis and interpretation of data in present study. Results of the study reveals that still we have a place for improvement in teacher training in relation to CCE. Until the space is not filled up it is not possible to make impartial and successful implementation of CCE in education system, a reality.

Keywords: School-based Evaluation, NCF (2005), Education Policy

“External examinations are largely inappropriate for the knowledge society of 21st century and it need for innovative problem solving. Questions if not framed well, call for rote memorization fail to test higher order skills like reasoning and analysis, lateral thinking, creativity and judgment. External examinations make no allowance for different types of learners and learning environments and induce an inordinate level of anxiety and stress. Therefore, there is need for a functional and reliable system of school-based evaluation i.e. continuous and comprehensive evaluation.”National Curriculum Framework (2005)

The term ‘continuous’ refers to regularity in assessment. Since, the development of the child is a continuous phenomenon; evaluation has to be completely integrated with the teaching-learning process so as to assess the progress of student at regular intervals. The term ‘comprehensive’ refers to assessment in both, the scholastic as well as co-scholastic areas of students’ development. The evaluation of scholastic aspects includes assessment of personal and social qualities, interest, attitudes, values, life skills and level of participation in different co-curricular activities. For carrying out such type of evaluation, multiple techniques have to be employed by the teachers and school authorities. Conclusively, it may be inferred that continuous and comprehensive evaluation is intended to identify positive attributes and latent talents of the students which are not usually assessed through written examinations.

Significance of the Study

In the present global educational scenario with cut-throat competition in every sphere of life, the need is to look at holistic assessment of a learner which also includes both scholastic and co-scholastic areas of students’ growth with special reference to attributes such as; life skills, attitudes and values, performance in sports and games as well as in other co-curricular activities. The review of previous studies by Natrajan an Arora (1989), Das (2007), Ghanchi (2009) indicated that prevailing examination system has a number of weaknesses and as a result of this an adverse impact was experienced by both the students and teachers. The NCF (2000) has laid emphasis on continuous and comprehensive evaluation with stress on both formative and summative evaluation. As per recommendations by various commissions and committees the government of India has introduced

CCE system with a broad minded concept of providing wider scope to students to utilize their inherent talent. But the main concern is that how far this concept has been implemented successfully unless and until our teachers are not willing whole-heartedly to implement such system in right manner and skill. On the whole, it may be said that the success of CCE in our educational system largely depends on the positive and favorable attitude of teachers towards the scheme. It is not only to change the attitude of teachers who are already teaching in schools but also the teacher trainees’ understanding and have favorable attitude is most important for successful implementation of CCE. Keeping in view the investigator has conducted an independent study to measure the attitude of teacher trainees towards continuous and comprehensive evaluation (CCE) as there is no such study is conducted in this area.

Statement of the Problem: Attitude of Teacher Trainees towards Continuous and Comprehensive Evaluation (CCE)

Operational Definition of Key Terms Used

Attitude: The term attitude in the present study represent the state of mind and feeling; disposition of teacher trainees (would be teachers) towards Continuous Comprehensive Evaluation (CCE) in schools.

Teacher Trainees: The term teacher trainees in the present context refer to the pupil teacher those are under training for elementary (D.Ed.) and secondary (B.Ed.) school levels.

Continuous Comprehensive Evaluation: Continuous Comprehensive Evaluation (CCE) in present investigation means a method adopted to evaluate the various aspects of development of students personality from various dimensions.

Objectives of the Study

To study the attitude of teacher trainees towards continuous and comprehensive evaluation; To compare the attitude of B.Ed. and D.Ed. teacher trainees towards continuous and comprehensive evaluation; To compare the attitude of male and female teacher trainees towards continuous and comprehensive evaluation.

Hypotheses of the Study

There exists no significant difference between the attitude of B.Ed. and D.Ed. teacher trainees towards continuous and comprehensive evaluation; There exists no significant



difference between the attitude of male and female teacher trainees towards continuous and comprehensive evaluation.

Delimitation of the Study

The study was delimited to the 100 teacher trainees of Budha College of Education, Karnal only.

Research Methodology

Survey method was used in the present investigation.

Sample: The sample of the present study consisted of 100 teacher trainees of from Budha College of Education, Karnal through stratified random sampling technique.

Tools Used: A self-developed scale for Attitude of Teacher Trainees towards CCE was used in the present study.

Statistical Techniques Used: Mean, SD and t-test were used for analysis and interpretation of data.

Main Findings

Attitude of teacher trainees towards continuous and comprehensive evaluation: Present study reveals that 98% teacher trainees showed average attitude towards Continuous Comprehensive Evaluation (CCE), only 2% teacher trainees showed below average attitude and not a single teacher trainee showed above average attitude towards CCE.

Comparison between the attitude of B.Ed. and D.Ed. teacher trainees towards continuous and comprehensive evaluation: Finding of the present study revealed that the mean attitude scores of D.Ed and B.Ed. teacher training towards Continuous Comprehensive Evaluation (CCE) are 95.77 and 103.78, standard deviations are 20.07 and 18.95 respectively and the 't'-value is found to be 1.66 which is significant at .05 levels. It indicated that the two groups differ significantly on their attitudes towards Continuous Comprehensive Evaluation (CCE). Therefore, the earlier stated hypothesis that, there exists no significance of difference in the attitude of rural and urban primary school teachers towards the abolition of corporal punishment is rejected.

Comparison of the attitude of male and female teacher trainees towards continuous and comprehensive evaluation: Another finding of the present study depicted that the mean attitude scores of male and female teacher trainees towards Continuous Comprehensive Evaluation (CCE) are 98.7 and 99.65 respectively, where as the standard deviations of the same groups are 19.3 and 31.9 and the 't'-value is found 0.151 which is not significant at .05 levels. It indicates that the two groups differ not significantly on their attitude towards CCE. Therefore, the hypothesis, there exists no significance of difference in the attitude of male and female teacher trainees towards Continuous Comprehensive Evaluation (CCE) is accepted.

Educational Implications and Suggestions

In the present study investigators found 98% teacher trainees with average attitude towards Continuous Comprehensive Evaluation (CCE), it's very good symbol that only 2% teacher trainees showed below average attitude but along with above finding it also seems that no teacher trainee were found with above average attitude towards Continuous Comprehensive Evaluation (CCE). Thus from the above mentioned findings we can say that still we have a place for improvement in our teacher education system by which a above average attitude can be inculcate among our prospective teachers.

Results of present study reveal that the practical for Continuous Comprehensive Evaluation (CCE) must be

included in teacher education curriculum to give a live experience to the teacher trainees in which various tasks such as construction of at different types of tests and tools, administration of a such test, analysis and interpretation of results, maintaining the records etc. can be assigned to teacher trainees. An external viva examination should be conducted for the practical, a file named Achievement Test Report should be prepared by the teacher trainees in a comprehensive form. Teacher trainees should be taught construction of various tools and tests for the purpose of effective Continuous Comprehensive Evaluation (CCE) of students to raise confidence sake among teacher trainees. Teacher educators also can take initiative at their own pace by acquainting teacher trainees with the use and effect (importance) of Continuous Comprehensive Evaluation (CCE). Teacher educators should assign the 'preparing a blue print and a question paper' to the teacher trainees in the teaching subjects instead of any other general assignments. Seminars, Workshops, Conferences should be organized on Continuous Comprehensive Evaluation (CCE) at wide range so that the teacher trainees can be acquaint with the usefulness of CCE for a successful education system.

Conclusion

Continuous and Comprehensive Evaluation is a process of determining the extent to which the objectives are achieved. It is concerned with the appraisal of achievement and also with its improvement. It is also concerned with identification of learning experiences and educative environment to produce changes in the learner's behaviour. It involves information gathering, information processing, judgment forming, and decision-making. In recent years, there has been a growing concern for improving the quality of achievement of all students. The CCE is an attempt to shift from learning by rote to applying one's knowledge. As per the norms of CCE the questions in examination paper may not simply be based on information, but on interpretation of concepts too. In successful implementation of CCE depends on teacher's competency which can inculcate only through efficient training and positive attitude towards CCE among teachers. Teacher are the most important link for the successful realization of any education policy and therefore building their capacity in understanding the concept and purpose of CCE is essential to the successful implementation of the program. Present study reveals that still we have a place for improvement in teacher training in relation to CCE. Until the space is not filled up it is not possible to make impartial and successful implementation of CCE in education system, a reality.

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SIGNIFICANCE FOR QUALITY IN TEACHER EDUCATION IN 21ST CENTURY**Manitombi Devi**

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

Quality Assurance in teacher education is the Key for school effectiveness. The extent of integration of quality indicators in to the process of teacher education programs determines the success of teacher preparation. There is a need for a systematic institution based quality assurance system at functional level to monitor the processes. External agencies can assess the quality of teacher education programs but internal and institution based quality assurance mechanisms would be more appropriate and meaningful in this direction. A highly accountable institution of teacher education can only understand the importance of quality indicators and their impact on the teacher preparation.

Keywords: *Quality Assurance, Teacher Education, NDE 1986*

Teacher Education system plays a crucial role in shaping the quality school education. It has been rightly said that the excellent education system could only be emerged with the concerted effort of the teachers. Therefore, preparation of teachers has been repeatedly emphasized in the National Policies on Education 1968, 1986 and revised 1992. The National Policy on Education (1986) stated that improvement in status and professional competence of teachers is the cornerstone of educational reconstruction. It emphasized the significance and need for a decentralized system for the professional preparation of teachers. The system of Teacher Education has been experiencing several changes in both academic and administrative dimensions. Teacher Education Curriculum- A Framework (1978 and 2006), provided a comprehensive view of the existing realities and perceived futuristic scenario for quality teacher education. As per NPE 1986 and Chattopadhyay Commission 1984, no system can rise above quality of its teachers, and quality of teachers greatly depends on the means deployed for selection, procedures used for training, and strategies adopted for ensuring accountability. The National Policy of Education (NPE 1986/92) recognized that "...teachers should have the freedom to innovate, to devise appropriate methods of communication and activities relevant to the needs of and capabilities of and the concerns of the community." The policy further states that "...teacher education is a continuous process, and its pre-service and in-service components are inseparable. As the first step, the system of teacher education will be overhauled.

The Acharya Ramamurti Committee (1990) in its review of the NPE 1986 observed that an internship model for teacher training should be adopted because "...the internship model is firmly based on the primary value of actual field experience in a realistic situation, on the development of teaching skills by practice over a period of time." The Yashpal Committee Report (1993) on Learning without Burden noted that "...inadequate programmes of teacher preparation lead to unsatisfactory quality of learning in schools. ...The content of the programme should be restructured to ensure its relevance to the changing needs of school education. The emphasis in these programmes should be on enabling the trainees to acquire the ability for self-learning and independent thinking." Establishment of the National Council of Teacher Education (NCTE) in 1993 as a statutory body of the

Government of India has been exploring possibilities and designing strategies for monitoring quality in pre-service teacher education programs by imposing regulations and identifying quality indicators for the teacher education program in India.

More over, Centrally Sponsored Programs of Government of India resulted in strengthening few teacher education institutions as Institutes of Advanced Study in Education (IASEs) and Colleges of Teacher Education (CTEs) with an intention that these institutions would act as resource centers to conduct research and provide in-service program along with the pre-service teacher education. This is certainly a strong boost to the system of teacher education to search for excellence. On the other hand, the spatial and numerical expansion of schooling facilities at primary and secondary levels over the last decade has resulted in corresponding increase in the demand for teachers. As a result large number of teacher education institutions is created throughout the country and the maximum number of these institutions is managed by private organizations. This has posed exceptional challenges for the management of Teacher Education to ensure quality in programs.

Management of Teacher Education in India has been uneven across States/UTs. There have been variations in quality of performance even within a state/UT. These variations are due to the regional policies and programs, administrative structures, academic linkages and networking and quality assurance systems. Excellence in Teacher Education can only emerge from the confluence of four interrelated components: the strengthening of teacher skills, the systematic renovation of curriculum and its transaction, the improvement of organizational structures and the policy dimensions. The quality of teacher education can be made uniform provided the national curriculum framework be implemented in its real spirit across the country with a scope to contextualize by looking into the local needs and demands.

National Curriculum Framework and Teacher Attributes: The National Curriculum Framework for School Education (2005) highlights that the quality and extent of learner achievement are determined primarily by teacher competence, attitude, sensitivity and teacher motivation. The level and quality of subject knowledge, pedagogical skills teachers possess to meet the needs of diverse learning situations and



learners, the degree of commitment to the profession, sensitivity to contemporary issues and problems and the level of motivation critically influence the quality of curriculum transaction in classrooms. It also opens out possibilities for the teacher to participate in the construction of syllabus, textbooks and teaching learning materials. Such roles demand that teachers be equipped with a better understanding of curriculum, subject content and pedagogy on the one hand and community and school structures and management on the other. The NCF 2005 has described the current concerns of teacher education as follows: Experiences in the practice of teacher education indicate that knowledge is treated as 'given', embedded in the curriculum and accepted without question; there is no engagement with the curriculum. Curriculum, syllabi and textbooks are never critically examined by the student teacher or the regular teacher; Language proficiency of the teacher needs to be enhanced, but existing programmes do not recognize the centrality of language in the curriculum; Teacher education programmes provide little scope for student teachers to reflect on their experiences; Disciplinary knowledge is viewed as independent of professional training in pedagogy; Repeated 'practice' in the teaching of a specified number of isolated lessons is considered a sufficient condition for professional development; It is assumed that links between learning theories and models and teaching methods are automatically formed in the understanding developed by student teachers; There is no opportunity for teachers to examine their own biases and beliefs and reflect on their own experiences as part of classroom discourse and enquiry; Theory courses have no clear articulation with practical work and ground realities; The evaluation system followed in teacher education programmes is too information-oriented, excessively quantitative and lacks comprehensiveness. Apart from conceptual and pedagogical aspects the programme needs to develop certain attitudes, dispositions, habits and interests in a teacher. The present evaluation protocol has no place for evaluating them. The above observations provide distinct pointers for addressing issues on the different aspects of teacher education curriculum reform.

In order to realize the concerns of the NCF (2005), teacher education needs to dwell upon the knowledge base that enables teacher trainees to acquire essential skills and competencies.

Knowledge Base in Teacher Education: An Integrative Behavioral Framework

Teacher Education as a program for professional preparation of teachers needs to focus on specialized knowledge, skills and personal attributes essential for exercising the academic leadership. They broadly include;

General pedagogical knowledge: This includes knowledge of learning environments and instructional strategies; classroom management; and knowledge of learners and learning.

Subject-matter knowledge: This includes knowledge of content and substantive structures and syntactic structures (equivalent to knowledge about a discipline).

Pedagogical content knowledge: A conceptual map of how to teach a subject; knowledge of instructional strategies and representations; knowledge of students' understanding and potential misunderstandings; and knowledge of curriculum and curricular materials.

Contextual Knowledge: Knowledge about the society, culture, ethos, social dynamics and the host of things that are directly and indirectly affect the school and teaching-learning process.

Along with the above, techno-pedagogic skills are required for teachers to make teaching learning more interesting and joyful. It is necessary to understand the entire teacher education program from the above framework and study to what extent these essential components are properly integrated in the programs of teacher education. The above broad framework provides a base for identifying the quality indicators for teacher education.

Various other skills that are essential to be developed in teacher trainees are exploration, problem solving, comparing and contrasting, modeling, developing ethical way of learning, scaffolding, characterizing etc. Teacher entrepreneurship is also vital for teacher preparation and development. The key elements for teacher entrepreneurship are Personal Resourcefulness, Achievement Orientation, Strategic Vision, Opportunity Seeking and Innovativeness and are to be inculcated among the student teachers.

Personal Resourcefulness: The root of the entrepreneurial process can be traced to the initiative taken by some individuals to go beyond the existing way of life. The emphasis is on initiative rather than reaction, although events in the environment may have provided the trigger for the person to express initiative. 'Personal resourcefulness' in the belief in one's own capability for initiating actions directed towards creation and growth of enterprises.

Achievement-Oriented: While personal initiative and purposeful behaviour can be viewed as a good starting point of an entrepreneurial effort, many such initiatives fail. The archetype successful entrepreneur is supposed to epitomize achievement motivation (McClelland, 1961) which facilitates the creation and development of enterprises in competitive environments.

Opportunity-Seeking: The context in which an individual brings to bear his/her initiative, achievement orientation and visioning have a strong bearing on what it produces; when these forces are directed towards realizing surplus or value in a market environment, over a period of time, we see the creation of enterprises. Hence 'opportunity seeking' would include one's ability to see situations in terms of unmet needs, identifying markets or gaps for which product concepts are to be evolved, and the search for creating and maintaining a competitive advantage to derive benefits on a sustained basis.



Innovativeness: Schumpeter(1949) went on to conceptualize entrepreneurs as persons who are not necessarily capitalists or those having command over resources, but as ones who create new combinations of the factors of production and the market to derive profit. Innovativeness refers to creation of new products, markets, product-market combinations, methods of production and organization, and the like that enable the enterprise to gain competitive advantage in the market.

All the above attributes are important for teacher preparation and thereby teacher education programs should enable the trainees to acquire those skills and competencies. In order to make this focused in the programs; there is a need to derive a strategy to identify the quality indicators for teacher education programs and integrate them in process for quality assurance in teacher education.

Quality Assurance in Teacher Education: Pre-service Teacher Education programs should prepare the student teachers to undertake progressively the professional duties required of teachers, and to reflect on the nature of the education system, not only to respond to changes in the professional context, but also to contribute to that process of change. Teacher Education programs need to draw on a wide range of intellectual resources, theoretical perspectives and academic disciplines to illuminate understanding of education and the contexts within which it takes place. It should provide student teachers with a broad and balanced knowledge and understanding of the features of education in a wide range of contexts. Student teachers need to be engaged in fundamental questions concerning the aims and values of education and its relationship to society and to draw on educational theory, policy and practice; encourage the professional reflection on educational processes in a wide variety of contexts. Teacher Education program must develop the ability to construct and sustain a reasoned argument about educational issues in a clear, lucid and coherent manner in students and thus can promote a range of qualities in students including intellectual independence and critical engagement with evidence in the pedagogical sphere. The quality indicators for the novice teachers include; being accountable for their role in the education of the whole child or young person, and taking professional responsibility for developing the personality, talents and mental and physical abilities of each child or young person; engaging with current educational challenges and contributing to the processes of curriculum development, staff development and school development; undertaking a range of methods to teaching to facilitate the learning of students; promoting the learning of those pupils who encounter barriers to learning, including those who are in need of support for learning in particular areas of the curriculum; and those with emotional and behavioral difficulties; Liaison between pupils, parents, principal and community; taking responsibility for and being committed to their own professional development; using action research and other forms of valid evidence to inform choice, change and priorities in promoting educational practices and progress; Undertaking administrative duties as

required in a school; Understanding the social responsibility of the school and developing socially responsive programs. Teacher education is to be seen not as a prescriptive enterprise but open and flexible with emphasis on changing context. The concern is to make teacher education liberal, humanistic and responsive to meet the demands of inclusive social development. Normally teacher educators instruct and give structured assignments to be submitted by individual students. The training schedule is almost always packed with teacher-directed activities. There is little or no opportunity for reflection and independent study for the student-trainees. This calls for a reasonable duration of programme that can enable a wider and deeper discourse as well as opportunity to reflect and learn. These processes will help teacher-trainees to view knowledge not as external to the learner and as information existing in textbooks but as something that is actively constructed during the process of learning, involving interpretation of information via interaction with fellow classmates and dialogue with teachers and texts.

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LEGAL FEMINISM: CONCEPT AND ITS SHADES

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

Feminism is an alternative viewpoint of the legal system. The paper tries to bring out various essence of Indian feminism through select legislation and case laws. The established, bias well entrenched patriarchal values have been commented upon and a possibility of alternative view point has been suggested. The promotion of feminism is nothing but addition of diversity in the society.

Keywords: *Feminism, Domination, Disadvantage, Patriarchy.*

Legal discourse is a discourse that concern the basic terms of social life. Man and woman are both social animals endowed with autonomy mental and physical yet their life reflects the behaviour of social institutions especially the patriarchal values. After all it is accepted truth that social institutions are dominated by patriarchy.

Roberto Unger in demanding for participatory government tells us that society belongs to us and so do its laws. There is no permanent social or legal truth and nothing can stop our changing and reshaping society and its laws. He says “rational actor” is a myth and unlike reason passion (or emotion) is an essential motivating ingredient of participatory democracy. Law is thus expression of passion.

Feminist analysis begins with the principle that objective reality is a myth. It recognize that patriarchal myths are projection of male psyche. As for example the domination of women is a natural right, a mere reflection of biological family. Feminism is critique of institutionalised shield of patriarchal status-quo. Feminism concentrates on real issues of life domination, disadvantage, and disempowerment. Feminist legal theory is a political ideology, in different voices emphasizing women’s emancipation from slavery, celebration of positive attributes of womanhood, its cultural inclination and often an attack on liberal modern social structure. Feminist movement is like a river which branches out during its long course. The branches of feminist movement are liberal movement, cultural movement, radical movement and postmodern movement. According to liberal feminist, women want equality in opportunity like men. Radical feminist like Littleton and Mackinon stress upon difference between women and men and support affirmative action to challenge inequalities between the sexes. Cultural feminism though emphasize difference among sexes but they view it more positively. They (as for example Carol Gilligan and Robin West) promote value and care; relational connection between the sexes. Postmodern feminist generally attack the objectivity and equality of liberal legal regime as a patriarchal construct of the society. Now let us discuss some examples of these different types of feminism in Indian context.

Different shade of feminism:- Previously under different

laws female in India were prevented to administer property like male counterpart or sometime their ownership were limited to the enjoyment of the property. Under liberal feminism invoking Constitutional clause like Article 15(1) this practice has been invalidated by Indian Court. Equal Remuneration Act, 1976 enacted under Article 39 is another example. In C.B. Muthamma vs Union of India the Court invalidated the Indian Foreign Service (Conduct and Discipline Rules) 1961 which provided that “no married woman shall be entitled as of right to be appointed to the service.” In Air India vs Nargish Meerza Supreme Court struck down Air India and Indian airlines Regulations on retirement and pregnancy bar on service rules.

We can also find the strand of cultural and radical feminism in Indian laws. Where the differences between sexes are classified and sometimes affirmative actions has been taken. As for example we find The Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Dowry Prohibition Act, 1961 or The Medical Termination of Pregnancy Act, 1971, Prenatal Diagnostic Techniques (Regulation and Prevention of Misuse) Act 1994 etc. In Yusuf Abdul Aziz section 497 of I.P.C was not declared unconstitutional because women in our country are married at very young age and husband can have plurality of wives. Thus women are weak in this particular situation and thus legislature has taken a lenient view.

In Gayatri Devi Pansari vs State of Orissa, Orissa government order reserving 30% quota in 24 hour medical stores as self employment scheme was upheld.

The affection shown by women towards child and the family is not totally emotional nonsense. One can easily understand about the value of service provided by the wife, by the mother to her children do have economic value as absence of these service cannot be fulfilled by any paid professionals. As for example a cook or a nanny. Let us go through the following decision of the Madras High Court in the next paragraph.

Rs1,250 a month. This is the monetised value of domestic responsibilities that homemakers discharge 24X7, according to a motor accident claims tribunal in the state. Keeping Rs 15,000 as ‘notional income’ of a house wife, a tribunal in



Virudhunagar district awarded a paltry Rs 1.62 lakh as compensation for her death. But, slamming the tribunal for its narrow-mindedness and saying such a view cannot be tolerated, Madras high court has enhanced the compensation to Rs 6.76 lakh. Justice S Vimala, pointing out that the victim's five year old daughter must be missing her mother's lap, observed: "The primary responsibility of the homemaker is to ensure that the family is happy, healthy and prosperous. To make the home as heart of the family giving total relaxation and complete freedom and joy to members of the family, is the critical role willingly undertaken and delightfully discharged. As it is voluntary, it is quite often neglected, forgotten and devalued." Selvi, 31, earning Rs 5,000 per month by selling clothes, died in an accident on April 23, 2004. Her husband, daughter aged 5 years at that time, and mother moved the tribunal for compensation. Disbelieving the claim of independent income for Selvi as it was not supported by any documents, the tribunal concluded that her 'notional income' as a homemaker was Rs 15,000 annually. Justice Vimala, noting that a house wife's services, described as gratuitous service, has not been considered by the tribunal, said: "When the child was aged 5 years, it lost the lap of the mother, which nobody can afford. The guidance and support needed from the mother, especially for a girl child, need not be emphasized. The tribunal, unmindful of the consequences of the death, has quantified the compensation in a way which nobody can tolerate." Relying on Supreme Court rulings on the issue, Justice Vimala then considered Rs 36,000 as annual 'notional income' of the woman, and arrived at a compensation figure of Rs 6.76 lakh and directed the authorities to deposit the sum within three weeks. The judge also rued that though the government was expected to be a model litigant, it had not even paid the meager compensation awarded by the tribunal.

Citing developmental psychologist Carol Gilligan one can say women grow up based on ethics of care and boys on the ethics of right or justice; that is autonomy of individual is paramount value. Men are disjointed from the others where as women are connected with others through values, emotions, typical activity of gestation, breast feeding etc. According to Gilligan these right and care base approach are compatible.

Lastly we consider the postmodern feminist critique of liberal legal structure. Postmodern feminism hits out at laws male solipsism and so called rational detached objective standard promoted by patriarchy. We now examine some examples. Section 2(c) of Indecent Representation Of Women (Prohibition) Act, 1986 says: "indecent representation of women means the depiction in any manner of the figure of a woman her form or body or any part thereof in such a way as to have effect of being indecent, or derogatory to denigrating women or is likely to deprave, corrupt or injure

the public morality or moral."

However this section fails to give attention to other derogatory messages and images not explicitly indecent but more harmful and responsible for increase of violence against women. As for example, all the television advertisements promoting washing powders depicts only women washing all types of clothes and getting value from their family especially husband. In Hindi cinemas hero does have the right to physically assault the heroine to discipline her or to teach her a lesson. It is the winners who make the typical picture of the world seem necessary. Professor Mackinnon says that women value care because men value women according to the care they give to men. In the recent judgment passed by supreme Court *Aveek Sarkar vs State of West Bengal*, where a prosecution was launched against editor of *Anandabazar* for publishing a nude photo of famous tennis player Boris Becker and her lady friend. The learned advocate who initiated the complaint maintained that the photograph *prima facie* gives a sexual tilting and its impact is moral degradation and would encourage the people to commit sexual offences (Paragraph 6 of the reported judgment). He maintains that the dignity and honour of our womanhood would be in jeopardy (Paragraph 4).

One can easily see that though the nude photo was of both men and women, it is the argument of complainant advocate that womanhood is so vulnerable in India that it would be in jeopardy. On the contrary, male hood seems to have no threat and can handle them quite maturely.

Let us go through some sections of Indian Penal Code to understand male psyche and to demystify the so called rational objective truth.

Section 375 of Criminal Amendment Act, 2013 states that, fourthly:- with her consent, when the man knows that he is not her husband and that her consent is given because she believes that he is another man to whom she is or believes herself to be lawfully married.

This clause talks about only married woman, but on the sexuality of unmarried or widowed woman the Act is silent. It seems same protection shall not be given to unmarried or widow woman. Section 477 of Indian Penal Code declares that fraudulent cancellation, destruction of will, authority to adopt a son is an offence. However the same section is silent if somebody destroys the authority to adopt a daughter. One can't say son includes daughter because section 10 of Indian Penal code defines "man" denoting male human being of any age; the word woman denotes female human being of any age. Only the pronoun " he" and its derivatives are used of any person, whether male or female. Section 27 of Indian Penal Code provides that property in possession of wife, clerk, and servant of a person; on account of a person shall mean to be in the possession of that person. Thus

wife cannot give away the property without permission of her husband. But husband possessing wife's property need not take permission from wife because the code is silent whether he possesses the property on his wife's behalf.

Feminist Method: Feminism brings law back to its purpose—to decide the moral crux of the matter in real human situation. Any logic is a norm, and cannot be used except with reference to its purpose. Feminism emancipate the hidden, silenced dissent of subjectivity, brings out the marginalized oppressed other. Patriarchy and its naked dominance, process of disadvantage and disempowerment is brought out by feminism.

Famous jurist Aristotle said that treat like people alike and unlike people unlike. Thus based on this premise there was two distinct feminist methods one equality approach and another difference approach. Equality approach treat inequality between sexes as mere irrational classifications thus to be negated. With this method it is possible to protect women who have been denied to administer property as for example A cracknel case. However where there is real difference as for example, for biology or highly successful socialization; by strictly following Aristotle premise plaintiff shall lose in a given case. Then the remedy is to compensate women by positive affirmative action based on difference of sexes as for example pregnancy. But postmodern feminist criticize both these methods. They prefer dominance approach. They say "in equality approach" female following male norms, standards are only promoted. Maleness is here setting the standard. Difference approach again take the maleness as standard and judge women as how far they are different from men. Difference here justifies dominance. As for example in medical schools it is taught a male body is human body, all those extra things women have studied under obstetrics/gynecology.

Dominance approach takes out the stigma of being different, as it emphasize male are different from women too. Dominance approach is critical of reality. This approach centers on the most sex differential abuses of women as gender issues. As for example when men are hit, they are assaulted and when women are sexually abused simply not taken seriously, found entertaining or as necessary structure of family, the price of civilization or Constitutional right.

Reasonable Woman: Unlike reasonable woman, reasonable man is a product of English, judicial genius. He was created for juristic convenience. Judges attempting to unravel the mysteries of human conduct, intent and motive have for years turned to the reasonable man for guidance. Deviance and delinquency have been determined by reference to him. The presence of reasonable man however alerts us to presence of reasonable woman. Though this particular phrase of "reasonable woman" has never been coined. It seems that

legislators clubbed women with mentally challenged or minor. In Ram Sumram Prasad vs Govind Das it has been laid down by the Court that a woman derives spiritual benefit in gifting property to her son-in-law in consideration of marrying her daughter. It is the marriage that is imperative and religious duty of the widowed woman according to the Court. But Court ignored the fact had she not agreed to gift the property to her son-in-law the marriage may not have materialised.

But the divorce does not get support as the marriage does. Here the mother sells the property to get her daughter divorced. The Court said divorce unlike marriage is not legal necessity.

Conclusion

Thus feminism is in reality a political theory, a criticism of existing unjust patriarchal social structure. As a strand of critical legal studies, or postmodern theory it does not promote nihilism but add to the society a considerable amount of diversity—the silenced other.

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PUBLIC EXPENDITURE ON HEALTH AND ITS IMPACT ON HEALTH INFRASTRUCTURE AND HEALTH STATUS IN HARYANA

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

Health is an important factor for human resource development and is affected by availability of healthcare services. In this regard, the role of public expenditure on health to provide better health facilities and to improve health status of the masses becomes indispensable in any economy including Haryana. With this backdrop, the present study is an attempt to examine the impact of public expenditure (PEH) on health infrastructure and health status for the State of Haryana. For the same, the indicators of health infrastructure and status are selected and the data on the specified indicators are collected for the period of 1990-91 to 2011-12. Thereafter, the indicators of health infrastructure and health status are regressed on public expenditure on health (PEH) and its ingredients namely development revenue expenditure on health (DREH) and capital expenditure on health (CEH). It is found that these three expenditures have same direction of influences but difference occurs in the magnitude of their impacts. These expenditures having appreciable compound annual growth rate (CAGR) are impacting number of primary health centers (PHCs), community health centers (CHCs), sub-centers (SCs), total number of allopathic as well as ayurvedic, unani and homoeopathic (AUH) institutions positively. While their impact on number of hospitals, dispensaries, beds, BR, DR and IMR is negative. However, the remaining indicators are found to be expenditure inelastic which calls for further judgments of the cause of such results along with negative impact of public expenditure on health infrastructure. Also, magnitude of effects is found to be more in case of DREH followed by PEH and CEH despite lower CAGR of DREH than PEH and CEH. Accordingly, DREH calls for more emphasis; due to its highest impacts and a hope can be made that increase in DREH will essentially enhance health infrastructure and health status efficiently. Moreover, with DREH, there is strong case to raise CEH being a major source of creating health infrastructure. Above all, Government must increase public expenditure on health with its components (DREH and CEH) in every year's budget; so that their positive impact could be sustained and demand-supply gaps in health facilities could be filled. Along with this, there is rationale for adopting good governance to check corrupt practices; and to allocate funds adequately on each and every health facility without financial leakages and wastages of funds so that our health infrastructure could be developed in sufficient quantity and better quality; and consequently, health status can be upgraded in Haryana.

Keywords: Public Expenditure, DREH, CAGR, Health infrastructure, Health

Importance of health as a basic human right has been recognized all over the world. According to Noble Laureate Amartya Sen, health is a kind of empowerment that gives value to human life. It will lead to individual growth capacity and economic security for the individuals and families. Therefore, the provision of appropriate health infrastructural facilities and services become obligatory in any economy which demand appropriate amount of financial or economic resources. In this regard, the role of public expenditure on health becomes indispensable for making healthcare services accessible and affordable as the public provision of healthcare services is one of the important ways to improve living conditions as well as overall health capital (UNDP, 1990; Anyanwu and Erhijakpor, 2007; Bokhari et al., 2007). By and large, in any economy, health spending takes the form of public expenditure and private expenditure on health. But, according to Keynesian hypothesis, public expenditure leads to economic growth; accordingly, it devises that health spending is a prime duty of the Government and thus public expenditure on health is justified (Duggal, 2007; Goel and Garg, 2011).

Moreover, health which refers to the state of complete physical, mental, spiritual and social well-being, have received the prominent place in Millennium Development Goals (MDGs: 2000 – 2015) and now in Sustainable Development Goals also (SDGs: 2015 – 2030). Consequently, to overcome

the gaps in the attainment of MDGs; to achieve SDGs successfully and to fulfill the ever increasing demand for good health; it is essential to attain equity, efficiency and adequacy in public expenditure on health. However, United Nation (UN) has recommended an average of 8 to 10 per cent of the gross domestic product (GDP) as benchmark expenditure on health for a country (Oni, 2014). As health is wealth, any amount spent on health by a nation cannot become enough since it is very difficult to achieve sufficiency in spending on health. So, every country makes all possible efforts to spend appropriately on health sector to improve the health status of their people so that they can contribute to economic progress of their economy (Yaqub et al., 2012). No doubt, the productivity and benefit of health spending depends on how funds are allocated within the health sector. Therefore, the proper utilization of these funds is equally important because all efforts may go in vein if these financial resources are not able to bring optimum returns. Keeping this backdrop, the present study is undertaken to make an analysis of public expenditure on health in Haryana by studying its impact on health infrastructure and health status.

The paper is organized as follows: Section two reviews the concerned literature and Section three explains research parameters. Section four and five is about research methodology and analysis. Lastly, section six concludes the study with policy implications.



Review of Literature

In this section, literature is bifurcated into two parts. Firstly, those studies are reviewed which have undertaken the impact of health expenditure on health infrastructure; secondly, studies are discussed upon which have aligned health expenditure with health status.

Health Expenditure and Health Infrastructure: A significant amount of research has been done by the academicians and researchers on establishing a cause and effect relationship between health expenditure and infrastructure.

Goel and Ahlawat (1993) analyzed the growth of health expenditure and existing health infrastructure in Haryana. They emphasized on the need for investment in health sector for creating health culture and proper health planning to make health care services accessible for the rural and poor people. According to Berger and Messer (2002), governments can alter their healthcare delivery systems by increasing public funding of healthcare infrastructure. Further, Das (2008) studies the correlation between health expenditure and health infrastructure. He remarks both are interdependent and identified a feedback type of relationship. With high level of expenditure high level of infrastructure is created and with high level of infrastructure, investment is poured out to improve the existing level of health care facilities.

Health Expenditure and health Status/Outcomes: There exists vast number of studies with regard to public expenditure on health and its relationship with health status. Some studies have found the significant impact of Government's health expenditure on health status (Bidani and Ravallion, 1997 and Cremieux et al., 1999). On the other hand, according to some researchers, health spending is not a strong determinant of health status (Schell et al., 2007). Filmer and Pritchett (1999) found that public spending and health outcomes are tenuously related. According to them, doubling public spending on health from 3 to 6 per cent of GDP would improve child mortality by 9 to 13 per cent. Or (2000) concluded that public financing of health care lowered premature mortality for men and women. Bokhari et al. (2007) too showed that increased government spending contributed to positive status in under-five and maternal mortality. Further, Rajkyman and Swaroop (2007) concluded that in countries with good governance, increasing public health spending by 1 percentage point reduces the under-5 mortality rate by 0.32 per cent. This effect decreases to 0.20 per cent in countries with average governance and has no effect in countries with weak governance. In addition, Schell et al. (2007) found that at any level of development public health spending remained non-significant contributor in reducing IMR. Yaqub et al. (2012) have regressed data on public health expenditure and governance captured by the corruption perception index on infant mortality, under-five mortality and life expectancy. The results showed that public health expenditure has negative effect on infant mortality and under-five mortalities when the governance indicators are included. Next, Compah-Keyeke et al. (2013) examined the relationship between public spending and health status

in Ghana, using simple but conventional econometric techniques. One measure of health status [under – five mortality rate (per 1000 live births)] was used as an indicator of health status. The results revealed that the availability of physicians and health insurance are the most important determinants of health status in Ghana. It would imply that, better health status seem to be associated with Higher health spending and more physicians.

A comprehensive analysis of above literature shows that majority of studies have identified the relationship of health expenditure with health infrastructure and status in isolation. However, there are only few studies which examine the causal relationship of health expenditure with health infrastructure and health status simultaneously. Moving in this direction, this research is based on these three parameters (public expenditure on health, health infrastructure and health status); and the impact of health expenditure on health infrastructure and status are investigated in a single research. Also, a thorough review of research aided in selecting indicators of research parameters. Aligning with this, research parameters and their selected indicators are defined next.

Research Parameters and Their Indicators

As it has already been mentioned that this research is based on three parameters; here an attempt is made in defining these parameters and their indicators that are selected to be studied.

Public Expenditure on Health: Public expenditure on health consists of revenue expenditure and capital spending from the government budgets, external borrowings and grants and social health insurance funds. On the one hand, *Revenue expenditure* on health is the sum of expenditures on all health goods and services, except for health capital. It is incurred for the normal and routine running and maintenance of health care services. Expenditure on medicines and salaries of doctors are a few names to mention which is of revenue nature. While on the other hand, *Capital expenditure* on health creates assets (e.g. hospital building) in the form of health infrastructure and raises the capacity to produce more health services in future.

In line with the above, in the present paper, impact of public expenditure is analyzed in three forms in which first is total public expenditure (accumulation of development revenue expenditure and capital expenditure). Second is development revenue expenditure and third is capital expenditure.

Health Infrastructure: In accordance with World Health Organization, public health infrastructures are formal and enduring structures that support public health having both tangible and intangible aspects. They may exist inside and outside the Government sector. They may also be directly protective of health (as in public sanitation systems) or they may support other activities that protect and enhance health. More fundamentally, they comprise of: institutions and capacity, knowledge (of public and professional), commodities (physical infrastructure). As this paper talks about Government spending on health; here, health infrastructure is meant by the health structure in Government



health sector only. Generally in India and particularly in Haryana, Allopathic, Ayurvedic, Unani and Homoeopathic medical practices are performed. So, health infrastructural indicators are sub-divided into two types: for allopathic medical resources and for Ayurvedic, Unani and Homoeopathic (AUH) health resources.

Allopathic Resources: The selected indicators of allopathic health infrastructure are: Number of hospitals¹, primary health centers (PHCs)², dispensaries³, community health centers (CHCs)⁴, sub-centers (SCs)⁵, total number of medical institutions, number of doctors, nurses, other staff and total medical staff. The indicator total number of medical institutions is arrived at by summing the numbers of hospitals, PHCs, dispensaries, CHCs and SCs. Similarly, indicator total medical staff is created by integrating the indicators like number of doctors, nurses and other staff.

AUH Resources: Here, the selected indicators are: total number of ayurvedic, unani and homoeopathic (AUH) institutions, staff including number of vaidyas/hakims/homoeopathic doctors, dispensers/compounders, and total medical personnel (summation of former two indicators).

Health Status: Health status is a generic term referring to the health (good or poor) of a person, group or population in a particular area, especially when compared to other areas or with national data. Level of health or health status is assessed in terms of certain health indicators namely birth rate, death rate, infant and maternal mortality rates, life expectancy at birth, and various indicators of diseases burden etc (Mwabu, 2008). In the present study, selected indicators of health status are: Birth rate (BR)⁶, death rate (DR)⁷ and infant mortality rate (IMR)⁸.

Research Methodology

This section elaborates about the research methods that are put into practice to achieve the purpose.

Research Period and Data Collection: The research period is 22 years that is 1990-91 to 2011-12. Secondary data for research indicators as described above are collected from various issues of 'Booklet on Haryana Economy' and 'Statistical Abstracts of Haryana' published by Department of Economic and Statistical Analysis, Government of Haryana.

Research Model: Figure 1 describes the research model of the study in which as to the purpose, it is assumed that public expenditure on health influences the levels of health infrastructure and health status. That's why, health expenditure with its three forms is explanatory or independent variable(s); and indicators of health infrastructure and health status are the effect/dependent or criterion variables. It is manifested in the figure that three models (model 1, model 2 and model 3) are to be examined. In model 1, public expenditure on health takes the place of explanatory variable, followed by development revenue expenditure in model 2 and capital expenditure in model 3. Next, table 1 is prepared to draft out a picture of indicators of model variables for each of the model. In all the models, dependent variables that are indicators of health infrastructure

and health status remain same. Though, in each of the model independent variable (three forms of health expenditure) has been altered.

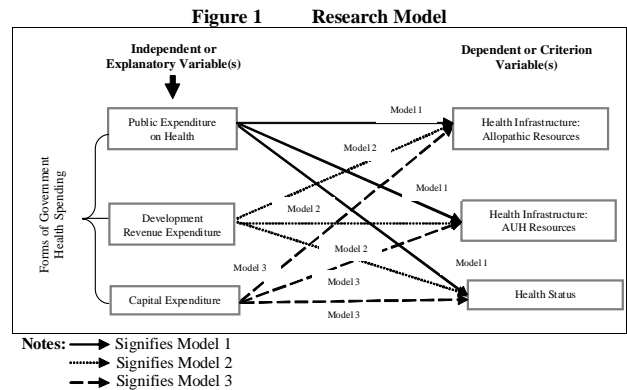


Table 1 - Indicators of Variables in the Research Model

Model Variables	Regression Model 1	Regression Model 2	Regression Model 3
Independent Variable Government Health Spending	• Public expenditure on health (PEH)	• Development Revenue Expenditure (DREH)	• Capital Expenditure (CEH)
Dependent Variable Health Infrastructure: Allopathic Resources	<ul style="list-style-type: none"> • Number of Hospitals • Primary Health Centers (PHCs) • Dispensaries • Community Health Centers (CHCs) • Sub-Centers (SCs) • Total number of medical institutions • Number of doctors • Nurses • Other staff • Total medical staff. 		
Dependent Variable Health Infrastructure: AUH Resources	<ul style="list-style-type: none"> • Total number of AUH institutions • Staff including number of vaidyas / hakims / homoeopathic doctors, and dispensers / compounders • Total medical personnel 		
Dependent Variable Health Status	<ul style="list-style-type: none"> • Birth Rate (BR) • Death Rate (DR) • Infant Mortality Rate (IMR) 		

Research Techniques: Data has been analyzed with two research tools namely Compound Annual Growth Rate (CAGR) and Log-linear regression.

Compound Annual Growth Rate (CAGR): In order to judge the rate of growth of selected variables, CAGR is used which is computed through Ordinary Least Square (OLS) technique by fitting the exponential function to the available data. Exponential trend equation is defined as

$$Y = Y_0(1 + r)^t \dots\dots (1) \text{ Where, 'r' is the compound growth rate.}$$

$$\text{Taking natural logarithm, we get: } \ln Y = \ln Y_0 + t \ln (1 + r) \dots\dots\dots (2)$$

$$\text{Assume, } \ln Y = Y^*; \ln Y_0 = b_0; \ln (1 + r) = b_1$$

$$\text{Now equation (2) can be rewritten as: } Y^* = b_0 + b_1 t \dots\dots (3)$$

Equation (3) is showing a log linear function. Here, the values of parameters, b_0 and b_1 are estimated by using Ordinary Least Square (OLS) method. CAGR is computed by following formula:

$$\text{CAGR} (\tau) = [\text{Antilog} (\bar{b}_1) - 1] \times 100 \dots\dots\dots (4)$$

Log-Linear Regression: To examine the impact of public expenditure on the selected indicators of health infrastructure and health status, following regression model in log-linear form is utilized.

$$\text{Ln } Y_t = \hat{a} + \hat{a} \text{Ln } X_t + U_t \dots\dots\dots (1)$$

In the above model (1), 'Ln Y_t ' and 'Ln X_t ' imply natural logarithm of dependent variable 'Y' and explanatory variable 'X' respectively, ' \hat{a} ' is regression intercept, ' \hat{a} ' denotes the regression coefficient (slope) and ' U_t ' is random disturbance term. Here, Ordinary Least Square (OLS) method is employed for estimating the unknown parameters (\hat{a} and \hat{a}). The estimated value of \hat{a} will measure the elasticity of variable Y with respect

to variable X, as $\hat{\beta} = \frac{d \text{Ln } Y}{d \text{Ln } X} \dots\dots\dots (2)$

Analyses and Results

Firstly, the growth of public expenditure on health and various indicators of health infrastructure as well as health status is investigated by calculating their CAGR for the period 1990-91 to 2011-12 and results are presented in table 2. It is found that all types of health expenditure have appreciable positive growth rate among which capital expenditure is grown at the highest rate of 22.75 per cent compounded annually followed by public expenditure (15.14%) and development revenue expenditure (13.42%).

Table 2 - CAGR of Health Expenditure, Health Infrastructure and Health Status

Research Parameters	Variables/Indicators	CAGR (%) (During 1990-91 to 2011-12)	
Health Expenditure	Public Expenditure on Health	15.14	
	Development Revenue Expenditure on Health	13.42	
	Capital Expenditure on Health	22.75	
Health Infrastructure	Hospitals	-1.00	
	PHCs	0.40	
	Dispensaries	-1.09	
	CHCs	2.74	
	SCs	0.40	
	Total Allopathic Institutions	0.40	
	Doctors	0.40	
	Nurses	-0.20	
	Other Staff	-0.50	
	Total Allopathic Medical staff	-0.30	
	Total Beds	-0.70	
	AUH Resources	Total AUH Institutions	1.01
		Vaidyas/Hakims/Homoeopathic Doctors	0.00
Dispensers/Compounders		0.30	
Total Medical Personnel		0.10	
Health Status	Birth Rate	-1.98	
	Death Rate	-1.39	
	IMR	-2.08	

With regard to health infrastructure, number of AUH institutions and their staff is grown at positive rate while in allopathic institutions and their staff some indicators have shown negative rate of growth. Where, number of hospitals, dispensaries, nurses, other staff, total staff and beds have experienced negative CAGR, other indicators have positive CAGR. However, number of CHCs have compounded annually at 2.74 per cent rate of growth which along with PHCs as well as SCs looking helpful in making the growth of allopathic institutions positive by overcoming the impact of negative growth of number of hospitals as well as dispensaries up to a certain extent. It is also important to mention that number of vaidyas/hakims/homoeopathic doctors in AUH institutions shows no growth. But the CAGR of AUH institutions (1.01%) and their total medical staff (0.10%) is better than allopathic institutions (0.40%) and their total staff (-0.30). Moreover, the indicators of health status including BR, DR and IMR have negative CAGR; thereby, implying their reduction over the years. But from the comparative point of view, more improvement is seen in IMR followed by BR and DR. However, negative growth of BR, DR and IMR is a good indication for the State of Haryana.

Now analogous to research purpose, three regression models are tested, dependent variables remaining same and by changing the form of explanatory variable as remarked before.

Impact of Public Expenditure on Health (PEH): Firstly, public expenditure on health is taken as explanatory variable and the results of log-linear regression are presented in table 3 which are obtained when various indicators of health infrastructure and status in natural logarithmic form are regressed one by one on public expenditure on health (taken in natural logarithmic terms) for the period 1990-91 to 2011-12.

In the table, column labeled \hat{a} signifies the values of model's intercept; followed by values of regression coefficients (\hat{a}) with its standard error (S.E.) in parentheses. The t-statistics in next column becomes the basis for statistical significance of \hat{a} and are derived by ($\hat{a}/\text{S.E.}$). Next columns tagged as 'R' and 'R²' denotes correlation coefficient (simple correlation between independent and dependent variables) and coefficient of determination (variance explained by independent variable in dependent variable) respectively. Further, F-statistics in last column judges the statistical significance of overall regression model. Computed values of R for various significant regression models explore that PEH is highly correlated with dependent variables except number of hospitals and beds where correlation is moderate. Meanwhile, the values of R² as well as Adj.R² indicate that PEH is explaining 98 per cent variations in BR, more than 80 per cent variations in number of PHCs, CHCs, DR and IMR, more than 65 per cent variations in number of dispensaries, SCs, total number of allopathic institutions as well as AUH institutions, but less than 50 per cent variations in number of hospitals as well as beds. Regression models for these indicators are overall significant as the value of F-statistic is sufficiently high and is found to be greater than tabulated values of F.



Table 3 - Results of Regression Models for the period 1990-91 to 2011-12
(Explanatory Variable is Public Expenditure on Health: PEH)

Dependent Variables ↓		α	β (S.E.)	t_p (Sig.)	R	R ²	Adj. R ²	F (Sig.)	
Health Infrastructure	Allopathic Medical Resources	Hospitals	5.851	-0.068 (0.017)	-4.082 (0.001)	0.674	0.454	0.427	16.661 (0.001)
		PHCs	5.390	0.027 (0.003)	10.202 (0.000)	0.916	0.839	0.831	104.086 (0.000)
		Dispensaries	7.156	-0.078 (0.012)	-6.558 (0.000)	0.826	0.683	0.667	43.010 (0.000)
		CHCs	-0.117	0.191 (0.016)	11.639 (0.000)	0.933	0.871	0.865	135.470 (0.000)
		SCs	7.122	0.028 (0.004)	6.484 (0.000)	0.823	0.678	0.662	42.041 (0.000)
		Total Allopathic Institutions	7.420	0.027 (0.004)	6.512 (0.000)	0.824	0.680	0.664	42.412 (0.000)
		Doctors	6.848	0.022 (0.025)	0.878 (0.390)	0.193	0.037	-0.011	0.771 (0.390)
		Nurses	8.628	-0.017 (0.016)	-1.061 (0.302)	0.231	0.053	0.006	1.125 (0.302)
		Other Staff	9.823	-0.036 (0.025)	-1.437 (0.166)	0.306	0.094	0.048	2.064 (0.166)
		Total Allopathic Medical Staff	10.033	-0.023 (0.019)	-1.218 (0.237)	0.263	0.069	0.023	1.485 (0.237)
		Total Beds	10.276	-0.044 (0.011)	-4.117 (0.001)	0.677	0.459	0.432	16.952 (0.001)
	AUH Resources	Total AUH Institutions	4.664	0.066 (0.008)	8.234 (0.000)	0.879	0.772	0.761	67.791 (0.000)
		Vaidyas/Hakims/ Homoeopathic Doctors	6.121	-0.003 (0.015)	-0.197 (0.846)	0.044	0.002	-0.048	0.039 (0.846)
		Dispensers/ Compounders	5.583	0.019 (0.020)	0.916 (0.371)	0.201	0.040	-0.008	0.839 (0.371)
		Total Medical Personnel	6.548	0.008 (0.014)	0.556 (0.584)	0.123	0.015	-0.034	0.310 (0.584)
Health Status	Birth Rate	6.559	-0.144 (0.005)	-29.999 (0.000)	0.989	0.978	0.977	899.954 (0.000)	
	Death Rate	4.204	-0.097 (0.010)	-9.455 (0.000)	0.904	0.817	0.808	89.395 (0.000)	
	IMR	7.472	-0.147 (0.015)	-9.821 (0.000)	0.910	0.828	0.820	96.451 (0.000)	

Source: Researchers' Calculations by using SPSS Version 20.0

The regression coefficient ($\hat{\alpha}$) which judges the strength of independent variable in predicting the dependent variable is found to be insignificant for number of doctors, nurses, other staff as well as total staff in allopathic institutions; and number of vaidyas/hakims/homoeopathic doctors, dispensers/compounders and total medical personnel in AUH institutions. Moreover the fit of these models are also not good due to low R² as well as F-statistic. Therefore, in these cases, the impact of public expenditure on dependent variables cannot be explained statistically. However, for the remaining dependent variables, $\hat{\alpha}$ is found to be significant at 0.1 per cent level of significance. Indeed, the statistical values of $\hat{\alpha}$ reveal that one per cent increase in PEH results in a rise of PHCs by 0.027 per cent, CHCs by 0.191 per cent, SCs by only 0.028 per cent, and total number of allopathic medical institutions as well as AUH institutions by 0.027 per cent and 0.066 per cent respectively.

On the other hand, with the negative values of $\hat{\alpha}$, it can be said that the same rise in PEH also decreased the health infrastructure namely number of hospitals by 0.068 per cent, dispensaries by 0.078 per cent and total number of beds by 0.044 per cent. This mathematical finding is somewhat awkward, so requires appropriate judgment that

this has happened not because of increase in public health expenditure rather some other factors may have been responsible for the same. Further, for the highest value of regression coefficient ($\hat{\alpha} = 0.191$) for CHCs, this analysis also points up that public expenditure has a major impact on increasing the number of CHCs than its impact on increasing PHCs, SCs and total number of allopathic and AUH institutions. Public expenditure has also been able to significantly reduce BR, DR and IMR. Birth rate is reduced by 0.144 per cent, death rate by 0.097 per cent and IMR by 0.147 per cent as evident by the negative sign of regression coefficients. Though, the infant mortality rate and birth rate are more affected if compared with death rate.

Impact of Development Revenue Expenditure on Health (DREH)

Table 4 highlights that the regression models with dependent variables including number of doctors, nurses, other staff and total staff in allopathic institutions; and number of vaidyas/hakims/homoeopathic doctors, dispensers/compounders and total staff in AUH institutions are not statistically noteworthy as their $\hat{\alpha}$ s are insignificant and F-statistic as well as R² are very low. Therefore, the impact of explanatory variable on these dependent variables cannot be identified like the results in table 1.



Contrary to it, the remaining regression models are overall significant. Their $\hat{\alpha}$ s which are statistically significant at 0.1 per cent level of significance reveal that an increase of 1 per cent in DREH brings a rise of 0.031 per cent in number of PHCs as well as SCs, 0.206 per cent in number of CHCs, 0.030 per cent and 0.071 per cent in total number of

allopathic medical institutions as well as AUH institutions respectively. Also, one per cent rise in DREH is associated with decrease in number of hospitals by 0.072 per cent, dispensaries by 0.086 per cent, total number of beds by 0.048 per cent, birth rate by 0.159 per cent, death rate by 0.107 per cent and IMR by 0.165 per cent.

Table 4 - Results of Regression Models for the period 1990-91 to 2011-12 (Explanatory Variable is Development Revenue Expenditure on Health: DREH)

Dependent Variables ↓		α	β (S.E)	t_{β} (Sig.)	R	R ²	Adj. R ²	F (Sig.)	
Health Infrastructure	Allopathic Medical Resources	Hospitals	5.926	-0.072 (0.019)	-3.758 (0.001)	0.643	0.414	0.385	14.126 (0.001)
		PHCs	5.315	0.031 (0.003)	11.808 (0.000)	0.935	0.875	0.868	139.425 (0.000)
		Dispensaries	7.302	-0.086 (0.014)	-6.257 (0.000)	0.814	0.662	0.645	39.155 (0.000)
		CHCs	-0.420	0.206 (0.021)	9.752 (0.000)	0.909	0.826	0.818	95.107 (0.000)
		SCs	7.066	0.031 (0.005)	6.275 (0.000)	0.814	0.663	0.646	39.371 (0.000)
		Total Allopathic Institutions	7.363	0.030 (0.005)	6.404 (0.000)	0.820	0.672	0.656	41.006 (0.000)
		Doctors	6.816	0.024 (0.028)	0.850 (0.405)	0.187	0.035	-0.013	0.723 (0.405)
		Nurses	8.656	-0.018 (0.018)	-1.032 (0.314)	0.225	0.051	0.003	1.066 (0.314)
		Other Staff	9.970	-0.043 (0.028)	-1.553 (0.136)	0.328	0.108	0.063	2.412 (0.136)
		Total Allopathic Medical staff	10.120	-0.027 (0.021)	-1.298 (0.209)	0.279	0.078	0.032	1.686 (0.209)
		Total Beds	10.359	-0.048 (0.012)	-4.016 (0.001)	0.668	0.446	0.419	16.130 (0.001)
	AUH Resources	Total AUH Institutions	4.567	0.071 (0.010)	7.253 (0.000)	0.851	0.725	0.711	52.611 (0.000)
		Vaidyas/Hakims/ Homoeopathic Doctors	6.165	-0.005 (0.016)	-0.299 (0.768)	0.067	0.004	-0.045	0.089 (0.768)
		Dispensers/ Compounders	5.542	0.021 (0.023)	0.915 (0.371)	0.200	0.040	-0.008	0.837 (0.371)
Total Medical Personnel		6.548	0.008 (0.016)	0.506 (0.618)	0.112	0.013	-0.037	0.256 (0.618)	
Health Status	Birth Rate	6.847	-0.159 (0.007)	-21.278 (0.000)	0.979	0.959	0.957	472.123 (0.000)	
	Death Rate	4.394	-0.107 (0.012)	-8.900 (0.000)	0.894	0.798	0.788	79.207 (0.000)	
	IMR	7.839	-0.165 (0.016)	-10.449 (0.000)	0.919	0.845	0.837	109.175 (0.000)	

Source: Researchers' Calculations by using SPSS Version 20.0

Besides, it is clear from the values of R, R² and Adj.R² that DREH is highly correlated with dependent variables including number of PHCs, CHCs, SCs, total number of allopathic as well as AUH institutions, BR, DR and IMR. It explains 96 per cent variations in BR and more than 65 per cent variations in remaining variables. But, correlation of DREH with number of hospitals as well as number of beds is moderate and less than 50 per cent variations in these variables are explained by it. However, the fit of these regression models are good as the value of F-statistic is sufficiently high which are in excess of the tabulated F-value. Accordingly, it is clear that developmental revenue expenditure has a major impact on increasing the number of certain indicators of health infrastructure, but its utmost impact is noticed on CHCs ($\hat{\alpha}$ =0.206). Although it is able to improve health status in terms of decreasing birth rate, death rate and infant mortality rate, but again health status is improved more in terms of

infant mortality rate and birth rate than death rate in the State.

Impact of Capital Expenditure on Health (CEH): It is explored from the results presented in table 5 that the regression models which are found to be significant in the earlier two cases (table 3 and 4), are also significant here as the calculated F-statistics for them are found to be greater than the tabulated value of F at 0.1 per cent level of significance. Also, calculated R²s are having good score. Moreover, $\hat{\alpha}$ s are statistically significant at 0.1 per cent level of significance which reveal that 1 per cent increase of CEH leads to a rise in numbers of PHCs by 0.016 per cent, CHCs by 0.127 per cent, SCs by 0.017 per cent, and total number of allopathic medical institutions as well as AUH institutions by 0.016 per cent and 0.044 per cent respectively. On the other hand, same rise in CEH decreases the numbers of hospitals by 0.042 per cent, dispensaries by 0.046 per cent,



total number of beds by 0.024 per cent, birth rate by 0.091 per cent, death rate by 0.060 per cent and IMR by 0.088 per cent. Alike with previous two cases (table 3 and 4), the highest impact of explanatory variable is found on number of CHCs ($\hat{\alpha}=0.127$). But, dislike with earlier results, CEH is influencing BR more than IMR.

Moreover, the values of R signify that CEH is highly correlated with number of PHCs, CHCs, SCs, total number of AUH institutions and health indicators including BR, DR and IMR. But its correlation is moderate with number of dispensaries, total number of allopathic medical

institutions and their total beds. Further, from the computed values of R^2 as well as $Adj.R^2$, it becomes clear that the variations explained by CEH are more than 90 per cent in number of CHCs and BR, more than 70 per cent in total number of AUH institutions and DR, above 60 per cent for number of PHCs and IMR and in remaining cases except number of hospitals more than 50 per cent. Whatsoever be the variations are explained by explanatory variable CEH in these variables, the regression models fitted are good as the value of F-statistic is sufficiently high.

**Table 5 Results of Regression Models for the period 1990-91 to 2011-12
(Explanatory Variable is Capital Expenditure on Health: CEH)**

Dependent Variables ↓		α	β (S.E)	t_{β} (Sig.)	R	R^2	Adj. R^2	F (Sig.)	
Health Infrastructure	Allopathic Medical Resources	Hospitals	5.204	-0.042 (0.011)	-3.754 (0.001)	0.643	0.413	0.384	14.091 (0.001)
		PHCs	5.677	0.016 (0.003)	6.116 (0.000)	0.807	0.652	0.634	37.411 (0.000)
		Dispensaries	6.362	-0.046 (0.009)	-5.076 (0.000)	0.750	0.563	0.541	25.762 (0.000)
		CHCs	1.510	0.127 (0.009)	14.942 (0.000)	0.958	0.918	0.914	223.260 (0.000)
		SCs	7.407	0.017 (0.003)	5.110 (0.000)	0.753	0.566	0.545	26.113 (0.000)
		Total Allopathic Institutions	7.698	0.016 (0.003)	4.915 (0.000)	0.740	0.547	0.524	24.153 (0.000)
		Doctors	6.954	0.018 (0.016)	1.149 (0.264)	0.249	0.062	0.015	1.321 (0.264)
		Nurses	8.522	-0.013 (0.010)	-1.280 (0.215)	0.275	0.076	0.030	1.639 (0.215)
		Other Staff	9.287	-0.014 (0.017)	-0.797 (0.435)	0.176	0.031	-0.018	0.636 (0.435)
		Total Allopathic Medical staff	9.703	-0.009 (0.013)	-0.729 (0.475)	0.161	0.026	-0.023	0.531 (0.475)
	Total Beds	9.789	-0.024 (0.008)	-3.111 (0.006)	0.571	0.326	0.292	9.681 (0.006)	
	AUH Resources	Total AUH Institutions	5.241	0.044 (0.005)	8.669 (0.000)	0.889	0.790	0.779	75.147 (0.000)
		Vaidyas/Hakims/ Homoeopathic Doctors	6.076	-0.001 (0.010)	-0.100 (0.921)	0.022	0.001	-0.049	0.010 (0.921)
		Dispensers/ Compounders	5.843	0.008 (0.013)	0.569 (0.576)	0.126	0.016	-0.033	0.323 (0.576)
Total Medical Personnel		6.661	0.003 (0.009)	0.326 (0.747)	0.073	0.005	-0.044	0.107 (0.747)	
Health Status	Birth Rate (BR)	5.225	-0.091 (0.006)	-15.970 (0.000)	0.963	0.927	0.924	255.028 (0.000)	
	Death Rate (DR)	3.264	-0.060 (0.008)	-7.318 (0.000)	0.853	0.728	0.715	53.560 (0.000)	
	IMR	5.998	-0.088 (0.013)	-6.817 (0.000)	0.836	0.699	0.684	46.477 (0.000)	

Source: Researchers' Calculations by using SPSS Version 20.0

Also, table 5 highlights that the regression models having dependent variables: number of doctors, nurses, other staff as well as total staff of allopathic medical institutions; and number of vaidyas/hakims/homoeopathic doctors, dispensers/compounders and total medical personnel in AUH institutions are not statistically significant due to the insignificance of computed $\hat{\alpha}$, low values of F-statistic as well as R^2 . Again, the impact of explanatory variable on these dependent variables cannot be identified like the results in table 3 and 4.

Summarization of Regression Results and Comparisons

between PEH, DREH and CEH: The results of various regression models are compiled in table 6 for abridging the impact of Government health spending on health infrastructure and health status in the form of direction and magnitude of effects. Related with the direction of effects, the results for PEH, DREH and CEH are consistent as they are found to be influencing the dependent variables in the same direction.

Positive (+) and negative (-) signs in rows/columns signify that increase in government health spending (PEH, DREH and CEH) has a significant positive and negative (inverse)



impacts respectively on corresponding dependent variable. Though, the last three columns of the table highlight that DREH have impacted the dependent variables robustly as its effect size is greater followed by PEH and CEH. A sign of +) for certain indicators point up that none of the kind of health spending has a significant impact on them; and the effect sizes are just because of chance but not by the impact of the forms of health expenditure. However, the negative (-) sign in the cells for indicators of health infrastructure including number of hospitals, dispensaries and beds suggest that spending on health inversely influences these variables. No doubt, rows of health status indicators are also showing negative (-) sign thereby implying that

increase in PEH, DREH and CEH, is reducing BR, DR and IMR, likewise health status is improved with rising health spending. The effect sizes once again favor DREH for its larger size of effect than its correspondents that are PEH and CEH. However, among indicators of health infrastructure highest positive impact of three expenditures is seen on number of CHCs. Table 6 also reveals that AUH institutions are influencing greater by all forms of health expenditure than total number of allopathic institutions. In case of health status, PEH and DREH are affecting IMR in comparison of BR as well as DR while CEH has more impact on BR than IMR and DR.

Table 6 - Summarized Results for Comparing the Effects

Dependent Variables ↓			Direction of effect			Magnitude of effect (β)		
			PEH	DREH	CEH	PEH	DREH	CEH
Health Infrastructure	Allopathic Medical Resources	Hospitals	-	-	-	0.068	0.072	0.042
		PHCs	+	+	+	0.027	0.031	0.016
		Dispensaries	-	-	-	0.078	0.086	0.046
		CHCs	+	+	+	0.191	0.206	0.127
		SCs	+	+	+	0.028	0.031	0.017
		Total Allopathic Institutions	+	+	+	0.027	0.030	0.016
		Doctors	⊘	⊘	⊘	0.022	0.024	0.018
		Nurses	⊘	⊘	⊘	0.017	0.018	0.013
		Others	⊘	⊘	⊘	0.036	0.043	0.014
		Total Allopathic Medical staff	⊘	⊘	⊘	0.023	0.027	0.009
	Total Beds	-	-	-	0.044	0.048	0.024	
	AUH Resources	Total AUH Institutions	+	+	+	0.066	0.071	0.044
		Vaidyas/Hakims/Homoeopathic Doctors	⊘	⊘	⊘	0.003	0.005	0.001
		Dispensers/Compounders	⊘	⊘	⊘	0.019	0.021	0.008
Total Medical Personnel		⊘	⊘	⊘	0.008	0.008	0.003	
Health Status	BR	-	-	-	0.144	0.159	0.091	
	DR	-	-	-	0.097	0.107	0.060	
	IMR	-	-	-	0.147	0.165	0.088	

Source: Compiled from Regression Results.

Note: '⊘' indicates nil impact.

Conclusion and Policy Implications

Firstly, the present study computes compound annual growth rate (CAGR) for selected variables. The estimated values of CAGR reveals that number of hospitals, dispensaries, nurses, other staff, total staff, beds, birth rate (BR), death rate (DR) and infant mortality rate (IMR) has experienced negative CAGR while others have positive. Highest growth rate is achieved by capital expenditure and number of CHCs among all health expenditure and health infrastructural facilities respectively. Also, positive growth rate of CHCs along with PHCs as well as SCs remain helpful in making the growth of allopathic institutions positive by overcoming the impact of negative growth of number of hospitals as well as

dispensaries up to a certain extent. It is also noteworthy that CAGR of AUH institutions and their total medical staff are found to be better than allopathic institutions and their total staff. However, a serious cause of concern which requires further research is the negative growth rate of some health infrastructural facilities despite tremendous growth of public expenditure on health. Meanwhile, negative growth rates of BR, DR and IMR implying that health status has improved in the State of Haryana which provides motivation for the Government to enhance availability, accessibility and affordability of health infrastructure for all through proper health spending.

Thereafter, from the examination of the impact of health



expenditure on the indicators of health infrastructure and health status it is found that there is consistency in the impacts of PEH, DREH and CEH. They have same direction of influences that is positive impact on number of primary health centers (PHCs), community health centers (CHCs), sub-centers (SCs), total number of allopathic as well as ayurvedic, unani and homoeopathic (AUH) institutions; whereas, negative on some indicators including number of hospitals, dispensaries, beds, BR, DR and IMR. But the magnitudes of the effects are found to be more in case of DREH followed by PEH and CEH despite that DREH has low growth rate than CEH and PEH. But CEH with highest CAGR have lowest effect size which is surprising. However, the remaining indicators are found to be expenditure inelastic and here the effect sizes are just because of chance but not by the impact of the forms of health expenditure. No doubt, the impact of PEH, DREH and CEH, is negative on BR, DR and IMR which imply BR, DR and IMR are reducing likewise health status has improved with rising health spending. The effect sizes once again favour DREH for its larger size of effect than its correspondents that are PEH and CEH. Accordingly, DREH calls for more emphasis; due to its highest impacts and a hope can be made that increase in DREH will essentially enhance health infrastructure and health status efficiently. With this, it is also essential to raise CEH being a major source of creating health infrastructure and enhancing the capacity to provide more health services.

Above all, the positive impact of Government's health spending on health infrastructure implicated that Government must increase public expenditure on health along with its both components in every year's budget; so that their impact could be sustained and demand-supply gaps in health facilities could be filled. Unfortunately, it seems paradoxical that public expenditure on health produce negative and nil impact on certain indicators of health infrastructure. Therefore, it needs further judgments that what is the actual reason for this negative and zero impact. It may be due to the inadequate attention towards those indicators while resource allocation. It may also be credited to disinvestment or non-replacement of depreciated infrastructure and conversion of hospital and dispensary to other health centers due to their inadequate size, urbanization and demographic reasons. Moreover, financial leakages and wastages of funds should be plugged. Along with this, Government must adopt good governance to check corrupt practices; and to allocate funds adequately on each and every health facility so that our health infrastructure

could be developed quantitatively and qualitatively better which in turn will be helpful in promoting health status in the State of Haryana.

Future Research Directions

From the findings of the present study, directions for future researchers can also be drawn. Firstly, research can be conducted to examine that despite double digit compound annual growth of public expenditure on health, the health infrastructural facilities have not grown in same manner while some of them have experienced negative growth. In other words, researchers can investigate the causes of negative impact of public expenditure on some indicators of health infrastructure and expenditure inelastic behavior of some others. It is also interesting to examine the differences in the magnitude of the effects of various types of Government expenditures. Moreover, it can also be studied that how much the time lag is involved in the best possible effects of public expenditure on health sector as this expenditure is an investment which requires some time period to receive returns.

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Endnotes

- ¹ Hospitals imply government hospitals where number of beds varies from 75 to 500 depending upon the size, terrain and population of each district. Hospitals form an apex institute in the hierarchy of health care system and play an important role in providing the preventive, promotive and rehabilitative services to local community including training and research.
- ² Primary Health Centre (PHC) is a medical institute having one MBBS doctor. Also, 14 Para-medical and other supporting staff form a basic part of the health care system in PHCs. It may have 4-6 beds for patients and performs curative, preventive, promotive and Family Welfare services. A typical Primary Health Centre covers a population of 20,000 in hilly, tribal, or difficult areas and 30,000 populations in plain areas with 6 indoor/observation beds. It acts as a referral unit for 6 Sub-Centres and refer out cases to CHC (30 bedded hospital) and higher order public hospitals located at sub-district and district level.
- ³ Dispensary is a medical institute where one physician and one pharmacist provide outdoor treatment.
- ⁴ Community Health Centre (CHC) is a 30-bedded health institute with four specialists including a surgeon, a physician, a gynecologist and a pediatrician supported by 21 Para-medical and other staff. It possess one operation theatre, X-Ray machine, labour room and laboratory facilities providing specialist care in Medicines, Obstetrics and Gynaecology, Surgery and Paediatrics.
- ⁵ Sub-centre (SC) is the most peripheral health institution available to the rural population. Its main functions are: maternity and child health, collection of vital statistics, treatment of minor ailments, immunization, and prevention of malnutrition. It also provides health education in respect of common communicable diseases and in cases of family planning.
- ⁶ Birth rate is the total number of live births per thousand of population in a year.
- ⁷ Death rate refers to the total number of deaths per year per thousand people.
- ⁸ Infant mortality rate implies the number of deaths of infants less than of 1 year old per 1,000 live births.



A STUDY OF EMPLOYEE DEVELOPMENT IN THE WORKPLACE: DOES THE FIRO-B HELP?

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

This study was initiated to give a solution to the question raised that whether the FIRO-B tool of training & development do really help the employees in their interpersonal relations, Team performance & building & healthy working environment. The secondary data is used for findings of the objective and had concluded that the FIRO-B tool is worldwide used for training & development of employees. The elements of the tool are not only used in the organizations but also at home, colleges & other institutions. The FIRO-B instrument is designed to measure personality characteristics on six dimensions- Expressed Affection, Wanted Affection, Expressed Inclusion, Wanted Inclusion, Expressed Control, and Wanted Control and thus the tool is found to be very useful for the development of the employees, teams, groups & its dynamics of the organisation.

Keywords: *Employee Development, FIRO-B, Applications, Workplace*

Employee development activities help in the growth and development of employees, who are the true assets of an organization. Employees who give their heart and soul to the organization also expect something in return. Money could be one motivating factor but nothing like it if you prepare your employee not only for his/her current job but also for future assignments as well. Employees need to grow with time. One cannot apply similar skills and techniques everywhere. Technology also becomes obsolete with time. An individual needs to keep himself/herself abreast with the latest developments to survive the fierce competition.

Importance of Employee Development: Employee development is crucial for the growth and prosperity of any business as employees are one of the determining factors for the success of the company. The more capable and qualified the employees the better the performance of the company. When they are well trained, they can easily handle situations and please customers ensuring customer retention. They can also resolve any glitches easily without much ado.

Employee development programs are essential to improve morale and to motivate the employees to perform well. Employees like to learn new skills and meet challenges and they are more motivated when they feel there is great potential for personal growth. When the company shows interest in employee development, the employee naturally has a greater interest in the company's development too.

Factors Affecting the Development of Employees: Employees differ in their personalities and these differences influence the way they react to the external and internal pressures that exist in any organization. Most employees spend more than 50% of their waking hours at their workplace and its environment greatly influences their performance and their mental framework. It has been observed that this mental framework has a direct impact on their individual performance which ultimately affects the organization as a whole.

Employee development involves providing employees with the information, tools, training, resources and support needed to learn and grow on the job. Effective employee development benefits the employee, the department, the manager and, ultimately, the company as a whole. To be effective, though,

companies need to make sure that their development efforts are focused, specific and aligned with company goals and objectives.

Challenges in Employee Development: Employee development depends upon the individual employee as to whether the employee is willing to participate or not. Employee development also depends upon the organization culture, attitude of top management, and limited opportunities of promotion.. **Organization Culture:** If organization culture supports employees, it will encourage employees to participate in decision making then employees would more develop and performance would increase.

Attitude of Top Management: Top Management attitude is another important factor that influences on employee developmental activities. It depends on the sincerity and commitment of the top management.

Limited Opportunities of Promotion: If opportunities of promotion are limited then employees would not participate in the employee developmental activities.

The FIRO-B (Fundamental Interpersonal Relations Orientation Behaviour): Many of the problems of the employee development are related to personality and its types. Many such instruments are available but due to saving of cost & avoiding the need of counsellor. The Fundamental Interpersonal Relations Orientation Behaviour was selected for use in this study to determine its usefulness in development of employees.

The FIRO-B instrument is designed to measure personality characteristics on six dimensions- Expressed Affection, Wanted Affection, Expressed Inclusion, Wanted Inclusion, Expressed Control, and Wanted Control. A high "expressed" score indicates that the individual thinks he or she exhibits this behaviour, while a high "wanted" score indicates that he or she wants others to act this way in relationship to him or her. Affection and Inclusion are somewhat similar, while Control is quite different. For example, someone who has great affection for others probably wants it in return; likewise, someone who likes to include everyone also wants to be included. On the other hand, someone who prefers to exercise control usually does not like to be controlled by others. As discussed by Underwood and Krafft (1973), "*the better the fit, the more likely it is that the individuals will attain the goal of their relationship.*"



Probably because of the simplicity of administration and the potential value of understanding personality, the FIRO-B has been used.

Brief Explanation about the FIRO-B: The FIRO-B (Fundamental Interpersonal Relations Orientation - Behaviour) instrument is a powerful tool to assess individual's interpersonal needs and how they affect their behaviour towards other people. It is widely used not just in team building in the work-place and management development, but also in individual and family counselling at home. It measures how much people may wish to offer to others, and receive back: • Inclusion and the desire to form new relations and associate with others. • Control decision-making, influence and structure, and the extent of power or dominance that a person may wish to seek or receive. • Affection or Openness to build emotional ties and warm connections between people, and the extent to which people may wish to offer closeness, or seek it from others. Each item is measured in two dimensions: the expressed behaviour of that person and the behaviour they want from others. The FIRO-B instrument can provide insight into the employee's compatibility with other people, as well as their individual preferences. The FIRO-B instrument can be used in any situation requiring interpersonal behaviour measurement, including management development, team building, and employee development.

	Inclusion	Control	Affection
Expressed	I make an effort to include others in my activities. I try to belong, to join social groups and be with people as much as possible	I try to exert control and influence over things. I enjoy organising and directing others.	I make an effort to get close to people. I am comfortable expressing personal feelings and I try to be supportive to others
Wanted	I want other people to invite me to belong. I enjoy it when others notice me	I feel most comfortable working in well-defined situations. I try to get clear expectations and instructions.	I want others to act warmly towards me. I enjoy it when people share their feelings with me and when they encourage my efforts.

An assessment contains approximately 54 items and usually takes 15-30 minutes to complete.

Functions of FIRO-B Instrument: FIRO-B instrument plays a very important role in knowing about the behavioural patterns at the workplace. Not only is this but it being used for: Maximise the impact of your actions at work; Identify options for increasing your job satisfaction and productivity; Explore alternative ways to achieve your career goals; Improve team effectiveness and develop tools to work more collaboratively together; Identify leadership operating styles; Understand how others prefer to relate to you and those around them; Clarify how others may experience working with you.

Objective of Study

In the current scenario, development and motivation of employees is one of the priority goals of the organisations. This article has been designed to know whether the FIRO-B can be an effective instrument for the employees & managerial development.

Findings

Behavior is motivated by self-concept, which develops at the very core of our being. Our self-concept represents how we feel about ourselves, and how we feel about ourselves informs how we feel about others. These self-feelings correspond at the interpersonal feeling level with our desire to feel significant, competent and likable.

In a nutshell the major findings of the above theoretical research work is that: The FIRO-B instrument is one of the most widely used training instrument in the world that helps in developing the interpersonal relations in the organizations; It is very useful in gathering inputs from others; It helps to understand & predict human behavior; Healthy & Trustworthy working environment is formed in the organization; The instrument is not reliable for decision making or implementation.

Thus from all the above findings it is good to elaborate that FIRO-B instrument is useful in developing the behavior & personality of employees in the organization, the groups & its dynamics, the teams & its formations & thus helps in developing the overall traits of the human resource at the workplace

Conclusion

FIRO theory posits that: Self-concept drives feelings, Feelings drive behavior, and Behavior drives results. FIRO theory provides the foundation for understanding how to develop sustainable, high-trust, collaborative relationships. Behavior is motivated by self-concept, which develops at the very core of our being. Our self-concept represents how we feel about ourselves, and how we feel about ourselves informs how we feel about others. These self-feelings correspond at the interpersonal feeling level with our desire to feel significant, competent and likable.

It is noticed that the FIRO-B instrument is appropriate for carrier development, team effectiveness, and leadership style in an organization. It is also observed that it explains individual needs, interpersonal needs, expressed & wanted behaviours, patterns of various need fulfillment, career development of the employees & ways to improve team effectiveness & leadership.

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EMOTIONAL AND FAMILY INFLUENCES IN SUCCESSION PLANNING OF FAMILY OWNED BUSINESSES WITH RESPECT TO SMEs

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

Succession planning is an integral part of every business but how many houses actually realize this questionable. In India, even the big business houses are comfortable in discussing these matters in board meetings. Business in India is more like a property where one individual owns and further passed on to family member only. In recent past there has been tremendous change in our patterns of succession planning. Thus this article throws some light on these issues of succession planning in family owned businesses in India. The data have been collected from different Small and Medium Enterprises in automotive component Industry. The samples have been chosen out of family owned businesses (FOBs) only. The data have been collected from Delhi and National capital region of India. The data was collected from Chairman, Managing Director, Executive Director and Board members of the enterprises. The data is collected in two forms through Face to face interview with four basic questions. Further the data has been represented by content analysis of the respondents.

Keywords: Emotions, Succession planning, Family and Stress.

Succession Planning has been an issue of concern for most of the business houses in India and abroad. Succession planning has been used to describe a wide variety of activities involving the planning for key transitions in leadership within organizations. The practice has been around since at least the beginning of recorded history in one form or another; its strongest (or, at least, its best documented) roots are in situations where power transitions routinely took place within family networks—for example, royal families and family-owned business empires. In more recent years, succession planning has been practiced more routinely and systematically in a large number of larger organizations (Rioux & Bernthal, 1999) and at levels far below the senior leadership. As in any organizational situation in which jobs or promotions are at stake, succession planning often becomes a highly politicized process, and the use of outside consultants is often sought. Beyond the value of having an objective third party involved, consultants can provide a systematic approach to succession planning, which will hopefully make the process more efficient and effective for the client organizations. There are a host of psychological and social considerations in developing a succession plan. Among them are what to do with the newfound time afforded after the implementation of a succession plan that brings retirement. Another is that how you will feel about the possible loss of status and whether you will miss the rewards of accomplishments. (Russ Jones, 2003). Except for a few cases of failures, many Indian family businesses have seen more than two or three generations and more so in the case of Coimbatore region (K Dr. R Nandagopal, Ms. V. Thilakam Nagaraj, 2008). Family as a social institution is one of the oldest surviving (Goode, 1982), but only in recent years family business, an important arm of it started receiving academic attention. After a detailed review of the existing literature, Zahra and Sharma (2004) concluded that family business research has a long way to go from the present fragmented and descriptive state. The country has a rich history and tradition of strong family ties and family businesses have long been a part of the Indian culture. Indian family businesses, thus, provide an interesting setting

to understand the impact of management succession on firm value. However, it is only in recent years that efforts have been made to undertake serious empirical research in this emerging young discipline. The relationship between family businesses and various aspects of succession has not been investigated much. Researchers have argued that determinants of a successful succession can range from the subsequent financial performance of the firm after succession, the satisfaction of various stakeholders with the succession performance, to the ultimate viability or the survival of the firm (Miller, Steier and Miller, 2003).

Although with latest trends seen in succession planning, a lot of FOBs are going of non family member as successor. But in a report by Bain & Co., almost 70% of top management hesitate to discuss issue related to succession planning in any board meeting. Thus a need arises, to understand the process of succession planning in reference of Industrial/ Organisation Psychology (I/O) way.

Literature Review

There are a number of researches, surveys and studies conducted in this topic. The studies have been conducted in varied dimensions and also across various sectors of the industry. Here are some of the studies that were conducted by researchers across the globe on “Succession Planning”. Literature review is basically collection of literature or past records on a particular topic. It serves as the foundation for further studies. This is basically a preamble of any thesis. Thus it includes a thorough effort to capture or collect the entire related document or researches done in past. The Literature is collected with the intention of having a holistic as well as integrated approach towards Succession Planning. On the basis of various papers it is evident that succession planning is most of the times not very well planned by the companies. Despite of the fact the top management understands the importance of the succession planning; they don't make a technical procedure of going through. Most of the papers also reveal that succession planning is basically a part of human resource management. Thus the company should identify a suitable talent, develop, retain



and then position at right place. Most of the paper collected also explains one or other succession model, which may be followed by companies. But one common point among all the papers is that succession planning is only possible with the support and commitment of top management. Most of the researches in this topic are still very confidential and critical. Thus most of the researchers have done it qualitative, because planners avoid themselves from converting it into black and white. On the basis of papers read, we can very well identify that succession planning is not a comfortable zone of top management to discuss and put it into documents.

From various literatures, it is evident that succession planning is a strategic issue for organisation's success and survival. Although the papers had a widespread range of various issues like complexity of company, size of the company, interim CEO, environment to outside/inside approach. But out of all the papers one commonality is that an organization's succession can be calculated from its financial performance. It is also visible that despite of understanding the criticality of the issue, the companies don't plan it. Second most important finding is that, even today companies prefer insider or in-house successor rather than outsider.

On the basis of data available, it is visible that succession planning is an important concern for most of the companies across the world. One of the common factors is almost all the paper is that the researchers have connected succession planning with financial performance. Although many studies have proven it also that it is not the real indicator; yet it is treated. The researchers across the globe are doing research on this topic but none of the companies really declare their succession plan. With the data, it is evident that companies do prepare a contingency plan but a strategic one. Moreover, a more point is that females are treated as an option as successors. Many factors like leadership, diversity, planning, successor's characteristics and company's size were also considered.

We can very well identify that India too is focusing on Succession Planning. It is there but neither in right forms nor in rights same. Indian firm seems to be more reactive towards succession plans than proactive. In fact most of the studies reveal lack of focus in leadership. Also most of the paper discusses a lot of challenges of in Family owned business due to Family factor coming in business. Also it is visible that the studies are more for large companies unlike other countries. Thus there is shortage of data of succession planning in SMEs. Succession Planning requires a lot of exercise but Indian companies are still not prepared, in fact most of them think it as natural process passing the charge to their son/ heir apparent. In fact in India very rare researches have been done on SMEs especially in Automotive component Industry.

Most of the paper represents the practices followed by best of the companies. In fact a lot of papers have connected succession planning with leadership. But one of the most

important aspects which were highlighted in few papers is the emotion. There are evidences which prove that emotional quotient holds due weight age in succession planning. These papers have created a lot of question as to how emotions are linked with selecting the right candidate and to extend they are correct.

After almost referring to 150 paper including surveys, research paper, articles etc. It is been observed that most of the Family businesses do have an emotional inclination towards their business but this area is neither documented nor researched. A family business floats between two important eco systems of family and business, thus to strike out a balance is quite difficult in most of the cases.

Research Problem

With the Literature review, the gap between planning and execution is clearly reflected. It is also seen that most of the family businesses face interference from family members. Thus there seems to some psychological and emotional side of succession planning. Most of the studies are focusing on patterns and practices of succession planning in Family owned business. But none of them is capturing the dynamics with which it is planned or floats. This leads to a research problem of understanding few key issues or research questions like: Why do family businesses prefer family members over non family members? Is selection of family members is an outcome of emotional and psychological stress? Does the family and social value system of India, hits the decision making of next successors? Why do companies in India, still hesitate to discuss Succession Planning in Board rooms and Family?

Research Objective

The objective of the study is to identify the existence of; Emotional Influence (EI) and Family Interference (FI) in Succession Planning with special reference to Family Owned Small and Medium Enterprises of India.

Research Methodology

The research design is exploratory. The data collected is primary in nature. The information is collected through face to face interview with structured questions. The sample is judgmental. The information is from 15 Director, Managing Director and CEOs of SMEs. Out of the total sample, 50% of them are from small enterprise and rest 50% from medium enterprise. The scope of study is extended to Auto Component Manufacturing units in Delhi & National Capital Region (NCR) of India. The data collected is qualitative in nature. Thus it is further analysed through content analysis. In content Analysis, relational analysis approach has been applied with semantic mode of finding similar words or texts or responses. Semantic mode is created with coding and structuring linguistic units presented by each respondent.

Information about Respondents

The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 in



terms of which the definition of micro, small and medium enterprises are - (a) Enterprises engaged in the manufacture or production, processing or preservation of goods and (b) Enterprises engaged in providing or rendering of services. But for the above mentioned objective only category (a) applies and hence as specified below: (i) A micro enterprise is an enterprise where investment in plant and machinery does not exceed Rs. 25 lakh; (ii) A small enterprise is an enterprise where the investment in plant and machinery is more than Rs. 25 lakh but does not exceed Rs. 5 crore; and (iii) A medium enterprise is an enterprise where the investment in plant and machinery is more than Rs.5 crore but does not exceed Rs.10 crore.

Family	Family Configuration	Which family member was interviewed? N=15	Type of Business	How many successions have been done?	Family Influence over addressing succession issues.
1	3 adult Children 4 grand children	Father, Son	Shafts and gears	Two	Extensive
2	2 adult children 1 grand child	Father, HR head	Tubular parts & accessories	Two	Limited
3	3 adult children 5 grand children	Father, Son	Fabricated tubular parts	None	Extensive
4	2 adult children 1 grand child	Father, HR head	Frame body & stocket	Two	Limited
5	1 adult child 1 grand child	Son	Fabricated tubular parts	One	Moderate
6	2 adult children 2 grand children	Father, Son	Aluminium die casting	None	Extensive
7	2 adult children 1 grand child	Father	Brakeshoe	None	Limited
8	1 adult child	Father	CED coating	None	Limited
9	2 adult child	Father, Son	CED solution	None	Limited
10	1 adult child	Father	Machine tools	None	Moderate

The interview tool included several questions categories: 1) Background Information; 2) Presence of HRM function; 3) Succession planning decision; 4) Succession planning process; 5) General information about Family response post succession. The interview lasting from 60-90 minutes, were recorded.

Data Collection: The data is collected through face to face interview from various respondents. The questions were asked in a snowball effect. Hence the comfort level of the respondent was kept in mind as the issue of succession Planning is quite critical to the owners. The data analysis approach involved working inductively from specific points in the data (eg there response to family influence in decision making of successors) while simultaneously working deductively from larger body of contextualizing the study. The recorded data is analysed line by line and compared to

draw conclusions. Once the initial analysis was complete, all important lines were coded, categorised and collapsed into major themes that reflect various influences present in the succession planning of family owned business. For each primary theme, data excerpted to provide examples of Emotional influence in the succession planning issues of the Family Businesses.

Findings: The themes in this section were identified as key factors related to family dynamics and emotions that influence the succession planning in small and medium FOB.

Formal policies for succession planning: Most of the respondents feel that the business will naturally be transferred to their heir. In case of siblings, elder one will get the right first and then to younger. Only one respondent felt that there is a need to put policies of succession planning to assure the continuity of leadership even in crisis and also seems to be working towards the same. The following comments were made by the head of the organisation, which are generally passive and indirect, most of them.

One has to be futuristic in approach towards running a business. So rather than taking abrupt decision at eleventh hour, it should be well planned. Sooner or later any business which survives more than one generation, has to go ahead with planning more efficiently. And succession is one of the major decisions. We are in this age of unpredictability in terms of social, business, political and economic changes. Thus at least in-houses planning can be done appropriately to behave proactively towards change. We still hesitate to discuss it in board rooms due to simple reason that succession planning is a very critical and confidential issue. Moreover, ours is a very closed and small business. Succession planning is a mere formality in FOBs and thus there is no such requirement of raising a discussion in board rooms or writing policies. They are only addressed when successors is decided, only to orient people with upcoming change.

Interference of family members in decision: Most of the Family businesses struggle between two ecosystems namely Family and Society. Thus both the ecosystems interfere with each other constantly. Practically it is very difficult to separate these two ecosystems. Most of them stay in tune to Family as well as Social value with the business. Most of them agreed that there is interference from family members in decision of successor, probably because family is a stakeholder in such businesses.

Preference of family member as successor over non family member: Head of the organisation generally feel that it is a natural transfer of control and ownership to their children. Almost all of them prefer Family members over Non family member due to multiple reasons like trust, risk, sustainability, goodwill etc. Few comments referring to same - It minimises the risk, since you know your family and moreover in case of contingency a family members will always favour the organisation not his self interest unlike non family members. Since I have got this business naturally from my father, my son will continue the tradition. Any family business has a lot of stake holding from the family members and thus even though one may prefer non family members but due to unwanted influence, you have to choose family member. We don't discuss these issues in board room with the simple



logic that succession is applicable to family members only then why unnecessary create a confusion.

Emotional influence in selecting successor: Most of the respondent realise that choosing successor among family is naturally a sign of emotional influence. Although they also confessed that it restricts their choice at times. The response of few respondents is - A family business is an amalgamation of two big components namely family and business. Thus one needs to maintain balance between the two. Hence the selection of successor is an outcome of emotional influence. In any family business, family holds maximum stake and so it becomes essential to adjust and accommodate the emotion and psychological pressure/ stress which comes from family. Selection of the successor is purely on the basis of potential and competency of the individual, because if it is not done wisely then the turnaround in negative direction can also come.

Family and social values hit the decision: In India, family and social values dominate most of the decision and succession planning is no different. The responses were a mix of agreement and disagreement on the issue. But certainly it was visible that in India businesses are more emotionally run instead of professionally. Most of the decisions in Indian context are individual driven rather than process driven. The comments of the respondents - A SME is always leadership centric and thus the decision making tends to be more inclined towards the thinking of the leader. If leader is balanced, everything else will fall in its own place otherwise it will be disastrous. So are we. In FOBs, everything is not in black and white. There are so many grey shades within the organisation. The system of succession planning is purely on the basis of certain influences. Most of the FOBs realise the importance of having proper policies and procedure for succession planning but because of undue interference from family members, they generally don't do. In fact most of them also feel that it should be planned only when the family is huge with large numbers of siblings. Otherwise in case of small family, this process is so natural to be carried forward to the next one.

Discussion

There is a lot of difference in succession planning of Small and Medium Enterprises. Small enterprises are generally in first generation and hence they feel secure by passing succession to their family members. Almost all the enterprises revealed that all SMEs are focusing on sustainability in first generation, they expand in second generation and they diversify in third generation.

The family has complex structure then the business should be divided amongst all. And if the family is simple then let it be handled by professionals. There is a huge difference between small and medium enterprise. Medium enterprises are generally in second and third generation. Hence they are open to experiment and pass succession to non family members/ professionals also. Small Enterprises are still struggling to find their space and balance between two eco systems namely family and business. Medium Enterprises are relatively stable and settled. Most of the Small enterprises feel that by passing their succession to family members minimizes risk in future. Since they have limited finances also. Thus they emphasize on selecting a family member as successor.

Most of the SMEs understand the importance of succession

planning and also feels that there should be formal policy. But unfortunately almost none of them have it. Although with the changing times they started formalizing it and will put it on paper soon, before they face real trouble. Both Small as well as Medium enterprises identify succession planning as an integral part of strategic management but in reality there is no formal policy for this.

Accordingly, emotions are integral part of one personality and thus they agreed that nevertheless emotions are there but the decision have to be balance of all. Although almost every organization stated different reasons for succession planning but majority of them expressed expansion, sustainability, talent management and owner's age as few dominant reasons.

Research limitations and Implication for future research

There are two limitations to the study reported here. First, due to small group, the findings cannot be generalised to a large population with the measurable confidence. Second, the interview method used in the study provided respondents' data on few issues only. Although the findings provide an insight into groups of similar characteristics on succession planning. But it can be further studied with diverse groups.

Further study can be done on major issues likesibling rivalry, communication, financial matters and many more as an antecedent in succession planning.

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FACTORS AFFECTING EMPLOYEE ATTRITION AMONG ENGINEERS AND NON ENGINEERS IN MANUFACTURING INDUSTRY

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

Almost every industry nowadays is badly affected by attrition. Retention of talented employees is the biggest problem faced by India Incorporation. In order to gather more insights on the talent crunch, the undertaken study was conducted on technical and non technical jobs in manufacturing sector in Delhi NCR. Research has identified three major factors – Salary, Boss and Stress in the jobs after conducted interviews with around 50 technical and non technical respondents. A set of questions were prepared and send to 120 employee but only 75 responded. The study shows a strong relationship between type of job and factors of attrition. Chi-square test clearly states strong relationship among two. Thus any change in one will affect the other also. At the same time other important outcomes were that for technical jobs salary is the most important factor whereas non technical Boss is the factor. Out 75, 63 were engineer and rest were non engineer. The research can be further done to understand factors of attrition with other demographic variable.

Keywords: Attrition, Retention, Salary

The word attrition refers to the process of reducing something's strength or effectiveness through sustained attack or pressure. Attrition, in an organisation, refers to reduction or decrease in the size or strength of the work force, or a gradual reduction in labor occurring through various means other than firing employees. The attrition rate plays a significant role in an organisation. High attrition rate of employees in an organisation is a serious concern because the employees are the backbone of any organization and irreplaceable. No organization can exist without it. But mere existence is not a great deal in fact survival is the main battle. Organization succeeding in retaining talent survives sustainably.

An organisation with perfect alignment between employees and employers interest, where no employees leave voluntary or involuntary, is practically impossible. No organisation is perfect nor can attrition be cured fully. It can only be reduced to its minimal through practising best retention strategies. The rate of shrinkage in size or number of employees is known as attrition rate. Different organisations use different method to calculate the rate of attrition. The most common formula to calculate the rate of attrition used by many organisations is:

Attrition Rate = (Number of employees who left in the year/Average employees in the year) * 100

Attrition if a part of strategic business manoeuvre to reduce costs can be encouraged. It can also manifest itself when employees voluntarily leave their jobs. Few reasons can be: employees may move or retire, take another job, be ill-suited to the position they were hired to fill, or want employment that offers a more equitable work-life balance. Others may experience a lack of the freedom or autonomy they require to perform at expected levels or facing compensation related problems. Distrust between employee-employers also aids attrition. Human resources professionals unconsciously encourage attrition when they overlook or ignore mistreatment of employees by management.

Positive side of attrition

Some business strategies use attrition as a part of restructuring plan. Rather than carrying out traditional layoffs, some businesses choose to reduce their workforce through the more gradual means of attrition. This is less consequential to a workforce that contains employees approaching retirement age. When they leave the company, a replacement is not hired to fill the vacancy, and the job position may be retired. Some business houses workout with their HR professionals to create equitable positions into which remaining employees can potentially be promoted. This creates positive employment option which otherwise did not previously exist.

Negative side of attrition

Due to high attrition rate, cost of the organisation increases due to training, development, socialisation and other costs on the employees. BPO, paramedical, aeronautics, etc are few organisations, whose work is mostly dependent on knowledge workers, where attrition rate is basically high. When attrition occurs, the remaining duties and responsibilities can burden employees and managers with additional duties with no increase in pay. This may cause even present managers or employees to move to other companies. The potential for employment promotion may no longer exist when positions are retired due to attrition. Employee morale can suffer.

Attrition trend in Manufacturing sector in India

With the government's 'Make in India' push and new project launches, the manufacturing sector is likely to face an attrition rate of 8-10 per cent, revealed the survey (*Source: The Economic Times*). India Inc is likely to witness attrition rates of up to 25 per cent in 2016, thanks to an upbeat job market and improved economy. Fresher-level attrition is expected to be around 12-14 per cent while at senior-level it will be in the range of 8-10 per cent, according to a survey by job portal



(Source: *Wisdom Jobs*). "The survey reinforces the gut-feel in the recruitment industry that 2016 will see huge employee turnover in most sectors. This churn can primarily be attributed to job seeker optimism arising from a stable economy leading to a spurt in opportunities," said *Wisdomjobs.com* Founder and CEO Ajay Kolla. Mid and lateral-level attrition is pegged to grow to 15-20 per cent and key role attrition is expected to touch 7 per cent during the year.

Organizations attribute Better Career Prospects, Personal Reasons and Better Utilization of Current Skills as the main reasons for attrition. Career Management, Attraction and Developing Potential Leaders are the key HR challenges faced by this sector. To keep employee motivation and engagement at the highest level of minimise attrition is a challenge for HR professionals in every sector (Source: *NDTV Profit*)

Literature Review

The Researches reveal that turnover intention has influence on attrition factors such as QWL, career growth, working hours, personal/family reasons, and relation with internal co – worker, welfare, working condition, and salary. There is significant difference between the turnover intention and attrition factor. There is also a positive correlation between high involvement work practices and employee retention and firm productivity. It means that employees give more importance to the quality of job and employer's treatment than salary. Researches reflect a deep sense of understanding and analysis to be carried out among organisation when attrition in high. Every organisation also needs to be alert all the time and understand the status of the hygiene and motivation factors in their organisation by conducting regular satisfaction surveys. The supervisors need to understand the internal and external factors through the lens of hygiene-motivation factor theory. Rate of attrition of employees is dependent on income and working life in the organisation. The other study shows that to analyze and decide the priority factors, which cause the attrition in the rapid growing Indian manufacturing sector are: a. Monetary Benefits b. Lack of Motivation c. Lack of Personal Benefits and d. Poor Working. So to reduce attrition industries should create some opportunities for the growth of their employees within the organization by adopting new Innovative Technologies and Effective training programs. The attrition depends not only on Employee related factors but also on organization related factors. Researchers also emphasize that there is 'one fit size for all' solution and thus every organization needs to do proper diagnosis to unravel employee turnover issue in the organization and plan retention strategy accordingly. Although most of the studies interpret that most of the employees are dissatisfied with career advancement plans, nature of job and conditions of service. And some of the employees were dissatisfied with the training & development part and working environment of the organization. Intrinsic factors are equally and sometimes more important than extrinsic factors while controlling attrition. It seems that Global recession and attrition, attrition and women labour force will be topics for future research. A vacant place of a

skill labour may be filled by another new worker but production falls due to their skill difference. On the other hand, five or six semi-skilled or unskilled labour may be turnover but those empty places can be filled by one or two skilled labours. It is therefore, crucial to maintain a constant workforce particularly for the skilled ones in an organization to reduce turnover for the betterment of the organization. One more important study realises one way to reduce attrition by providing career advancement opportunities is critical for retention. High-quality communicating is valuable for company policy. It has been found a worthy effort to investigate the factors that cause or bring about employee turnover. But there is no significant differences were found in the reasons given for termination by males and females.

Another interesting study revealed an inverse relationship between organizational commitment and turnover for employees employed more than one year, but on contrary a study indicates that this relationship was stronger for employees in their early career stages than those in later career stages. Companies should have a transparent functioning system so that every employee can know what he is expected to do in the organisation. The changes of job by resources resulting into the attrition of human resources impacts significantly on the company's growth, financial planning and productivity. To sum up, there are results to confirm that the Performance of an organization is positively and significantly associated with employee turnover, workload, work stress, salary, and family to work conflict, because in our environment most of the workers are not satisfied with their jobs and most of them are ready to quit their present jobs once they find relatively better job

Research Methodology

Hypothesis

A hypothesis is a proposed explanation for a phenomenon. For this study following hypothesis can be drawn: H0: There is no association between type of job (Engineers and non Engineers) and factors of attrition (Salary, Boss and Stress in organisation) among the employees of manufacturing industry. H1: There is a strong association between type of job (Engineers and non Engineers) and factors of attrition (Salary, Boss and Stress in organisation) among the employees of manufacturing industry.

Research Design

A research design is a systematic and detailed outline of how an investigation about scientific problem will take place. It is the overall strategy that we choose to integrate different components of study in logical way. It is the blue print of the collection, measurement and analysis of data.

Descriptive research

The research design used for conducting this research is Descriptive. In order to describe a specific behavior as it occurs in the environment. As in this research we are trying to gather descriptive information about a specific behavior i.e. attrition and its rate in manufacturing sector.



Population and Sample

Population is the total of all individuals who have certain characteristics and are of interest a researcher. It is generally a large collection of individuals or objects that is the main focus of a scientific problem. In this study population is comprised of all employees (engineers and non engineers) working in private manufacturing in Delhi/ NCR.

Sample is a group of people, objects, or items that are taken from a larger population for measurement. The sample should be representative of the population to ensure that we can generalise the findings from the research sample to the population as a whole. In this study sample of size 75 employees (63-engineers, 12-non engineers) was taken from one of the leading private manufacturing industry of Delhi/NCR.

Sampling Method: Sampling method refers to technique to choose a sample out of the population. In this study Convenience Sampling method is used, due to scarcity of time and resources and also for the ease of accessibility. Total sample size is 1000 employees.

Methods of Collecting data: Data for this study is comprised of following two data types-

Primary data: Primary data are those data which are collected by the investigator himself/herself during the course of a research. In this study tool used for collecting primary data is Personal and telephonic interviews with the sample. A set of questions were asked from 75 employees (63-engineers, 12-non engineers) each either personally or over telephone to get rich knowledge about attrition rate in the company and reasons for the same. Heterogeneity in age, gender and level in hierarchy is maintained to better understand the reasons for exit.

Secondary Data: Secondary data are the data which are being collected by someone else other than the investigator. Investigator only utilises those data to meet out his/her specific purpose. In this study tool used for collecting secondary data were websites, journals, magazines, and newspapers.

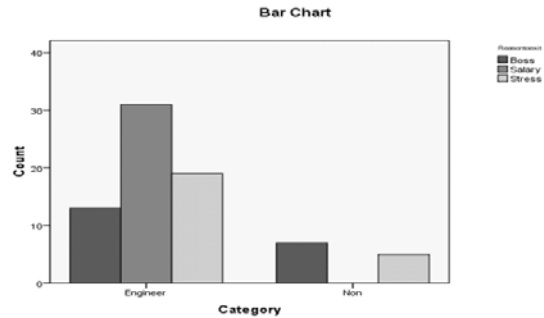
Limitation of the study

Almost 1000 employees were interviewed before floating the questionnaire but only 75 of them agreed upon to respond. As most of them are either not comfortable or not open in sharing as the topic chosen is confidential. Although most of them are open in submitting verbal comments over the topic but they were hesitant in written or documented form. So the responses were collected from 75 only. Moreover the study only focuses on three major factors of attrition thus leaving many more.

Data processing and Analysis

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Category * Reason to exit	75	100.0%	0	.0%	75	100.0%

Category * Reason to exit Cross tabulation					
Count		Reason to exit			Total
		Boss	Salary	Stress	
Category	Engineer	13	31	19	63
	Non Engineer	7	0	5	12
Total		20	31	24	75



Data was collected from 75 respondents, out of which 63 were engineers and 12 were non-engineers.

From the above cross tabulation following interpretations were made-

Out of 63 engineers , 13 said the Boss is the major reason for attrition, 31 said its salary and remaining 19 said due to stress employees leave organization.

Out of 12 non-engineers responded, 7 founded Boss the major factor for attrition of employees and 5 said its stress. Whereas none of them opined for Salary as a reason for employees attrition rate.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.694	2	.003
Likelihood Ratio	15.489	2	.000
N of Valid Cases	75		

a.3 cells (50.0%) have expected count less than 5. The minimum expected count is 3.20.

To determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more category, Chi-Square Test is applied. Chi-Square test also determines if the number of individuals or objects that fall in each category differ significantly from the number we would expect and also if this difference between expected and observed is due to sampling variation, or is a real difference. After applying Chi-Square test in data, out of 75 employees interviewed all the cases were found valid (engineers-63 and non engineers-12).

To understand about factors boss, salary, stress (independent variables) affecting attrition rate (dependent variable) in manufacturing sector, t-test is used to see the difference between two means, p-value is observed. If p-value is less than 0.05, it means that the difference between two values is significant. If p-value is more than 0.05, difference is insignificant. "Sig" stands for significance level indicated by p-value.



As per responses given by engineers, p-value for independent variables i.e. boss, salary and stress over dependent variable i.e. attrition rate, is less than .05. Hence attrition rate is dependent over boss, salary and stress for engineers. Null hypothesis are rejected and alternative hypothesis are accepted.

As per responses given by non-engineers, p-value for boss and stress are less than 0.05 but for salary it is more than 0.05. Hence attrition rate is dependent over only boss and stress for non-engineers. Salary has no impact over attrition rate. For factors boss and stress, null hypothesis are rejected and alternative hypothesis are accepted. For salary factor, null hypothesis is accepted and alternative hypothesis is rejected.

Major Findings

Major factors affecting attrition rate are boss, salary and stress in the organisation among employees; According to engineers out of boss, salary and stress factors, salary is the major factors affecting attrition rate; According to non-engineers attrition factors are boss and stress, out of which boss is the major factor. Whereas, salary has no impact over attrition rate, as per non-engineers; Factors of attrition are different for different types of job like supervisory, clerical, technical and non technical.

Conclusion

In this paper factors affecting attrition rate in manufacturing sector has been studied. A descriptive study has been done to find out those factors, where employees (63-engineers and 12-non engineers) from a manufacturing unit were interviewed either on personally with the set of structured questions. It can be concluded on the basis of the study that major factors affecting attrition rate are Boss, Salary and Stress. Mere sourcing, screening, offering and placing right talent, at right time and at place does not mean that organisation will grow. Retaining right talent for right period of time will make a difference and assure growth and success of the organisation. It is found on the basis of this study that today's manufacturing units are a bit casual on their approach for controlling attrition rate. Smooth and open communication channels should be there so as to improve employee-employer. Salary structure should be revised and proper hikes should be given and maintain.

Organisation should have a serious approach towards employee work-life balance activities. Frequent initiatives should be taken so as decrease attrition rate. No matter how smart technology grows but the basic unit of any organisation would always remain the same i.e. "PEOPLE". Thus a conscious effort on employee engagement and motivation must be taken to respond towards sustainable development of Manufacturing sector.

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CONSUMER BEHAVIOUR TOWARDS PRIVATE LABEL BRAND WITH RESPECT TO APPERALS

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

The idea of private labelling is not novel idea in India. The origin of private label can be found from the ancient days, where goods of private labels are sold along with the national brands. To augment earning and improve customer loyalty, a lot of retailers have bowed to private label products. Private label products are extremely eye-catching to retailers because these products can enhance gross margins. Retailers have identified that profit margins on products planned and sourced by their own teams are considerably higher than on branded products. In the present study the authors have attempted to get wider knowledge and more understanding of customers' behaviour towards private label brands with special reference to management students in the Gandhinagar city in the state of Gujarat. A quantitative method will be used in the study. Primary data of management students' towards private label brands will be collected through questionnaire. The results of the questionnaire will be analyzed and interpreted.

Keywords: Private label, Consumer behaviour, Brands

Private label product is defined as the only trademark, which can only be found on the packaging and sold in a specific chain of store in low price (Hoch, 1996). Retailers control private label product where they can decide the marketing activities such as advertising, packaging and wholesale price and investments of inventory. Private label brand is a product which is created or produced by one organization for trading under other companies brand.

The organizations that sell and organize this merchandise are retailers. Private label brands are also recognized as label brands, house brands, store brands or retailer's brand. Private label brands happen to be popular because the price of private label brands is lesser than the price of nationwide (manufacturer) brands. Owing to the price of the private label brands, the attractiveness of private label brands has augmented in many countries since nineteenth century. Adding to this, there was an economic downturn in many countries during the middle of nineteenth century. Consequently, customers became more price cognisant and gave more thought on private label brand products. Currently, private label brands are highly admired especially in the developed countries. A study by AC Nielson (2003) revealed that, private label brands right through 36 countries, including both developed and developing countries have a total worldwide market share of 15 percent compared with national (manufacturer) brands. Even though private label brands are fast moving and gradually increasing their market share throughout the world, they have not been doing well in Asian countries especially in India.

Problem statement: Retail grocery in Asian countries has been steadily altering from domestic owned supermarkets and family owned stores to a global supermarket configure. Developed countries owned supermarket chains have directed a huge part of produce in Asia such as Malaysia, China, Taiwan and India. There are many retailers and supermarkets in India. These retailers propose their own brands which is called private label brands. However, these private label brands are not getting much interest among Indian consumers.

According to AC Nielson (2014), private label brand share in India is accounted for only 5 percent of the total retail sales. However the report showed very low growth of private label brands in India but India is considered to be one of the fastest developing countries thus private label brands have great future in India. No. of studies have been done in the area of private label brands but the context was mostly focused in European countries and the United States. No such study has been conducted in India. The outcomes of studies conducted in other European

countries may not be applicable to Asian countries in general and particularly in India as each country has its own taste and preferences and their customers have their own likes and dislikes. Besides, consumer behaviour's information in the direction of private label brands in India is yet inadequate. There are only researches from retailers perspective and customers' perspective is still not studied in detail therefore thorough this research paper an attempt has been made to get wider knowledge and more understanding of customers' behaviour towards private label brands with special reference to management students in the city of Gandhinagar in the state of Gujarat.

Review of literature

Buying Behaviour: Consumers' purchasing intention is very intricate. Usually buying decision is connected with consumers' behaviour, how they perceive the products or services and their outlook. Purchase behaviour is a significant indicator for customers in making an allowance for and assessing of certain product. Buying intention is a useful device used in forecasting buying procedure. If the customers make a decision to buy the product from one assured store, they will be motivated by their intention. Though, buying intention might be distorted by the pressure of price and quality perception. In addition to that consumers will be intervallic by inner urge and outer situation during buying process. Their behaviour will be determined by the physiological inspiration that stimulates their reply which fetches them to the retail store to complete their want.



Factors Affecting Buying Intent in the Direction of Private Label Product

Price and quality elasticity: These days, retailers frequently try to bring in private label products with a lesser price and the quality is almost the same as national brands (Evans & Berman, 2001). Customers who think in price and quality relationship most likely focus on brand names and connect in price seeking behaviour. (Tellis & Gaeth, 1990). According to Hoch and Banerji (1993), the economic recession has an impact on private label brand share and price elastic consumers. It is since their disposable income decreases and they most likely become more price elastic and rotate to buy private label brands as most of private label brands propose a lower price. Consequently, the economic situation may have an impact on price conscious consumers. Apart from this, the private label producer union realizes that, the disparity of price between private label brands and national (manufacturer) brands is normally 20 percent. This disparity is also important especially for consumers who are price sensitive. Price cognisant consumers would be likely to possess optimistic attitudes and have soaring buying intent toward private label brands (Burton et al, 1998). though, the study from AC Nielsen (2003) revealed that, price of private label brands in India is averagely 30 percent lower than the price of national (manufacturer) brands. This variation of 30 percent is very significant and may have an effect on decreasing the quality of product because Indian consumers identify that price refers to quality when they make any purchase. Quality is significant to the receipt of private label brand habit. It means that, if all brands in the same group offer alike qualities, the private label brands habit will augment. People have lesser concern in buying private label brands if they evaluate the products by brand and price though; quality is more significant than price in requisites of private label brands. According to Hoch and Banerji (1993) and Ailawadi et al. (2001) the risk of buying becomes a subject when evaluation price in terms of quality. Consumers will less interest to buy private label brands if they perceived that the risk is high. If the risk of purchasing private label brands is high, then the interest in private label brands would reduce. However, if retailers can converse products qualities with a lower price picture to customers, it will be advantageous for them and they can get a superior level of private label brand market share. At the same time, Aker and Keller (1990) focused that the quality insight is one imperative facet of private label brand usage. It means that, consumers will be probably be incline to use private label brands if they examine no variation in quality compared with national (manufacturer) brands in the same group. From these opinions, we can sum up that the price of private label brands is usually lesser than the price of national (manufacturer) brands and it is renowned amid price cognisant consumers. Though, some consumers believe that there is a relationship between price and quality. They think that the lesser price is a characteristic of the lower quality. Thus, people do not typically buy private label brands because it offers a lower price.

Loyalty: According to McGoldrick (2002), private label brand producer have faced a long time problem to create a picture of brand loyalty in the direction of private label brands. This is because many retailers in the market are rising immensely. So, it becomes more challenging for them to retain their present customers and then convert those customers to be store loyalists. McGoldrick (2002) also argued that one of the most imperative objectives for presenting private label brands is to generate competitive gain over opponent chains. So, it can direct to store loyalty. Private label brands can generate loyalty and the making of private label products can reinforce consumer loyalty. The loyalty can add to recurring purchase. In addition, retailers plan to make consumers loyal to the store and take reward from consumers loyalty which can direct to recurrent repurchases. This loyalty can aid retailers in gaining a competitive advantage and making long term prosperity. More frequent the repurchase is, the more existing customers advocate the store to others. Consumers typically build positive attitude toward a store and its brands through their loyal behavior. Ailawadi et al. (2001) create that store loyalty is completely correlated with the consumption of private label brands. It can be summed up that loyalty can generate gain to the store. Store loyalty can generate a positive attitude and force people trust the store. As a result, store loyalty can enlarge the practice of private label brands since people favour to shop at the store so they have a possibility to see and buy private label brand products.

Research Approach

Objectives of the Study: To identify the association between Gender and buying behaviour of customer towards private label brands; To identify the association between Age and buying behaviour of customer towards private label brands; To study the management students' behaviour towards private label brands; To study the factors affecting the consumer behaviour of management students towards private label brands.

Many different methods for collecting data can be used in business research. All the methods fall into two part: qualitative method and quantitative method. Quantitative studies are based on numerical and quantified data, while qualitative studies mainly deal with non-numerical data of literal statements and descriptions. Researchers can compare different methods, and attempt to locate the most appropriate method for their specific research. Quantitative methods can statically compute and evaluate data. The idea of this research is to study customers' behaviour towards private label brands with respect to apparels. Therefore, a quantitative method is more suitable than a qualitative method in this study.

Research Design

A research design provides the basic direction for carrying out the research. Basically, in social research, there are three categories of research design: exploration, description, and explanation. In business research, the explanatory category is also known as causal research.



These categories differ in several aspects including research purpose, the way research questions or hypotheses are formulated, and the way data are collected. The following describe more details of each category.

Data Collection: As to data, both primary data and secondary data can be used in a research. Data can be categorized into primary data and secondary data based on the source of getting it. Primary data are data collected by researchers themselves for a specific research, and secondary data are data that has already been collected for some other purpose. In this study, primary data is collected. A questionnaire is prepared and proceeded to collect data on management students' behaviour towards the Private label brands with respect to apparel.

Research Tool: A questionnaire can be processed through personal administered survey, regular mail, online and telephone. It is a direct way to get individual's responses on specific research issues. It is an effective way of collecting primary data especially suitable for a quantitative study based on a large sample that is geographically expanded. The questionnaire consists of two major Parts. Section A gathers demographic information of the respondents such as gender and age.

Section B covers statements on factors influencing Consumer Behaviour towards Private label brands with special emphasis on Price, quality and store loyalty. Scaled questions can help researchers on measuring a respondent's responses to stimulus quantitatively. Scaled questions are popular when we want to investigate a respondent's psychological responses such as feelings, judgments, opinions perception and tendency of behavior. Likert scaled questions capture a respondent's attitudes on an assertion from 1 to 5 which stand for strongly disagree to strongly agree. So in the questionnaire of this study Likert scaled questions are used to obtain customers' attitudes and tendency of behaviour. Most of the questions are closed-ended questions in order to measure customers' attitude and behavior information as accurate as possible.

Sampling: Sampling is the process of selecting individuals to comprise a sample for a study. Convenience and non-probability sampling technique will be used. Most of the time, the whole population of a research question is too big and makes it impossible to collect data for the entire population, so sampling is necessary. The study aims to examine the influence of CSR on consumers' buying behavior in the state of Gujarat, target population comprised all of the Management students in Gandhinagar in the state of Gujarat.

Sample Size: Sample sizes larger than 30 and less than 500 are appropriate for most studies; therefore total 100 samples are taken for the study.

Analysis of Data and Findings

Data obtained through questionnaire is analysed with the help of SPSS software. Where descriptive and multiple linear regression statistics will be used to analyse the data. Descriptive statistics is used to analyse the data in Sections A and of the questionnaire, whereas multiple linear

regressions is used to analyse the data in Section B.

Hypothesis:

Null hypothesis: There is no significant association between Gender and buying behaviour of customer towards private label brands.

Alternative hypothesis: There is a significant association between Gender and buying behaviour of customer towards private label brands.

Case Processing Summary

	Cases		Missing		Total	
	Valid					
	N	Percent	N	Percent	N	Percent
gender * CB	100	100.0%	0	.0%	100	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.914	21	.349
Likelihood Ratio	28.132	21	.136
Linear-by-Linear Association	3.031	1	.082
N of Valid Cases	100		

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.479	.349
	Cramer's V	.479	.349
N of Valid Cases		100	

From the table it can be seen that as significance value is greater than 0.05 the Null hypothesis gets accepted it means there is no significant association between gender and buying behaviour towards private label brands.

Null hypothesis: There is no significant association between Age and buying behaviour of customer towards private label brands.

Alternative hypothesis: There is a significant association between Age and buying behaviour of customer towards private label brands.

Case Processing Summary

	Cases		Missing		Total	
	Valid					
	N	Percent	N	Percent	N	Percent
age * CB	100	100.0%	0	.0%	100	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.880	21	.718
Likelihood Ratio	20.705	21	.477
Linear-by-Linear Association	.000	1	.987
N of Valid Cases	100		

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.411	.718
	Cramer's V	.411	.718
N of Valid Cases		100	

From the above table it can be seen that as significance value is greater than 0.05 the Null hypothesis gets accepted it means there is no significant association between Age and buying behaviour towards private label brands.

To study the consumer behaviour towards private label brands and to know whether Price, quality or store loyalty



has any impact on consumer behaviour towards private label brands.

Hypothesis- H0: $\hat{\alpha}PR + \hat{\alpha}QL + \hat{\alpha}SL = 0$ to check this ANOVA is conducted and if model is accepted then Multi Linear Regression model will be used.

Multiple Regression: The aim of the research is to study different factors which have impact on Consumer buying behaviour. In order to understand which factors have an effect and which have the most important effect on purchase intention multiple regression is used. This technique is very useful for managers because it permits to see which factors have an influence on a dependent variable (Shiu et al., 2009, p. 583). Multiple regression permits to give us how much of the variance in our dependent variable can be explained by our independent variables (Pallant, 2010 p.156). Consumer Behaviour is chosen as the Dependent variable as the aim is to demonstrate how different factors of affect consumer buying behaviour.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.702	.493	.477	.42460

a. Predictors: (Constant), SL, QL, PR

The R Square is equal to 0.70 which means that our model composed of four variables explains 49.5% of the variance of the consumer behaviour driven by Price, Quality and Store Loyalty

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.823	3	5.608	31.104	.0
	Residual	17.308	96	.180		
	Total	34.131	99			

The significance of this result was demonstrated by looking the ANOVA table, with a level of significance equal to 0.000 so our model explains more than the half of the variance of the Consumer Behaviour (57%). An analysis of variance (ANOVA) is used to test whether there is a significant linear relationship between the combination of the four CSR components and consumers' buying behaviour. According to above Table, the *p*-value is .000, indicating that the four CSR components significantly influence consumers' buying behaviour.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.778	.270		2.884	.005
	PR	.349	.079	.403	4.433	.000
	QL	.252	.080	.281	3.166	.002
	SL	.138	.077	.159	1.787	.077

a. Dependent Variable: CB

A coefficient table is another important table to explain the relationship between the three factors and consumers' buying behaviour. Based on the significance (Sig.) column, the *p*-value for Price and quality is less than .05, which indicates that price and quality factors have impact on Consumer Behaviour where as significance value of store loyalty is greater than 0.05 means store loyalty is not affecting the consumer behaviour.

In above table unstandardized beta coefficient is used for the values of the numbers in the linear regression equation. Theory explains that a higher beta value indicates a greater impact of the independent variable on the dependent variable. The independent variable (Factors) can be ranked according to the magnitude of the beta coefficient to determine which component has the most significant impact on consumers' buying behaviour.

Thus Multiple Regression equation of this study is Consumer Behaviour = 0.778 + 0.349 (Price) + 0.252 (quality) + 0.138 (store loyalty)

Conclusion

As discussed previously in the literature that, the price of private label brands in India is averagely 30 percent lesser than the price of national brands. This variation of 30 percent is vital for price sensitive person. The proves from the findings emphasis that; price is an imperative cause for the target group to purchase private label brands. This means that, individuals purchase private label brands because they understand the low-priced of the product. Quality is an imperative motive for private label brand usage (Batra & Sinha, 2000) but quality is not more important than price in terms of private label brands (Hoch & Banerji, 1993). The findings confirmed that customers usually have store loyalty but private label brands cannot generate store loyalty to them.

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A CONCEPTUAL AND FACTORIAL REVIEW OF THE DETERMINANTS OF INCOME TAX COMPLIANCE

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

The objective of this paper is to review the factors from a viewpoint of social marketing that control taxpayer compliance. To conduct study, 20 years data from across the globe available between 1984 and 2014 was collected. There were too many findings revealed during the study. First, many of the literature applied varied nature of factors, which in turn make the comparison too difficult across numerous studies. Second, numerous researchers lacked in explaining the choice of independent variable as they have carried out the research in the absence of a theoretical framework. Since the presence of a theoretical context increases understanding of the important variables that affect a scenario, hence this paucity creates the gap in the tax literature and did not provide any significant solution on the key determinants of income tax compliance. Third, collective investigation of the literature displayed that the three key determinants of income tax compliance that can be considered as good predictors were normative, attitudinal and subjective control. Further, the outcomes of the study recommend few policy actions that need to be addressed in future research. First, it is suggested that the future research focuses on to develop theory centered number of appropriate determining factor of tax compliance which can measure precise forecasts. Second, it is recommended to tax policy makers to discontinue from limited practice of the orthodox forced approaches (subjective control variables) usually used to coerce tax compliance. Further, the policy makers are advised to use a controlled method in implementation of tax that can encourage intended compliance through variation of norms and attitudes.

Keywords: *Conceptual, Factorial Review, Determinants, Income Tax Compliance*

There is a general question comes in one's mind, "Why do some people pay taxes imposed upon them while others do not?" This paper looks for the answer of this broad question. More precisely, this study aims at providing a conceptual and factorial review of the determinants of income tax compliance. Although we have a significant literature available on the topic concerned; nevertheless, it seems that till date none of the literature has evaluated the combined appropriateness of the variables deployed in the studies.

In the wider interest of the democracy and the tax system of the country in particular, more and more persuasive methods of tax compliance should be used instead of coercive methods. A more effective way therefore to deal with it is to view it in the context of marketing linked methodologies in a nonprofit background, frequently known as "social marketing." Mainly, social marketing can be considered as a marketing tool to develop social welfare by varying behavior and attitudes in respect to a precise idea or concept and a specific product.

Significance of the study

Research on thoughtful aspects illuminating taxpayer compliance is well-timed and suitable. To decrease over dependency on service, several emerging countries are nowadays re-focusing on taxation. In addition, Keen (2012) in his study emphasized the prominence of collection of tax in emerging countries (see also OECD's Task Force on Tax and Development, 2010). Further, the International Development Committee (2012) suggested that India's aid program must intensify its emphasis on supporting tax governance.

Taxation study is important as we know that for the political, social and economic development of the country, taxation is assumed to be essential. Several past studies recommend that in the economic development strong tax system plays three significant roles: According to Keen (2012) it helps in

generating revenue, According to Cobham (2005) tax system helps in reducing inequality and as per Odd-Helge&Rakner (2009) it encourage good authority. Now we discuss each role briefly.

First, the major and the evident role of taxation is revenue generation. Numerous discrete appeals on the public reward can be acknowledged, all such must eventually be encountered by tax revenues. These comprise short term requisite to sermon prompt worries of human development like urgent medical treatment and outburst of scarcity; and also comprise long term funding of communal infrastructural amenities like schools, hospitals, airports and roads. Natural resources and aid income can substitute imaginary tax income and must ensure that imperative development purposes are reached. Nevertheless, the study by Ross (2001) and Moore (2004) state that disbursement through such sources adds minutely in evolving the institutional volume of the state. In addition, Bulir&Hamann (2007) in their study revealed that tax revenues generated through vigorous domestic reserve deployment are comparatively predictable than tax collected from natural resources, hence governments can develop a strategy with more certainty.

Secondly, revenue generated through tax work as government income which can be allocate as human welfare to decrease extreme poverty. In other strand Cobham (2005) revealed that middle income countries like the Caribbean, due to inequality in income level is more prone to human poverty. This suggests that for tax revenues precedence must be given to comparative measures rather than absolute measures. Finally, we cannot consider tax merely an aid of generating revenue for development and redeployment of income rather it plays a significant role in shaping up institutes and equality through building the government responsible to its taxpayers. The growth of an efficient tax management also encouraged the growth of institutes in other areas of the

communal sector. A fortuitous observation finds that poor governance is frequently associated with the government being free of generating revenue from taxation of businesses and individuals. Study of Odd-Helge&Rakner(2009) revealed that in emerging countries whose income originates largely from natural resources rather than taxation of their citizens are normally characterized by deprived public institutes and bad governance. However, it should be noted that the taxation role in development is debatable. According to Das-Gupta, Lahiri and Mookherjee (1995) and Rooney (2009) a small unnecessary tax (represents weak tax structure and unresponsive governance) might hamper development in more affluent countries as well as in developing economies like India.

Methodology

Scope of the Review

The researcher follows a systematic process to identify the study reviewed. First, to conduct study, 20 years data from across the globe available between 1984 and 2014 was collected. Second, only those studies were qualified finally in the review who met the below criteria: 1) studies who examine the elements of tax compliance or avoidance 2) studies in which dependent variable are applied as tax compliance or avoidance

3) studies that are experiential in nature and the subject data are centered on taxpayers.

The researcher acknowledged 20 such studies meeting the aforementioned condition. Table 1 shows the details of authors with their respective studies along with the year of publication, the theoretical framework or model (if any) applied, the statistical technique used, detail of sample size and finally the country from where the data have been collected. It can be evident from Table 1 that mostly the data collected have been after 2006 and from Europe (2), Asia (6), North America (6), Middle East (1), Africa (3) and rest of the world (2). As the collected data represents the various countries, hence reduces the similarity of the studies. The fact that the outcomes of the studies reviewed can only be related under the presumption that the tax conditions operate in different countries for an individual or the businesses are moreover similar. Despite the fact that the studies reviewed were diverse in nature, evaluation of their conceptualizations and conclusions is theoretically productive for numerous reasons. First, it is valuable to do evaluation of conceptualizations for the problem related to tax for further future research. Second, from the view point of applied tax administration the evaluation of conclusions is seemingly useful.

Table 1 - Tax Compliance / Evasion Studies Reviewed

	Author(s)	Theory/Model	Year of Publication	Statistical Method	Sample Size	Country of Data Collection
1	Damayanti	"The Theory of Planned Behaviour	2012	Regression Analysis	114 individual taxpayers	Indonesia
2	Maciejovsky, Schwarzenberger, & Kirchler	None	2012	Analysis of Variance ANOVA and (Mann-Whitney test	253 individual taxpayers and 463 students	UK
3	Benk, Çakmak, & Budak	The Theory of Planned Behavior	2011	Factor Analysis & Multiple regression	369 individual taxpayers	Turkey
4	Palil & Mustapha	None	2011	Multiple Regressions	1073 individual taxpayers	Malaysia
5	Hai & See	The extension of the Theory of Reasoned Action	2011	Multiple regressions	196 individual taxpayers	Malaysia
6	Bame-Aldred, Cullen, Martin, & Parboteeah	Institutional Anomie Theory	2011	Hierarchical Generalized Linear Modeling (HGLM)	3331 firms	World-wide
7	Ahangar, Bandpey, & Rokny	None	2011	Descriptive Method	144 Tax Specialists	Iran
8	Fagbemi Uadiale & Noah	None	2010	Descriptive & Inferential statistics	36 Tax Officers	Nigeria
9	McGee & Gelman	None	2009	Descriptive & Inferential statistics	Over 2000 individual taxpayers	USA
10	Singh & Mbekomize	None	2009	t-test & Independent t- tests	149 Students	Botswana
11	McGee & Smith	None	2007	Descriptive & Inferential statistics	638 Students	USA
12	Trivedi, Shehata, & Mestelman	Economic theory & Theory of Planned Behavior	2005	Multiple regressions	79 students	Canada
13	Riahi-Belkaoui	None	2004	Multiple Regression	30 countries	World-wide
14	Das-Gupta, Ghosh & Mookherjee	Das-Gupta and Mookherjee (1998, 2000) Model	2004	Multiple regressions	70 individual tax payers	India
15	Parka & Hyunb	Allingham & Sandmo (1972) Model	2003	Multiple Regression	15 graduates	Korea
16	Fjeldstad & Semboja	None	2001	Descriptive statistics	221 individual taxpayers	Tanzania
17	Hanno & Violette	Theory of Reasoned Action	1996	Correlations	73 students	USA
18	Alm, Jackson, & Mckee	Allingham and Sandmo (1972) Model	1992	Multiple Regression	15 students	US
19	Slemrod	Allingham and Sandmo (1972) Model as amended by Yitzhaki (1974)	1985	Multiple Regression	2311 individual taxpayers	USA
20	Das-Gupta & Mookherjee	None	1984	Multiple Regression	30 individual tax payers"	India



Table 2 - Variables Used and Association with Tax Compliance

Variable	“Number of findings which displayed:			Totals
	Positive association	Negative association	No association	
ATTITUDE	21 (72%)	7 (24%)	1 (3%)	29 (100%)
1. Summative Attitude	3			3
2. Perception of equity and fairness	4	1		5
3. Affective priming (Emotions)		1		1
4. Cognitive priming (ease with which to retrieve tax-related info)	1			1
5. Perception of provision of public good	3		1	4
6. Tax knowledge/tax education	2			2
7. Expected costs of non-compliance	1			1
8. Ethics	2			2
9. Unfair treatment of Citizens		3		3
10. Religious Observance	1			1
11. Freedom of Speech	1			1
12. Freedom of Worship (Tolerance)	1			1
13. Individualism		1		1
14. Achievement orientation	1			1
15. Assertiveness	1			1
16. Perceived tax burden		1		1
SUBJECTIVE NORMS	7 (78%)	2 (22%)		9 (100%)
1. Summative Subjective Norms	3			3
2. Normative expectations	1			1
3. Referral group		1		1
4. High Moral norms	1			1
5. Known number of tax evaders		1		1
6. Unapproved tax preparer influence	1			1
7. Unapproved account preparer influence	1			1
PERCEIVED BEHAVIORAL CONTROL	25 (49%)	21 (41%)	5 (10%)	51 (100%)
1. Summative Perceived Behavioral Control	2			2
2. Legal sanctions (penalties and fines)	5	1	1	7
3. Probability of being audited	5	1		6
4. The role of tax authority	1			1
5. Corrupt Government		2		2
6. Level of Education	1			1
7. Rule of law	1			1
8. Corporate tax burden		1		1
9. Gross National Product (GNP)			1	1
10. Firm size	1			1
11. Individual ownership			1	1
12. Industry: agriculture			1	1
13. Industry: construction		1		1
14. Effective competition laws	1			1
15. Economic freedom	1			1
16. Importance of equity market	1			1
17. Poor working conditions of tax agent		1		1
18. Weakness of tax information system		1		1
19. Accumulation of tax cases		1		1
20. Complexity of tax law		1		1
21. Lack of proper tax culture		1		1
22. Poor enforcement of direct tax law		1		1
23. Lack of systematic crimes prosecution		1		1
24. Corruption of tax agents		1		1
25. Vast and various exemptions		1		1
26. Income/ability to pay	4	3	1	8
27. Tax rate		3		3
28. Humane orientation	1			1
29. Affiliation to current government	1			1
OTHERS:	5 (83%)	1 (17%)		6 (100%)
1. Marital status/Married		1		1
2. Age	3			3
3. Gender (Women more likely to be tax compliant)”	2			2

Analytical Approach

Meta-analysis is basically employed to analyze the findings of the reviewed studies, which summarizes the results of several findings into a single estimate of the effect. As mentioned by Hedges & Olkin (1980) that the tax compliance studies are

heterogeneous in nature with regard to their dimension and analytical methods, hence meta-analysis weak form technique named “vote counting technique” is appropriate. According to Zou (1998) vote counting technique presents in a summarized way for every independent factor and count the



number of positive, negative or insignificant effect studies on tax compliance separately.

Depending on the total count of studies, we must reject the null hypothesis of “no effect” if a critical value is less than the count of positive results. It is further based on the assumption that if a variable make real positive impact on compliance as a consequence there is a high probability that the various experimental studies reports a positive effect (Hedges & Olkin, 1980; Chetty & Hamilton, 1993; Zou, 1998). Hence, an effort was made to encapsulate outcomes of the study reviewed by applying vote counting techniques as well as by applying the theoretical framework of TPB.

Research Findings

Independent Factors

As there are a number of factors that are theorized to encourage tax compliance, hence, difficulty arose in comparing the results of different studies. Indeed, the number of diverse operative factors in the twenty studies reviewed was more than seventy. The variables used were often distinctive to a single study and therefore the major constraint was the lack of harmony in classification amongst them.

Theoretical Framework

The second problem is that there is no one theoretical framework that makes selection of independent factors possible by cutting across various studies. As half of the studies reviewed lack any conceptual reasoning in developing the research hypothesis, the researchers need to be more careful as to the relevance of theory while conducting tax compliance research. Had there been a conceptual framework, the comprehension of the key variables that may affect the behaviour of tax compliance would have been much easier.

In order to assimilate the different factors, the operative factors should be classified by applying the basic concepts of theory. Therefore, to accomplish this, a quick scan of the related literature is warranted so as to find an appropriate theory for assimilating the different factors. Hence, we first discuss the brief overview of determining various factors of tax compliance followed by the theories of tax compliance.

A brief overview of key determinants of tax compliance

Although there is a broad literature by various individuals on the determinants of tax compliance, the influential paper by Allingham and Sandmo (henceforth AS) (1972) with some important earlier exemptions, plays a major role in tax compliance research in economic theory. So the AS model acts as the basis of compliance models established in this model. But before presenting that model, determinants of tax compliance are concisely studied.

As stated, for individuals there are mainly two key components which govern the ultimate conclusion of tax compliance selections, viz; 1) what are the possible selections and 2) what selections are measured necessary by individuals. The possibility of diverse equally necessary evasion selections or, more precisely, an individual's competence to select among the various actions, is defined by the individual behaviour and

also by his environment condition. Indeed this feature is captured in AS model by the chance of penalty structure and the consequence which altogether institute an instantaneous description of the efficiency of tax implementation or enforcement. Both of the abovementioned factors up to a certain level are affected by inducement in tax organization. In addition to enforcement, various extra significant factors have been instigated that can distress tax compliance.

Tax burden, particularly tax rates is the main reason behind tax evasion. Almost all the studies till date find a negative influence of tax rates on tax compliance but the theory shows it as indeterminate (Das-Gupta et. al., 1995).

Voluntary compliance would be possible with the increasing attractiveness of the formal sector in relation to cash or comfortable economy. Therefore, to increase tax compliance, there is a need of effective operational program.

Number of distinct transactions to be perceived to authenticate a taxpayer's taxable income determines the affluence with which evasion can be identified. If the transactions size is correlated with the development of economies of scale, this may lead to reduction in non-compliance (Das-Gupta and Mookherjee, 1998).

Better monitoring would be imaginable when there is high industrial attentiveness that involves fewer huge taxpayers.

Deductions, timing issues, exemptions and imprecise provisions in the tax program are the major determinants of tax evasion and may lead to distress tax compliance. Also, the presence of a strong accounting profession helps in tax evasion (Alm, Bahl and Murray, 1990).

Cultural factors also play a major role in persuading taxpayer attitudes as is evidenced by the research primarily in the US. The foremost factors between them are knowledge related to economy, social class and their income, occupation, sex, age, reverence to authority, risk aversion, peer outlooks towards evasion, race, social contact, and bribe payment.

The perception of the taxpayer as to how the government applied taxes in an effective way to offer a required mix of communal goods might distress taxpayer compliance.

Most importantly, the impact of complex compliance costs in encouraging non-compliance and enhanced taxpayer facilities in encouraging compliance have also been inveterate.

Several abovementioned factors have consequences for the proposal of suitable compliance strategy. For illustration, the evidence advocates that a well-mannered and cooperative tax management and generalization of tax forms might cut the cost of compliance and increase compliance at the marginal. In another illustration, the more percentage of inefficient government disbursement leads to encourage non-compliance. Nevertheless, the nature of factors deliberated is moreover of long-run and also many of them cannot be applied to describe the short-run deviations in tax compliance.

We now discuss the theories of tax compliance in the next section.

Theories of Tax Compliance

The review of 20 literatures recommends that numerous

theories of attitude and behaviour, which comes from the psychological sciences as well as from economics, are suitable in classifying the factors in this study. These comprise:

Allingham and Sandmo (AS) (1972) Model,

Institutional Anomie Theory (IAT), and

The Theory of Planned Behavior (TPB).

Allingham and Sandmo (1972) Model

In the model proposed by AS, the income of the taxpayer is presumed to be 'P' and according to Alm, Jackson and McKee (1992) the taxpayer also selects declared income 'D' which is to be shown to the tax agency. In addition, that declared income will be taxed at rate 'r', also there is no tax on undeclared part of the income but in such case a fine 'f' is charged on taxpayer against cheating with the probability of detection 'p'. Eventually, there will be two approaches that can be selected by the taxpayer i.e., either he has to declare his real income or he could state a smaller amount than his real income. If the taxpayer selects the former approach then there will be no issue at any cost; but if the taxpayer selects the latter approach he might be inspected by the tax authorities. Now, his payoff will be subject to whether he is inspected or not; in case he is lucky then he must be in a better condition than the former approach else he finds himself in a worse condition as the penalties may be imposed after scrutinized. Therefore the taxpayer selects D to get the most out of the anticipated value of the evasion gamble. The above context recommends that stated income is determined by I, p, f and r and given as: $D = f(I, p, f, r)$

It can be inferred from the model that the stated or the declared income 'D' is directly proportional to income 'I', audit rate 'p' and fine rate (penalty) 'f' but it is inversely proportional to tax rate 'r'.

However, according to Almet. al., (1992), the compliance decision can also be affected by certain other variables; though government "takes away, it also gives back" and this certainly exerts impact on evasion or compliance. The stated income 'D' could be altered to imitate individual's acknowledgment of Government disbursements 'G' as follows: $D = f(I, p, f, r, G)$

Thus it can be inferred that the tax compliance is directly proportional to the paybacks or the benefits (in the form of public goods financed) perceived by individuals by their tax payments.

Evaluation of the Allingham and Sandmo (1972) Model

The economic contemplations method and its postponements applied in the model are grounded on the presumption that the taxes paid by the individual's is only due to the economic contemplations of the evasion gamble and also due to their fear of exposure and punishment. Though, it is vibrant that compliance can't be described completely by only economic contemplations and level of implementation. Indeed the study done by Alm (2012) revealed that in most of the countries the proportion of income tax revenues including the comprehensive tax audit is significantly small, nearly less than 1% of altogether. Though, the AS Model

is well-designed and simplified, yet several theoretically significant non-economic aspects are inevitably misplaced.

Institutional Anomie Theory (IAT)

Anomie also spelled anomaly is a "condition in which society provides little moral guidance to individuals". In addition, it is a sociological philosophy which states that the decisions made by individuals is built on socialized values, that may be contradictory if treated separately but may balance if treated altogether, producing behaviour measured "normal" by humanity. Further Itashiki (2011) in his study revealed that the conclusions made on an imbalanced set of standards may yield deviant behaviour, for example crime on a daily basis. Specifically, the Messner & Rosenfeld (2001) "Institutional Anomie Theory (henceforth IAT)", which can be treated as current version of anomie theory, seems readily pliable for observing the correlation among the cultural beliefs and tax evasion behaviours (Riahi-Belkaoui & Picur, 2000). IAT identifies assertiveness, individualism, achievement and humane orientation as the four ideally resulting sets of general social dimensions expected to destroy or encourage tax evasion.

Distinctive social values established the phase for behaviours that highlight the quest of businesses self-centeredness, mostly ignoring anxiety for ethical values. According to IAT and as per Bame-Aldred, Cullen, Martin & Parboteeah (2011) study, distinctive social values instigate business decision creators to select goal completion beyond worries for the moral or permissible means to attain goals. Therefore, in such cultures, businesses more freely diverge from conventional standards and evade taxes. In contrast, Triandis (1995) in his study showed that socialist cultures favour loyalty to the larger cooperative rooted in the view that social participants are inter-reliant and intrinsically should discourage separate gains at the cost of the group. This further recommends that distinctive social values should swell attractions for businesses to evade taxes.

Theory of Planned Behaviour (TPB)

Fishbein & Ajzen (1975) proposed the "Theory of Reasoned Action" which after a decade later extended by Ajzen (1985) in the form of "Theory of Planned Behaviour". As per the earlier theory i.e., "Theory of Reasoned Action (henceforth TRA)", individual's behaviour can be caused by two major factors; attitudes and social norms. While in the former factor individuals assess the recommended behaviour as taking positive results and in the latter factor the individuals assess their behaviour as per other want them to execute.

Many past studies including Sheppard, Hartwick, & Warshaw (1988) have confirmed the presence of high degree of correlation among the two factors attitudes and subjective norms. Contrariwise, the similar researchers have overstretched the high correlation among the social norms, attitude and behavior. In addition, all of them claimed that due to contingent restrictions, social norms and attitude never lead to behavior. Hence, to increase on the analytical influence of the TRA, Ajzen (1985) implanted a new factor "perceived behavioural control", which accounts for incomplete



individual's behaviours. Hence after this, the extended version of TRA is known as "Theory of Planned Behavior (henceforth TPB)" (see Figure 1).

Behavioural, Normative and Control beliefs: The three factors of Ajzen (1985) TPB are explained as follows:

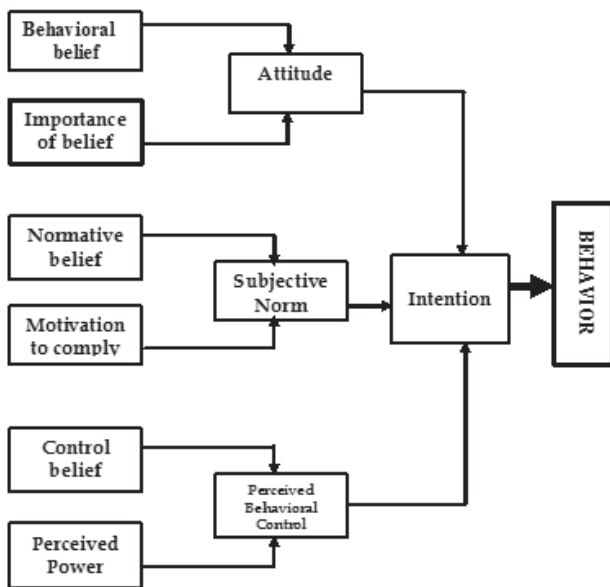
Attitude is "a function of behavioral belief or salient information, which is the perceived likelihood that performing the particular behavior will lead to certain consequences, weighted by the extent to which these consequences are valued".

Social norm is "a function of normative belief which is the perceived pressure from specified referents to perform the target behavior, weighted by the motivation to comply with the people one cares about".

Perceived behavioural control is "determined by control belief which is the perceived access to the necessary resources and opportunities to perform a behavior successfully, weighted by the perceived power or effect of the particular control factor".

Intention and Behavior: It can be seen in the Figure 1 that intention is measured to be the immediate predecessor of behaviour. Whilst the former is defined as the intellectual representation of an individual's willingness to accomplish a given behaviour, the latter is considered as transformation of intention to action.

Figure 1: Theory of Planned Behavior



Thus, the foremost postulate of the "Theory of Planned Behavior" is relate to intention and behaviour which state that there is one close factor of behavior, i.e. the individual's intention to accomplish or not accomplish it. In addition, with respect to specific behaviour, the intention further observed by three things: "attitude, subjective norm and subjective control". More precisely, the TPB ensures that the individual's behaviour can collectively predict by attitude, subjective norms, perceived behavioural control and intentions.

Synthesis

The aforementioned theories of tax compliance showed were not competing rather they were treated as complementary with

one another. Each theory focuses on different features of the several determinants of compliance. In addition, every feature adds an improved understanding of person's behavior towards tax compliance or evasion. Also it can be understood that no theory has been developed solely which includes all tax compliance predictors.

However, all the theories cannot be as differentiated as their names appear. Though they all known as diverse terms, but in actuality they overlay and apply various similar explanatory variables. More precisely, the economic contemplations and level of implementation used in ASModel is moreover common as TPB thought of Subjective Control. Similarly, the whole of IAT is common as TPB thought of Subjective Norms. Hence, among all the broadest theory seems to be is TPB, as it assimilates, yet not entirely, thoughts from the former two theories and inserts new ones. Finally, the TPB model offers a suitable initial point in categorizing determinants that encourage tax compliance or evasion.

Classification of the Factors

As far as the classification of the factors was concerned, the TPB helps in classifying the several determinants of tax compliance. The general concept in the TPB is that three broad determinants i.e., "attitude, subjective norms and subjective control" is hypothesized as a function of tax compliance. Hanno & Violette (1996); Trivedi, Shehata, & Mestelman (2005); Hai & See (2011); Benk, Çakmak, & Budak (2011) and Damayanti, (2012) all the five studies out of the 20 studies reviewed followed the same classification approach very well.

It can be noticed that earlier the total factors that were operationalized were 70 out of which 15 were common and combined altogether, therefore leaving 55 fairly different factors. While reviewing the literature the researcher has divided the 55 factors into three categories i.e., 16 factors for Attitude, 7 factors for Subjective Norms and 29 factors for Subjective Control. Further, it can be noticed that 3 factors that cannot be placed in the three aforementioned categories were put in a different category named "Others". The major outcome of the study is that in the context of variable insertion, the determinant Subjective control acknowledged maximum attention with around 51% of the factors followed by Attitude with around 29% and finally Subjective Norms with around 9%. This recommends that subjective control is a paradigm with comparatively various operative dimensions, whereas subjective norms and attitude has comparatively fewer operative dimensions. The outcomes also recommend that around 6% of the factors applied in experiential studies can't be categorized into the comprehensive factors that establish the TPB.

Suitability of the variables applied in studies reviewed

The application of TPB implied that any experimental study based on tax compliance behaviour must contain in any case the variables that involve the three variable sets viz, "attitude, subjective norms and subjective control". Nevertheless, the studies reviewed displayed the typical scenario i.e., out of 20 studies only 13 of them included only one variables from the three variable sets. This recommends that the studies reviewed endure from identification errors by not being broad in their insertion of variables supposed to effect tax compliance.

Impact of Attitude, Norms and Control

Table 2 shows the results on effect of Attitude, Norms and Control by applying vote counting technique. The tabularization comprises in a summarized way for every independent factor and count the number of positive, negative or insignificant effect studies on tax compliance separately.

Did attitude plays key role in determining tax compliance?

The solution of the above question was given by both separate and combined analysis of the sixteen attitudinal factors acknowledged previously in this paper. As the separate analysis has done by applying counting method, so it can easily be determine that how many times tax compliance was related with every independent variable. In addition the separate analysis can determine either there will be positive, negative or no relationship exists, using one variable at a time. The analysis showed varied results for two variables namely, first variable "perception of equity and fairness" (which four studies displayed positive relationships and one study showed negative relationship); and second variable "Perception of equity and fairness" (which three studies displayed positive relationships and one study showed no relationship). In addition, the above analyses recommend that both the factors definitely have positive association with tax compliance. Further, it can be noticed that remaining attitudinal factors revealed either negative or positive correlation with tax compliance; none of them showed diversified findings or no relationship. Hence, it can be determined that all the sixteen attitudinal factors applied in the study contribute either negatively or positively in determining the behaviour of tax compliance.

The purpose of the combined analyses altogether determine the number of results that showed positive, negative and those that showed no relationship in determining the behaviour of tax compliance. In addition, this analysis also indicates how appropriate the attitudinal variables applied in the studies reviewed were in determining the behaviour of tax compliance. A factor was presumed to be appropriate determinant if it showed association (either negative or positive) with tax compliance. The combined analysis displayed that out of the twenty-nine attitudinal results, seven results showed negative relationships and twenty-one showed positive relationships. As per the yardstick applied, it infers that the subjective control factors used in the study were appropriate determinants of tax compliance as all the factors applied produced influential findings.

Did subjective norms plays key role in determining tax compliance?

The solution of the above question was given in the similar manner as in the case of 'attitude' by both separate and combined analysis of the seven normative variables acknowledged previously in this paper. Actually the outcomes are moreover same as in the case of attitude. It can be noticed that all the seven normative factors revealed either negative or positive correlation with tax compliance; none of them showed diversified findings or no relationship. In addition, it is interesting to note that compliance and the factor "Known number of tax evaders" found to be negatively associated. This infers that individuals can encourage avoiding tax if they found others doing the same.

Further, the findings of the combined analyses display that out of the nine normative results, two results showed negative relationships and seven showed positive relationships. As per the yardstick applied, it infers that all the normative factors used in the study were appropriate determinants of tax compliance.

Did subjective control plays key role in determining tax compliance?

The solution of the above question was again given by both separate and combined analysis of the twenty-nine subjective control factors acknowledged previously in this paper. The following outcomes appear from the separate analysis of the factors; First, three factors namely, "Gross National Products"; "Individual ownership" and "Industry: agriculture" displayed no correlation with tax compliance or evasion. Second, three factors revealed varied findings i.e., "Legal sanctions - penalties and fines" (five studies displayed positive association, one study showed negative relationship and one study showed no association); "probability of being audited" (five studies displayed positive association and one study showed negative relationship) and "Income/ability to pay" (four studies displayed positive association, three studies showed negative relationship and one study showed no association). In addition, it can be noticed that the trend showed a definite positive relationship between both first and second factors and tax compliance whereas due to ambiguity in the trend for the last factor, it is concluded that there is no association between the last factor and tax compliance.

Third, it can be concluded that the remaining twenty-three subjective control factors either have positive, negative or no relationship with the tax compliance. The combined analysis displayed that out of the fifty-one normative results, twenty-one results showed negative relationships, twenty-five showed positive relationships and five results showed no significant relationships. As per the yardstick applied, it infers that the subjective control factors used in the study were appropriate determinants of tax compliance as they produced forty-six effective results out of the fifty-one results under subjective control.

Effect of other factors

It can be observed during the study that three demographic factors namely age; gender and marital status applied in the reviewed studies cannot be categorized into any three major determining factors of the TPB i.e., "attitude, subjective norms and subjective control." This recommends that tax compliance is a complex behavioural process.

Conclusions, Future Research and Implications

Conclusions and Future Research

It can be evident from the study reviewed that though the income tax compliance has been the theme of substantial experimental research, still till date no consistency in the determining factor of tax compliance has been attained. In addition, it can also be viewed that there are many and varied nature of factors suggested in the literature as determining factor of tax compliance. The major issue with this is that when carrying out experimental study and while selecting among the various predictor variables one must be encountered vary and large set of entrant predictors. Hence it is suggested that the further research focuses on to develop theory centered number of appropriate determining factor of tax compliance which can measure precise forecasts.



Second, numerous researchers lacked in explaining the choice of independent variable as they have carried out the research in the absence of a theoretical framework. Although, very few studies applied theory, but the application of theories are not wide. For example, the AS Model emphasizes on economic factors whereas the IAT emphasizes cultural factors. Merely the TPB holds a comprehensive variety of factors involving attitudes, subjective norm and behavioural control. It can be comprehend that most literature reviewed on tax compliance in this paper that didn't apply the TPB framework may be deceptive because of misspecification of the underlying variables.

However, the reviewed study recommends that the recent research done on tax compliance have adopted the TPB in more comprehensive manner. Hence the application of TPB has significantly fortified the theoretic foundation of tax compliance research. Now, authors would construct their research on some equitably broad theoretical basis.

In spite of constructive development in theoretical framework, there are various issues that affect tax compliance literature. As TPB is a generalized theory in nature and therefore it fails to detect behavioural aspects that are specific to tax compliance. Indeed it is the TPB prerequisite that the researcher must interview the respondents under study to define the significant attitudes, ascertain important social norms and define perceived behavioural control factors that are appropriate to the research or the study group. Therefore, it is advised that future research should construct questionnaire based on TPB and should be more tax specific. In addition that questionnaire must captures the significant features of tax compliance i.e., "attitudinal, normative and control factors" and follow it with experimental researches. Though the TPB is considered broad, the study outcomes recommend that this theory fails to capture the major determining factors of tax compliance. For illustration, in experimental studies reviewed it was found that demographic factors like age, marital status and gender were considered to be good predictors of tax compliance still they were not categorized to fit into any key determining factors of the theory. Hence it is advised that further research can put emphases on constructing a modified or extended version of the TPB that may capture behavioural aspects specific to tax compliance. As it can be understood that tax compliance is a complex behavioural process, a theoretically valuable study effort should put emphasis on categorizing the different underlying factors into various classifications like proximate, mediator, moderator and antecedent in determining the behaviour of tax compliance inside the common framework of the TPB.

The researcher observed that the vote counting technique might not applied appropriately as the variables used were often distinctive to a single study and therefore the major constraint was the lack of harmony in classification amongst them, hence it is problematic to associate the findings of the various studies. Regardless of this constraint, combined analysis of all the studies displayed that in general "attitudinal, normative and subjective control" variables applied were found to be appropriate determinants of tax compliance. Hence it is suggested that the future research emphasizes efforts in evolving common main determinants and terminologies of tax so that outcomes from the various studies can be compared. Finally, by

using equitable number of independent variables and perhaps by applying similar statistical tools, meta-analyses can be applied in future research to summarize the aggregate knowledge.

It has been observed that a significant amount of studies reviewed respondents were mainly students. Hence, it is advised that the future research should include real taxpayers instead of students as the latter respondents may not correctly comprehend and reveal precise behaviour of tax compliance.

Implications

From the outcomes and inferences the following research inferences for tax governance emerge:

First, from the review findings it was observed that the phenomenon of tax compliance in today's scenario is complex and wide. So, if the public policy makers want to induce and enforce tax compliance among the taxpayers, then they must use a blend of traditional coercive methods (subjective control) as well as persuasive methods (changing norms and attitudes).

Second, the findings revealed that in encouraging tax compliance individual taxpayers play a significant role and their influence is important. So it is essential to put a direct attention on changing attitude of individual taxpayers. By this, the preferment of taxpayer compliance could be protracted to procuring persuasive members of the community, friends, households and colleagues to distribute messages of tax compliance. If this course gains more figure, one can presume changing norms which in turn encourage the behavioral patterns. Hence it is recommended to the tax authorities to construct a well-adjusted methodology to tax implementation which in turn motivate the voluntary compliance (attitudinal factors & subjective norms factors) along with the application of the orthodox forced methods (subjective control factors) to induce tax compliance.

Last, it may advise government to develop a training programme to build a tax compliance culture that majorly focuses on three themes. The first theme focuses on 'attitude'; it means the training programme should create the perception that the revenues generated from tax are being employed appropriately. The second theme focuses on a training programme that creates awareness among the people and in mass media that the taxes collected from the different sources (especially displaying the examples of businessmen paying taxes) are being utilized in the enlargement for the country and build employment. In addition, these businessmen taxpayers should be presented as responsible citizens. Finally, the third training programme could describe tax evaders as cowarriors of the societal development who deserve to be scorn by the public and penalized.

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CASH FLOW STATEMENT OF BANK OF BARODA AND SYNDICATE BANK: A COMPARATIVE ANALYSIS OF OPERATING, INVESTING AND FINANCING ACTIVITIES

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

The statement of cash flows reports the sources and uses of cash by operating activities, investing activities, financing activities. It shows movement of cash between two balance sheet dates and also discloses the reasons for differences among net income, cash receipts and cash payments. From the financial year 2004-05, it has become obligatory for all the Indian companies to present Cash Flow Statement in their Annual Reports. Institute of Chartered Accounts of India (ICAI) has issued Accounting Standard-3 (AS-3) for the cash flow statement. In this paper, a comparative study has been undertaken between two banks: Bank of Baroda and Syndicate Bank.

Keywords: Cash, Operating Activities, Investing Activities, Financing Activities.

Success of every business depends on its cash management. The supply of cash is frequently a limitation on the successful execution of many policies and programs. So it is necessary to study the composition of cash of an organization to know the impact of its cash flow decision on its liquidity, profitability and solvency.

The official name for the cash flow statement is the statement of cash flows. A cash flow statement is a financial report that describes the sources of an organization's cash and how that cash was spent over a specified time period. It does not include non-cash items such as depreciation. This makes it useful for determining the short-term viability of an organization, particularly its ability to pay bills.

Cash flow statements are provided with the other financial statements in the annual reports of the companies.

“The Statement of Cash Flows is a financial statement that provides an overview of the cash inflows and outflows of the business during a certain period of time.”

The information provided in these statements helps the users: To find out the changes in net assets of an organization; To find out the changes in the financial structure of an organization; To find out the liquidity and solvency position of an organization; To know about the ability of an organization to make changes in time if the circumstances and opportunities are changing.

Objectives

There are three important activities which are the significant parts of Cash Flow Statements. The analysis of all these activities is undertaken with the following objectives: (1) To undertake comparative study on Operating, investing and financing activities for the period of study of selected banks. (2) To analyze the variation amongst three activities i.e. Operating, Investing and Financing of the selected banks. (3) To provide suggestions for improvement in Cash Management

Literature Review

As per the topic of the research “Cash flow statement of Bank of Baroda and Syndicate Bank: A Comparative analysis of operating, investing and financing activities” an attempt

has been made to study the different studies in this field to assess the performance of banks in India:

Singh Ram Pratap & Chatterjee Biswajit (2009-10) seeks to compare the performance of 40 Indian commercial banks regarding deposit mobilization in the reform period. The paper made use of a non-parametric approach that is Data Envelopment Analysis (DEA). It uses the Window Analysis developed by Klopp. Time span used for the present study is five years that is 2001-02 to 2005-06. One important objective of the study has been to see whether bank ownership mattered in respect of deposit mobilization. The result suggests that the public sector banks have fallen behind the in-sample private sector commercial banks in terms of deposit mobilization.

Sen Mitali (2010) in her empirical work makes an exploratory attempt to study the liability structure of Indian Commercial Banks. The sample of 82 Indian Commercial Banks is drawn for which consistent data is available over the period 1995-96 to 2003-04. The major findings of the study are that set of six critical factors that is profitability, size, liquidity, risk and asset quality, fee based earnings and efficiency influence the liability structure of commercial banks. From empirical analysis it can be inferred that banks should concentrate more on fee based activities.

Bogumi³a Brycz and Marek Pauka (2012) in their research makes an attempt to study the importance of cash flow analysis as an integral part of financial analysis, however the traditional cash flow analysis is limited to the vertical analysis of net cash flow from three levels of activities and, more rarely, to ratio analysis based on these three net cash flows. The purpose of the article is to evaluate the usefulness of such an analysis in the assessment of a company's financial position with the aim of improving it. Therefore, based on the literature review on the cash flow analysis, the authors highlight the usefulness of the decomposition analysis of the cash flow statement and propose a procedure for conducting such an analysis, in particular they propose making an in-depth analysis of the cash flow from operations consisting of several stages.



Kamaraj.K. and Dr. A.Somu (2013) investigates that Indian Overseas Bank is one of the oldest nationalized commercial banks in India. It has done many yeomen services to millions of people in the nation in the form of priority sector lending and agricultural loans. Generally, the banking industry is an indicator for many developmental activities in the nation. The industry is more accountable to public and computations of made on the basis of business per employee or profit per employee. Interest rates are highly fluctuating and growth parameters are staggering. Under these circumstances, the banks have to play a cautious role in accepting deposits and in lending operations. The scope for banking industry is very bright and the banks can succeed only if they perform well in this competitive environment. To conclude, the present study bank, i.e., Indian Overseas Bank has higher potential to provide better and quality services to the billions of people in India.

V. Srikanth (2014) investigates the financial performance of an investment company in INDIA for a three-year period from 2010 to 2013, which is assessed using cash flow statement. The findings pointed out that overall company performance reduced remarkably in the last year of the analysis. This study principally emphasizes on how accounting information aids budgetary decision-makers to evaluate the company financial performance, determine its future obligations, and make better investment decisions.

Chitraben R. Sheth (2015) states in his paper, “A Comparative Study on Cash Flow Statements of Welspun India Ltd. and Ghcl Ltd.” As a US\$3 billion company, Welspun group is one of the India’s fastest growing conglomerates, while as a global company, GHCL, India is customer-focused committed to high quality delivery. When the management is interested to know the movement of cash and the availability of cash, the cash flow analysis provides this information. Welspun Company is found to be better but if we see statistical analysis, GHCL Company is better as it is steadily moving while Welspun Company fluctuates more. Whereas in investing activities, GHCL Company is better and statistical analysis also reveals the same i.e. the steady nature of GHCL Company. The overall scenario says that GHCL Company is growing steadily while Welspun Company is fluctuating more. Thus if Welspun Company improves the rate of consistency in all three cash flow activities, it would become stronger than GHCL Company.

Research Methodology

Sample Selection: For the purpose of the study two (2) banks Bank of Baroda and Syndicate bank have been selected.

Period of Study: The study is conducted for a period of five (5) financial years i.e. from 2011–12 to 2015–16.

Data collection: In this study, mainly secondary data is collected. Secondary data has been obtained from the following sources: Published Annual Reports of the banks for the financial years 2011-12 to 2015-16; Directory of Mumbai Stock Exchange; Websites of the selected banks; Other related websites.

Hypotheses Formulation: Considering the objectives of the study the following hypothesis were formed under investigation:

Hypothesis 1: H0: There is no significant difference between the trends of operating activities of the selected banks. H1: There is significant difference between the trends of operating activities of the selected banks.

Hypothesis 2: H0: There is no significant difference between the trends of investing activities of the selected banks. H1: There is significant difference between the trends of investing activities of the selected banks.

Hypothesis 3: H0: There is no significant difference between the trends of financing activities of the selected banks. H1: There is significant difference between the trends of financing activities of the selected banks.

Statistical tools and Techniques: The statistical analysis technique is selected to analyze the Cash Flow Statements of the banks understudy. For this, following techniques are being used: Mean; Standard Deviation; Co – efficient of Variation

Statistical Analysis

Table 1 - Mean, Standard Deviation and Co-Variance

Year	Operating Activities		Investing Activities		Financing Activities	
	BOB	Synd. Bank	BOB	Synd. Bank	BOB	Synd. Bank
2011-12	14406.50	2247.86	-337.38	-113.39	165.35	-215.86
2012-13	22793.08	2497.18	-772.45	212.69	-790.27	415.48
2013-14	41016.38	-429.50	-688.70	-182.20	5151.34	-965.43
2014-15	18021.05	8475.91	-539.37	-354.29	-6.44	702.60
2015-16	-9841.66	3937.95	-3995.41	-304.78	-615.73	1750.87
Total	86395.35	16729.40	-6333.31	-741.97	3904.25	1687.66
Average	17279.07	3345.88	-1266.66	-148.39	780.85	337.53
Rank	1	2	2	1	1	2
S.D.	18290.71	3272.89	1534.35	223.38	2475.82	1017.45
Rank	1	2	1	2	1	2
COV	105.85	97.82	-121.13	-150.53	317.07	301.44
Rank	1	2	1	2	1	2

Figure 1

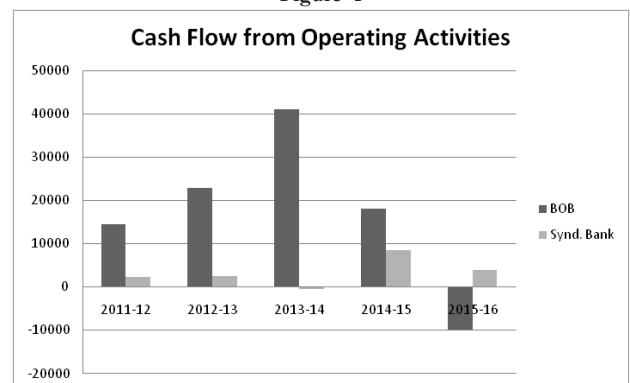


Figure 2

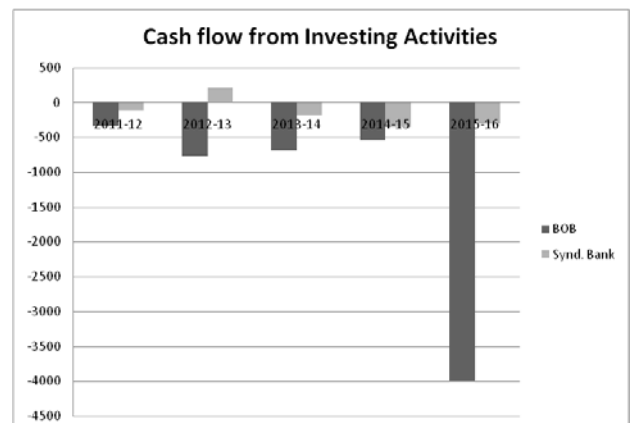




Figure 3

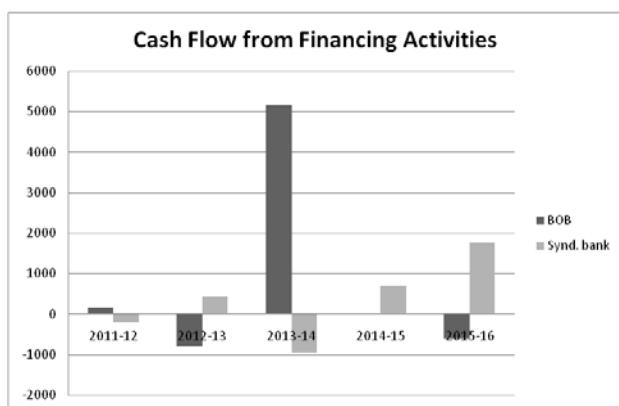
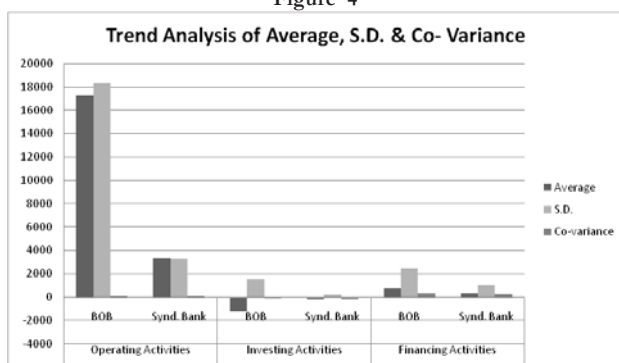


Figure 4



Findings: (1) From the table no. 1, it can be seen that the average of cash flow from operating activities of Bank of Baroda is higher than that of Syndicate Bank. Theoretically, higher the average, higher will be the rank and vice versa. So, BOB is given 1st rank and Syndicate Bank is given 2nd rank. But, the situation is totally different in investing activities. Accordingly, Syndicate Bank is given 1st rank and Bank of Baroda is given 2nd rank. (2) In case of Standard Deviation, lower the value, higher will be the rank and vice versa. Considering this aspect, it is observed that the S.D. for all the three activities of Syndicate Bank is lower than the Bank of Baroda. So, for the three activities, Bank of Baroda obtained 1st rank and Syndicate Bank obtained 2nd rank. (3) In case of Co-variance also, lower the value, higher will be the rank and vice versa. Situation remains same in Co-variance also. Co-variance for all the three activities of Syndicate bank is lower than the Bank of Baroda. So, for all the three activities, Bank of Baroda obtained 1st rank and Syndicate Bank obtained 2nd rank.

Hypothesis Testing: (1) In case of operating activities, the trend for average, standard deviation and co-variance is equal for both the banks. So, it can be said that the hypothesis is accepted. (2) But, for investing activities, the trend for average, standard deviation and co-variance is different for both the banks. So, it can be said that the hypothesis is rejected. (3) For financing activities also, the trend for average, standard deviation and co-variance is equal for both the banks. So, it can be said that the hypothesis is accepted.

Conclusion

Globalization has given way to many foreign banks to set up their business unit in a developing country like India. Cash flow analysis is important to identify weaknesses in business operation that can lead the organization towards liquidity crunch. Through cash flow analysis, an organization can identify the unproductive use of fund as well as to ascertain and plan future cash flow. With the help of this study, it has been found that Bank of Baroda is performing well as compared to Syndicate Bank.

Table 2

Level of Performance	Operating Activities	Investing Activities	Financing Activities
Best	Bank of Baroda	Bank of Baroda	Bank of Baroda
Poor	Syndicate Bank	Syndicate Bank	Syndicate 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. (1) As the information is collected from limited sources, it is not possible to use different tools and techniques of statistical analysis. (2) The study is based on secondary data; the secondary data has its own limitation. (3) The entire study is limited to two banks only. It can be carried out by including Industry.

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DEMOGRAPHIC TRENDS AND HUMAN CAPITAL DEVELOPMENT IN UZBEKISTAN

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

This article investigates the channels through which human capital development could stimulate economic development in case of demographic transition. The ways of the efficient use of the demographic situation for the effective functioning of the human capital have been proposed.

Keywords: human capital; economic growth; age structure; demographic trends; fertility rate; life expectancy.

In condition of innovative economy formation, human capital has become one of the main factors of economic development of any country and well-being of any nation. In fact, human capital is an integral resource which consists of stock of inborn abilities, education and skills, intellectual, cultural, moral, creative and professional abilities, accumulated experience, sheer professionalism, and health, motivation that ensures higher productivity and income growth, which are continuously accumulated and improved in the process of investing in them.

The development level of human capital and its main components is not only a driver of economic growth and competitiveness, as well as a factor of human development and well-being, which is the main objective and purpose of each state in the new millennium. Nowadays human capital is one of the major factors of the development of society and economic growth through technological progress. It should be noted that in Uzbekistan, the structure of GDP changed in a positive direction in terms of industrialization, the share of manufacturing and services is growing, against the decline in the share of agriculture. Well-being of the people is continuously improving; the real growth of total household incomes average is about 20% per year. The share of savings in the structure of total income rising continuously, which increases the demands on the quality of institutions involved in ensuring the well-being and quality of life of the people.

On this basis, we made an attempt to estimate the level of human capital development in Uzbek society from the demographic point of view and identify the problems hindering its development through analyzing of the statistic data and the survey result.

Materials and Methods: Informational source of the article is normative legal acts of the Republic of Uzbekistan, monographs, articles in period journals, official materials of the State Committee of Republic of Uzbekistan, survey results, reference materials, expert-analytical reviews of the internet. The article is prepared using methods such as, generalization, comparison and statistical analyze, sociological survey.

Discussion: It is proved that the reproduction of the labor force, as well as reproduction of human capital, first of all, depends on demographic factors. Since human capital cannot exist without its host, that is, human being. According to a number of recent World Bank studies, physical capital (produced assets) is not the main—much less the only—component of a country’s wealth. Most important for all

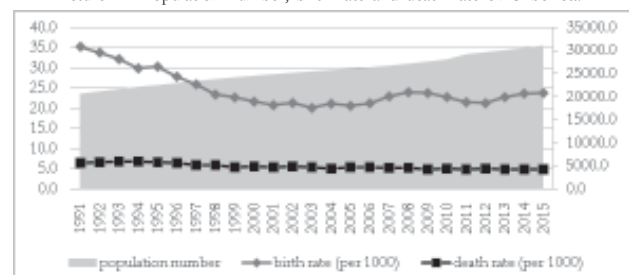
countries are human resources, which consist of «raw labor», determined mainly by the number of people in a country’s labor force, and human capital (World Bank, 2004).

For a long time, economists and social thinkers have debated about the influence of population change on economic growth. As a result three alternative positions have been formulated: the first one is that population growth restricts economic growth, the second one is that it promotes, and the last one is that population growth is independent of economic growth. Proponents of each explanation can find evidence to support their cases. All of these explanations, however, focus on population size and growth (Bloom, D. et al 2001). Economic factors play significant role in demographic processes formation, however demographic processes influence on economic processes (Ulanis, 1974). Demographic potential of a country can serve like a driver of economic growth.

During the years of independence (1991-2015) the population of Uzbekistan increased by 10.9 million people and at the beginning of 2016 it was amounted about 31,5 million people (The State committee of Republic of Uzbekistan on statistics). Uzbekistan is the most populous country in Central Asia and occupies the 3rd place among the CIS countries (after Russia and The Ukraine), 43rd in the world and 18th in Asia. The main source of population growth over the last decades is the natural growth. According to UN specialists’ projection the overall population of Uzbekistan will reach 33,3 million by 2025 and 40,6 million by 2050. Our projection which has been done by cohort component method estimates that the number of population will reach 36 million by 2025.

During the years of independence the new demographic situation has been formed in Uzbekistan. It is characterized with the fall of population growth rate despite of increase in total population number and the decline of fertility and mortality rates (picture 1.).

Picture 1 - Population number, birth rate and death rate of Uzbekistan



Source: The information of the State committee of Republic of Uzbekistan on statistics. www.stat.uz



It can be seen that there has been a significant decline until 2005 followed by a gradual increase in birth rate. The main source of population growth today is a natural growth, which is characterized by a decrease in fertility and mortality. In recent years, the average annual population growth is around 1,6% in compare with 2,5% during 1981-1990, and 1,2% in 2001-2006. It should be noted that the highest population growth rate in Uzbekistan observed in 1959-1970, and accounted for 3.8% (Ubaydullayeva, 2007).

As already noted, in Uzbekistan there is a decrease in fertility during the years of independence. In the first stage of fertility decline is primarily due to socio-economic factors that are associated with the transition period. The period up to 2005 is characterized by a reduction in both absolute and relative indicators of population growth. This trend was due to both the reduction of the crude birth rate from 34.5 in 1991 to 20.3 in 2005, and the migration outflow from the country of non-titular nations.

Since 2006, there has been a positive shift in demographic trends. The increase in the birth rate in this period is explained by the following factors: first, the improvement and stabilization of the socio-economic situation in the country, and secondly, the high birth rates achieved with entry of cohort born in the 1980s during the pick of fertility. In 2015 absolute number of birth exceeded the highest point of 1991. If in the first stage the reason of decreasing fertility was due to the socio-economic factors that are associated with transition period, nowadays there are several other factors occurred. They are: increase in the duration of education, the introduction of a unique universal mandatory education model "9 + 3", which in turn rises the average age of marriage; formation in the society of reproductive attitudes aimed at creating medium-sized family; increase of the childcare and human capital formation expenses; spreading of a healthy lifestyle, as well as increasing of knowledge about contraceptives; expansion of opportunities for women to participate actively in the labor market, etc.

Analysis of statistical data makes it possible to assert that the general trend in reproductive attitudes is a vital fertility decline, and this was proved by survey results. According to the local survey conducted by the author, as well as survey of the Center for the Study of Public Opinion «IjtimoiyFikr», the reproductive attitudes of population aimed at creating medium-sized family (IjtimoiyFikr, 2015). Center for the Study of Public Opinion «IjtimoiyFikr» was established in 1997 and since that time holds the permanent monitoring of public opinion in various fields of social and economic life of the country in all regions of Uzbekistan, Tashkent city and the Republic of Karakalpakstan. «IjtimoiyFikr»'s survey results showed that whole around the country the average number of children in families is as following: one child - 9.9%, two - 26 %, three - 34,6%, four - 16.6%, five - 8.3%, six - 3.6%, seven - 0.2%, eight - 0.1%, nine - 0.1% and ten - 0.1% (IjtimoiyFikr, 2015). Consideration of the results makes it possible to say that the most common are a family with two or three children. Also we found out that there was insignificant dependence between the number of children and the level of education or income of respondents. The

only factor that had an influence is a nationality. It should be noted that majority of respondents believe that the optimal number of kids in family is two (33,5%) or three (38,5%).

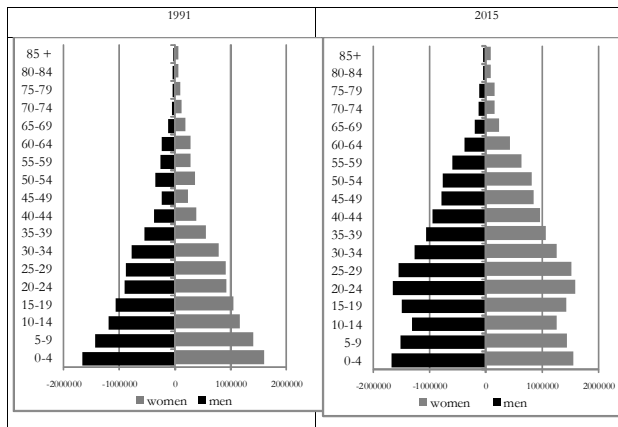
In recent years, the age structure of the population has become a critical issue of the debates. According to Life Cycle Hypothesis people's economic behavior varies at different stages of life, changes in a country's age structure can have significant effects on its economic performance (Bloom, 2001). Bloom and Canning (2004) find out through cross-country analysis undertaken for the period from 1965 to 1995 that favorable age structure has a positive impact on income growth in case if country has open trade policy.

High proportion of children and older people requires high proportion of resources to their care, which tends to go down of economic growth. By contrast, high proportion of working age population creates "demographic dividend" or "demographic window" of possibilities. Nowadays when most developed countries faced "demographic crisis" which is characterized with depopulation, negative changes in age and sex structures, negative qualitative changes, crisis of the family institute and breakdown of "values" (Iontsev and Magomedova, (2015), Baskerville (2009)) some developing countries move through "demographic window". It is expected that growing share of working age adults in total number of population creates additional economic value through increasing productivity and lowering dependency ratio. According to estimates about one third of the East Asia miracle is due to experiencing demographic dividend efficiently (Bloom et al, 2000), what cannot be said about Latin American countries which are underwent this stage of demographic transition. This window of opportunity may prolong about 30-50 years. Demographic dividend offers for policy makers an opportunity which enhances economic and social development and can be achieved through implementing effective health, family, labor, financial, and human capital policies.

Demographers of Uzbekistan state that in the country optimal demographic situation has been formed, and how to use this advantage in many ways will determine the future position of the republic in the world stage (Institute of Economics of Academy of Science of Uzbekistan, 2011).

The dependency ratio (the ratio of the number of people under working age plus the number of people above working age to the number of people in working age) is a measure of a countries age structure labour potential. According to the labor legislation of the Republic of Uzbekistan population is divided into 3 as following: below working age (0-15), working age(women 16-54 and men 16-59) and above working age (women 55+ and men 60+). It is worth to mention, that the world dependency ratio peaked 1965-1970 and has been falling ever since (Campbell and Okuwa, 2016). So in Uzbekistan dependency ratio changed from 1,02:1 in 1991 to 0,62:1 in 2015. It means that the dependency ratio decreased in two times and at present 1 working age person should support 0,62 nonworking age population. By population pyramid it can be observed how age structure has been changed over 1991- 2015 (picture 2). This fact ones again proves about the favourable age structure of population.

Picture 2 - Population pyramid for the republic of Uzbekistan.



Source: The information of the State committee of Republic of Uzbekistan on statistics.

During the analyzed period, the sharp decline in the percentage of the population below age 16 (from 43% in 1991 to 28% in 2015) is contrasted with the sharp rise in the share held by the working ages (from 49% in 1991 to 62% in 2015). There is a significant reduction in the proportion of children against a small increase in the proportion of the older generation in population structure. The share of the population older than working age amounted to 8,6% in 2015 in contrast to 7,8% in 1991.

Decrease in dependency ratio causes increase in savings, output, investment, declining consumption expenses and at the same time creating an opportunity for economic development. But policy makers should realize that the opportunity occurred today will not last for ages and will not be repeated, that is why creation of effective education, health, job creation, industrial, investment policy is vital. Getting an advantage from demographic dividend is not automatic process. Research on Indian's BIMARU states (consisting of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh) for the decade 2001-2011 finds that at the beginning stage of demographic dividend period the influence of growth in working age population on economic growth is negative due to the fact that appropriate policies and institutions are absent in place in these states to capitalize the demographic dividend (Thakur, 2012).

Life expectancy is the next demographic indicator which influences on the reproduction and development of human capital of the country. The level of development of health services, the health of the population and their attitudes to strengthen their health, the healthy lifestyle, bad habits, etc... All this defines the lifetime of the human capital. From theoretical point of view, during demographic transition lower mortality may increase the productivity of available resources and raise income per capita (Weil and Wilde, 2009). At the same time increase in life expectancy brings to increase of investment in human capital.

According to national statistics life expectancy in Uzbekistan increased from 67,2 years in 1990 to 73,5 years in 2013, for

men it is amounted to respectively 65,8 and 71,5 years and for women – 70,1 and 75,8 years. As a result of the national program “Healthy mother – healthy child” a significant reduction in maternal and infant mortality rate has been achieved. If in 1991 the infant mortality rate was 35,5 per thousand, in 2013 – 9,8, over the same period the maternal mortality rate fell from 33,3 to 19,8 per thousand. Reproductive and maternal health are determined by the Government priorities. In July 2009 “National Programme for the improvement of the protection system of reproductive and maternal health “was put into practice for the solution of problems of strengthening health care system and expand access to services and information.

The practice shows that improvements in income have come hand-in-hand with improvements in health. Health has become as a kind of human capital as well as an input to producing other forms of human capital. Being unhealthy depresses the ability to work productively and/or the ability and incentives to invest in human capital. Taken together, these mechanisms imply that worse health implies lower income.

According to experts of the World Health Organization (WHO) human health depends on the genetic and hereditary factors by 20-23%, environmental (ecological) conditions by 20-25%, and on the efficiency of work of the national health care system by 8 to 12%, while the remaining 50-55% are determined by person's lifestyle (that is nutrition and food choices, physical activities, bad habits (such as tobacco smoking, drinking alcohol, illicit drug use), healthy body weight, prevention of stress, traditional and non-traditional methods of hardening and others).. So, the greatest human health depends on lifestyle, then, we can assume that the general line of building and strengthening of health is a healthy lifestyle.

According to the survey result of “Ijtimoiy fikr” (Rakhimova, 2015) it was found that the vast majority of Uzbek people aware of the importance and significance of a healthy lifestyle for individual. First of all respondents associate healthy lifestyle with sports, elimination of bad habits, proper nutrition, follow to the regime of the day, and sanitary hygiene, as well as a comfortable psychological climate in the family. The study revealed that the majority of citizens of the republic (60%) lead a healthy lifestyle. More and more people are interested in their health, 40.5% of citizens once a year undergo preventive medical examination. As it is known one of the conditions of a healthy lifestyle is to abandon bad habits. So, it was found that 18.9% of citizens are consumers of tobacco products and 10% use strong alcoholic drinks. Survey results show the important role of public policy in the propaganda of healthy lifestyle and improving the medical culture, development of responsibility attitude of the population to their own health, the timely prevention, treatment and diagnosis of diseases.



The correlation between health and development is hard to interpret simply as the causal effect of health on income. Factors such as bad government or geographic disadvantages might impede both productivity and disease control. Health is also a normal good: when people get richer, they invest more in their own health, and exhort their governments to spend more on public health. The correlation between health and income might be one of circular and cumulative causation: health affects income and income affects health and so on (Bleakly H, 2010).

Conclusions

In conclusion in our opinion, formed age structure of the population may contribute much to economic development. In this regard, there are basic tools and mechanisms to be followed at the time of the “demographic window” of opportunity, in order to take advantage of demographic dividend: definition of measures for the development of the demographic policy aimed at supporting optimal birth rate; straightening the policies directed to promote health during the demographic dividend. State policy on formation of a healthy generation, healthy lifestyle among the population was starting to show positive effects, but should further promote a healthy lifestyle and to carry out preventive work to improve the health of the population and prevent serious diseases; paying attention on health of children and teenagers in order to improve educational performance; improving the quality of training and retraining of medical personnel, equipping health facilities with modern equipment will improve the quality of medical services; development of high-quality labor market able to absorb a large number of labor force, thus changing the conditions and forms of work, objects and means of labor; open trade policies, with open economies, can drive faster growth during the window period (Ross, 2004); effective educational reforms especially in higher education should take place, it should be emphasized that limitation in enrolment with higher education does not meet the requirements of modern development; creating a competitive environment to support entrepreneurship and the private sector (it may include tax preferences, effective credit policy and etc); further improvement of the pension system, as well as social support for old people.

As a conclusion, it should be noted that only in the interaction of all spheres such as education, health care, labour market and job creation, recreation, industrial and investment the nation able to take advantage from the situation, otherwise it may turn into a big economic problem because of a huge cohort of young unemployed people.

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INNOVATIVE ACTIVITY FUNDING: ANALYSIS OF PRACTICE IN UZBEKISTAN

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

Innovations are considered as factor of economic growth not only of individual enterprises, but also a national economy as a whole. That is why countries have a great focus on financial supporting and promoting innovations. Insufficient support of innovations causes low return on scientific research and less economic effect from Research and Development (R&D). Therefore funding is indispensable condition to create new products by innovative ideas. The present study focuses on studying the features of innovative activity funding in the current global scenario, identifying the world leaders and trends in innovative activity funding. Uzbekistan's experience in this area was selected for the empirical study. By analyzing the main source of funds and the factors which promote development of innovative activity was identified impact of some factors on change in scientific and technical output.

Keywords: innovations, innovative activity, R&D, sources of funding, Gross Domestic Expenditure on R&D.

In the past few decades the role of the human capital, science and knowledge as factors of economic growth steadily increased in the world economy. Countries are getting on the path to innovative development and they are not only the developed countries. Many developing economies, for example, China, India, Singapore, the countries of Central and Eastern Europe demonstrate impressionable results of innovative activity. Year in, year out they are increasing expenditure on R&D to achieve sustainable economic growth.

According to The Global Competitiveness Report 2015-2016, 38 out of 140 countries of the world are at the innovation-driven stage. They are European countries (26 countries), the USA, Canada, Japan, the Republic of Korea, Singapore, Australia, Hong-Kong, Taiwan, etc. 20 countries of the world are on the way to transition to innovation-driven stage (countries of Latin America, South-Eastern Europe, Malaysia, Russia, Turkey, Oman).

Studying the world experience in the formation and development of national innovative system and using modern tools of innovation activity funding has an importance for all countries which are transitioning to innovation-driven stage.

In 2015, Asian countries accounted for 35% of the global total innovation spending among the 207 largest spenders, surpassing both North America (33%) and Europe (28%). For example, South Korean company Samsung is the biggest R&D spender in Asia and the second in world. It invested USD \$14.1 billion to R&D sector in 2015. Besides, we can observe a rapid development of high-tech branches in other Asian countries. In transitional economies of Asia the needs in innovations steadily growing, though participants of market economy are rendering financial support of innovative activity with various degrees. A private sector, commercial banks, insurance companies and other categories of institutional investors who have got a current demand for innovative goods, do practically not participate in funding of innovative research. That is why in several countries, for example in Uzbekistan, the government still stands to be the biggest contributor to R&D funding. The current stage of economic development of transitional economies needs a qualitatively new mechanism of investments' mobilization to support innovative ideas and revise a financial support methodology to benefit researchers of national innovative system. Hence, issues of timely innovation activity funding, choosing sources and methods of financial support are very topical at modern times.

Global review of innovative activity funding

According to "Main Science and Technology Indicators" database of The Organization of Economic Cooperation and Development, the world leaders in Gross Domestic

Expenditure on R&D in absolute terms (current PPP) are the USA, China, Japan, Germany, South Korea, France and United Kingdom.

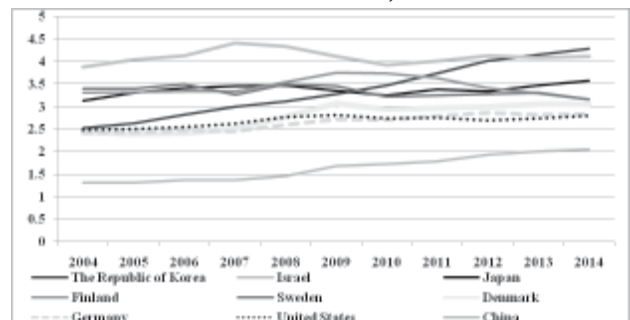
Table 1 - Gross Domestic Expenditure on R&D (current PPP), millions US Dollar

Country	2004	2006	2008	2010	2012	2014
United States	305 640	353 328	407 238	410 093	436 078	456 977
China	70 131,70	105 580,60	146 126,60	213 460,10	292 062,90	368 731,60
Japan	117 598	138 564,90	148 719,20	140 607,40	152 325,60	166 861,30
Germany	61 314,40	70 185,40	81 970,70	87 882,60	100 697,10	106 780,80
South Korea	27 942,40	35 413,10	43 906,40	52 172,80	64 862,50	72 266,80
France	37 976,10	41 986,90	46 547,90	50 764,90	54 829,90	58 750,30
United Kingdom	32 015,80	37 022,70	39 396,90	38 165,60	38 811,90	44 174,10

It can be seen from Table 1, there is a positive trend of expenditure on R&D in 2004-2014. As for gross expenditure on R&D, the United States is in a leading position with spending of more than USD 450 billion. Over the given period the volume of investments in R&D in China and the Republic of Korea has increased by 530 % and 260 %, respectively. There is a strong indication that both countries are paying a great deal of attention to furtherance of innovation activity. Thus, total investments done by aforementioned seven countries amount to more than 70% of world expenditure on R&D.

Nevertheless, top ten leaders with the highest expenditure on R&D as a percentage of GDP include, inter alia, South Korea, Israel, Japan, Finland, Sweden, where this indicator exceeded 3-4% of GDP in recent years.

Fig. 1. Gross Expenditure on R&D as a percentage of GDP for selected countries, %



In 2014 leaders in "Gross Domestic Expenditure on R&D as a percentage of GDP" index appeared to be the Republic of Korea (4,29 % of GDP), Israel (4,11%) and Japan (3,58 %).



As it can be observed from data above, the Republic of Korea's expenditure on R&D as a percentage of GDP has a stable upward trend in spite of global financial crisis since 2008. Due to broad involvement of private sector and corporations in intensifying innovation processes, the Korean Government achieved growth of this indicator from 2,53% to 4,29% of GDP during 2004-2014.

In the world practice, success of innovation policy usually depends on investment activity of business entities which are able to run large-scale applied researches and experimental development. The result of them will be innovative goods, services or modern technologies, which are in great demand in markets. Business entities actively participate in cross-border funding of R&D as it can be seen from Table 2.

Table 2 - Gross Expenditures on R&D in selected countries by source of funds

Countries	R&D source of funds, share of total (%)			
	Business	Government	From abroad	Other domestic
Korea	75,7	23,9	0,3	1,1
Japan	75,5	17,3	0,5	6,7
China	74,6	21,1	0,9	3,4
Germany	66,1	29,2	4,3	0,4
USA	60,9	27,7	4,5	6,9
France	55,4	35	7,6	2,0
United Kingdom	46,6	27	20,7	5,7
Russia	28,2	67,6	3,0	1,2

In countries such as South Korea, Japan, China a share of business in R&D funding exceeds that of their governments and contains more than 70% of the total R&D spending. Participation of business entities in R&D funding in these countries was achieved due to favorable investment climate, tax and other incentives widely used. Consequently a burden on the state budget has decreased.

By studying innovative activity funding in global spectrum we have revealed several trends, inherent to actors of world economy over the past decades: First, the role of innovation as a factor of economic growth and competitiveness of nations is increasing, and prompting interest of governments and private sector to invest more resources into R&D; Second, economic development enlarges a share of non-governmental sources in innovation activity. The state serves as a provider of financial support for basic research and an innovative infrastructure creator. In countries, which pursue an innovative way of development, a role of public institutions is characterized by the transition from direct funding of innovations to creation of regulatory framework to stimulate and foster development of private innovative business; Third, in innovation activity funding have appeared professional investors, special funds, experts on evaluation and financing of innovation projects are getting tightly involved in innovation activity. They may supervise such projects inception till mass production of innovative goods. These professionals and institutions are often united into special industry – venture financing. They promote collaboration of institutional and private investors with scientists and developers.

It must be noted that in the world economy one can observe considerable growth of innovative activity in developing countries such as China, Korea, India, Israel - etc. R&D funding also indirectly fostered a dynamic increase in high-tech production, volume of export, as well as the number of researchers and scientific publications in several countries. Thus, innovation leadership of the United States, Japan, Germany

in the past century is challenged by newly emerging countries who can sustain dynamic competition.

Uzbekistan's practice review: To analyze the current situation of R&D funding in Uzbekistan we have determined the share of each source of funding. During 2004-2014 the main source of R&D funding was the state budget whose share of resources in the general structure raised from 38,7% in 2004 to 57,8% at the end of the analyzed period. Own resources of the organizations had a negative tendency and reduced from 27,6 to 21,6% in 2014. Although an absolute value of customers' investments retained upward trend, overall their share went down from 27,6% in 2004 to 15,9% in 2014. Both a share of foreign investors and that of other non-public funds in R&D financing remain insignificant.

Table 3 - The structure of R&D funding sources in Uzbekistan, %

Years	Total investment	Budget resources	Non-budget funds	Own resources of organizations	Resources of customers	Foreign investors resources
2004	100	38,7	5,6	27,6	27,6	0,5
2005	100	44,7	6,5	17,2	31	0,6
2006	100	51,1	6,3	15,9	23,8	2,9
2007	100	47	4	19,5	16,2	13,3
2008	100	46,9	5,4	20,5	25,6	1,6
2009	100	53,8	2,8	17,7	23,6	2,1
2010	100	60,7	5	10,7	21,1	2,5
2011	100	63,2	2,5	12,2	21,7	0,4
2012	100	56,9	2,3	16,8	23,4	0,6
2013	100	58,8	1,4	19,8	19,1	0,9
2014	100	57,8	3,9	21,6	15,9	0,8

Resources of the state budget in Uzbekistan are being channeled to financial support for public and international scientific and technical programs, to funding unique scientific objects, research institutes, archives, as well as to compensation of experts and a salary of research fellows.

Since 2002 there is an established funding mechanism in Uzbekistan. According to it budgetary resources aimed to fund scientific institutions are allocated on the basis of grant contracts with research teams, or with a relevant budgetary structure. Such contracts are to be concluded with those who win a competition for the best research project. According to the Resolution of the President of Uzbekistan "About Measures on Improvement of Coordination and Management of Science and Technologies Development" transition from basic maintenance of research institutes to financing projects to solve scientific and technical tasks stimulated research teams, mobilized efforts to achieve real results, resolved actual problems hindering development of science and technology, and their practical implementation.

A comparative analysis of structure of distribution of the government investments on R&D in 2004 and 2014 showed that their main share is on applied researches and constitute 68% and 58% of the total volume of financial support in 2004 in 2014, respectively. For this period share of fundamental research did not change and remained at the level of 25% whereas that of development considerably grew from 7% to 17% through 2014.

Search and use of an optimum set of sources and methods of innovations funding ensure a continuity of innovative process, as well as foster starting up and development of businesses leading to opportunities to implement innovations in production processes.

Research methodology

The present analysis of global trends refers to the OECD “Main Science and Technology Indicators” and “Science and Engineering Indicators 2016” of the USA National Science Foundation. The required material is collected from different journals, organization sites, annual reports, after collection of them has been arranged in a systematic way to draw conclusion.

Analysis of Uzbekistan’s practice is carried out based on data from 2000-2014 editions of statistical bulletin “The Main Indicators of Science and Technology Potential and Innovations in the Republic of Uzbekistan”. The correlation and regression analysis were conducted to identify an influence of such factors as the number of organizations involved in innovation activities in Uzbekistan and Gross Expenditures on R&D.

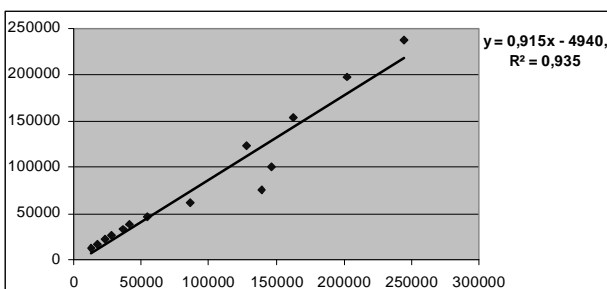
Objectives of the study

To analyze the modern global trends in innovative activity funding and their influence on innovative policies’ formation in transitional economies; To study the main sources of innovative activity funding in different countries; To identify the factors influencing volume of scientific and technical output in transitional economy of Uzbekistan; To suggest ways to improve innovative activity funding in the Republic of Uzbekistan.

Hypothesis: Gross Domestic Expenditure on R&D and the number of organizations involved in R&D activity exert significant influence on growth of the volume of scientific and technical products.

Analysis: For an assessment of the factors promoting development of innovative activity in the Republic of Uzbekistan we have carried out the correlation analysis between the volume of scientific and technical production for 2000-2014 and assessed such factors as number of organizations in Uzbekistan who are carry out R&D, and Gross Domestic Expenditure on R&D. In summary, we can do following conclusions: First, there is an inverse relationship between the total volume of scientific and technical production and the number of organizations engaged in R&D (the ratio of correlation is “-0,83”); Second, although one can observe a dynamic growth of volume of scientific and technical products, the number of organizations which are engaged in R&D decreased from 418 to 304 in 2000 through 2014; Third, direct interdependence between the volume of scientific and technical production and Gross Domestic Expenditure on R&D was very tight with a correlation of 0,97.

Figure 2 : Regression relationship between scientific and technical production and Gross Domestic Expenditure on R&D in Uzbekistan



Apparently from Figure 2 we can notice that 1% increase in R&D funding causes an increase in volume of scientific and

technical production by 0,915%. At the level of reliable approximation ($R^2 = 0,935$), results of the analysis seem acceptable and hence, infer that enhancing Gross Domestic Expenditure on R&D boosts the volume of scientific and technical products.

Comprehensive government support of innovative activity at the initial stages is attributed by necessity of creation of competitive national innovative system (NIS). However, due to limitedness of the state budget efficiency and stability of NIS in the long term depends on participation of various classes of institutional investors. Transformation of public fund to venture type fund would considerably diversify sources for financing of applied research and innovative development in Uzbekistan. Such type of a public-private partnership had been successfully realized in such countries as Israel, Sweden, Russia, Kazakhstan, Latvia, etc.

Conclusion

Innovation activity funding in the world economy does not pursue the aim only to increase the competitiveness of national economies or particular companies, but also to ensure a stable economic growth through commercialization of scientific achievements and encouraging the economy to a qualitatively new innovative development stage.

On the innovative development way only existence of the institutes engaged in R&D isn’t enough to achieve desired goal – creating innovative-driven economy. Strong financial basis of innovative activity has, besides public financing, to be replenished with financial support from corporate and private investors whose activity directly depends on timely introduction of innovative elements to production processes.

Thus, fostering innovations in Uzbekistan through institutional approach is not fully justified, since it is not only about the quantity of R&D sponsoring institutions. More effective way of boosting innovation-driven economy might be conditioned by the volume of funds and diversification of finance sources. It seems possible when public and private sectors would engage in partnership and create venture capital funds. By use of such funds there can be built new research institutes whose successful operation would depend on permanent funding by capital which could enjoy tax benefits as well.

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CAMEROON PROFESSORS PUBLISH: A REPLY TO NWANATIFUNWACO'S 'CAMEROON: PROFESSORS WITHOUT PUBLICATIONS'

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

This paper is a rebuttal to NwanatifuNwaco's blog post captioned "Cameroon: Professors without Publications" (at <https://chiefnwaco.wordpress.com/2013/04/09/professors-without-publications/>, retrieved on 29 November 2014). Nwaco purports that Cameroon academics—university intellectuals (researchers, scholars or professors and research students)—largely do not produce and/or publish scholarly works such as research papers, book chapters, and monographs. His claims are principally based on the unavailability of titles and abstracts by Cameroon professors in his Google searches. He also alludes—rightly and/or wrongly—to the partisan politics that compels many an intellectual in Cameroon to focus on political assignments at the expense of research and to strive at publishing regime-tilted works. In spite of the fact that his assertions acknowledge some unnamed exceptions, we find them largely faulty and unfounded. Consequently, this paper embarks on a mission of refuting his allegations and proving that Cameroonian university intellectuals—both learned professors and their mentees (like the case of this present author)—do publish scholarly works in national and international channels. With evidence from the CVs of some Cameroon professors randomly culled from Internet sources, with reference to some national journals and annals managed in Cameroon, with reference to some randomly selected papers by Cameroonian intellectuals obtained via Google Scholar, Academia.edu, Researchgate and Selectedworks, and with citations from diverse academic publications, the present paper attempts to somewhat neutralise Nwaco's assertions. In order to balance our arguments, the paper also identifies weaknesses in academic publishing in Cameroon and proposes strategies to remedy the situation.

Keywords: *Academic Publishing, Cameroon, Scholarly Publishing Challenges in Cameroon, Cameroonian Academics Publish, Scholarship in Cameroon/Africa*

This paper is an attempt to refute NwanatifuNwaco's claims that Cameroonian professors/academics are not committed to scholarly publishing. In short, he claims that Cameroon professors do not carry academic research. In a blog post captioned "Cameroon: Professors without Publications", Nwaco purports that Cameroon academics—university professors and doctors—largely do not produce and/or publish scholarly works such as research papers, book chapters, and monographs. His claims are principally based on the unavailability of titles and abstracts by Cameroon professors in his Google searches. He also alludes—rightly and/or wrongly—to the partisan politics that compels many an intellectual in Cameroon to focus on political assignments at the expense of research and to strive at publishing regime-tilted works. In spite of the fact that his assertions acknowledge some unnamed exceptions, we find them largely faulty and unfounded. Consequently, this paper embarks on a mission of refuting his allegations and proving that Cameroonian university intellectuals—both learned professors and their mentees (like the case of this present author)—do publish scholarly works in national and international channels. No matter how debatable this may be, with evidence from the CVs of some Cameroon professors randomly culled from Internet sources, with reference to some national journals and annals managed in Cameroon, with reference to some randomly selected papers by Cameroonian intellectuals obtained via Google scholar, Academia.edu, Researchgate and Selectedworks and with citations from diverse academic publications, the present paper neutralises Nwaco's assertions. In order to balance our arguments, the paper also identifies weaknesses in academic publishing in Cameroon and proposes strategies to remedy

the situation. It is worth noting that the words professors, scholars and academics are used interchangeably throughout this work to designate university intellectuals, both university lecturers and research students in generic terms.

Cameroon Professors Publish: A Case Against Academic Marginalities

The focus of this segment of the paper is to contradict and neutralise NwanatifuNwaco's (baseless) claims, which claims constitute an attempt to marginalise Cameroonian scholars. In order to do so, evidence is drawn from diverse sources. Publication information from web-traced curriculum vitae (CVs) of some randomly selected Cameroonian scholars constitutes the first set of evidence. Some publishing outlets owned by and where many Cameroonian academics publish are also brought to the fore. Evidence from specialized online searching sites for academic publications such as Google Scholar, Researchgate, Academia.edu and Selectedworks is also used. Finally, the academic mobility of Cameroonian scholars is equally proven to be indicative of the quality and quantity of scholarly publications by Cameroon professors.

A random sample of the web-based CVs of some selected Cameroonian scholars reveals the qualitative and quantitative nature of publications from Cameroon. The reputation of the peer-reviewed journals and publishing houses where these scholars publish as well as the number and depth of their works are quite impressive. Consider the following table which summarises findings from the random sample. This sample includes Cameroon university academics in all ranks and from diverse fields of knowledge as well as research students working under them. The entries in the table have been organised in alphabetical order.



Scholar	Affiliation	Academic Rank	No. of publications and year considered	Names of Prominent Journals and/or Publishing Houses
Christian Lambert Nguena	University of Yaoundé 2	Lecturer in Economics	13 research publications and 4 works in progress by 2013	<i>African Development Review, Economics Bulletin, African Journal of Economics</i>
Erasmus Nchuaji Tang	University of Yaoundé 1	Research Student in Biochemical Sciences	02 research papers and 02 works in progress by 2015	<i>International Journal of Biological and Chemical Sciences</i>
Godlove Ngwochu Hongie	University of Douala	Senior Lecturer in Political History and International Relations	11 research publications and 04 works in progress by 2015	<i>Sociology Study; Online Journal of African Affairs; International Journal of Education, Humanities and Multidisciplinary Research; the Journal of Social Sciences and Public Policy</i>
Justina Atemajongepse Njika	University of Yaoundé 1 and ENS Yaoundé	Associate Professor of English Language and Linguistics	14 research publications and 04 book reviews by 2014	<i>South Journal of Culture and Development, Ibadan Journal of Multicultural/Multidisciplinary Studies, LAPEES, Studies in African Linguistics and Cuvillier Verlag.</i>
Kenneth Toah Nsah	Lycée de Monatélé II and University of Yaoundé 1	Research Student in Language, Culture and Literary Studies	02 research publications and 02 works in progress by 2015	<i>Journal of English Language, Literature and Culture (JELLiC), Modern Research Studies: An International Journal of Humanities and Social Sciences</i>
Oscar C. Labang	Kencholia Teacher Training College, St Lawrence University, Cameroon	Instructor/Lecturer in English, Didactics of National Languages and Cultures	????	<i>Journal of English Language, Literature and Culture (JELLiC), Epasa Moto: A Multidisciplinary Journal of Arts, Letters and the Humanities of the University of Buea, Wenshan Review of Literature and Culture, The Apollonian: A Journal of Interdisciplinary Studies</i>
Roger Mbibhihi Niying	Pan-African University Institute for Social and Human Sciences	Research Student in International Relations, Governance and Democracy	20 research papers and 02 works in progress by 2016	<i>International Journal of Advances in Social Science and Humanities</i>
Rose LEKE née Gana Fomban	University of Yaoundé 1	Professor of Medicine	70 research publications by 2012	<i>New England Journal of Medicine, The Journal of Infectious Diseases, Journal of Clinical Microbiology</i>
Samuel N. Atechi	University of Yaoundé 1	Professor of English Language and Linguistics	15 publications and 05 works in progress by 2013	<i>English Studies: A Journal of English Language and Literature, Alizes, Cuvillier Verlag, Cambridge Scholars Publishing,</i>

The research findings in the table above prove that Cameroonian scholars and their students are committed to scholarly research and publishing. The above findings are further strengthened by other statistics. Daniel Rotic (2010:3), quoting Thompson Scientific as of May 2007, reports that Cameroon academics produced a total of 2150 publications between the years 2000 and 2007. Ezra Ondari-Okemwa (2007:7), also quoting Thompson Scientific as of May 2007, reveals that Cameroonian scholars produced a total of 2718 publications between 1997 and 2007.

Furthermore, Cameroonian scholars equally run and publish in many commendable publishing channels. They publish academic “trash” (See Labang, 2012: n.p.) as well as literary works. Their publishing channels include online magazines or e-zines like Bakwa Magazine at <http://www.bakwamagazine.com/>; blogs such as Cameroon Literature in English at <http://www.anglocamlit.blogspot.com/>, Scribbles from the Den (<http://www.dibussi.com/>), Batuo’s World (<http://www.joyceash.com/>), George Ngwane (<http://www.gngwane.com/>), La Bang (<http://www.la-bang.org/>), Nsah Mala’s Literary Creations at <http://www.nсахmala.blogspot.com/>; peer-reviewed open access journals and university annals like the *Journal of English Language, Literature and Culture (JELLiC)*, the *Journal of Human Rights (JHR)*, *Syllabus Review: Human and Social Sciences Series* at the Higher Teacher Training College (ENS) at the University of Yaoundé, the *Cameroon Journal of Studies in the*

Commonwealth at the University of Douala, and *Epasa Moto: A Multidisciplinary Journal of Arts, Letters and the Humanities* at the University of Buea; and publishing houses like Langaa RPCIG, Miraclaire Publishing LLC, Miraclaire Academic Publications (MAP), Editions Clés, CEREC Publishing, ANUCAM Publishers, Unique Printers and Publishers, Spears Media Press, Afrédit, NMI Education, Ken Scholars Publishing (USA), Cambridge Scholars Publishing (UK), Galda Verlag (Germany), Cuvillier Verlag (Germany), etc.

One of the basis on which Nwaco indicts Cameroon professors is his claim that a Google search with some names of these professors yield little or no results. However, in order to land on good and specialized search results online, one has to use specialized search engines. The *Search Engine List* can be helpful in this regard. With regard to Google, advanced search through Google Scholar provides much better results on scholarly publications in the form of books, book chapters, research papers and essays. For example, the search terms like “Cameroon”, “Cameroonian scholars”, and various names of Cameroonian academics yields substantial information about the number and reputation of the international peer-reviewed journals in which Cameroon researchers publish their works. Such journals include *Advances in Social Sciences Research Journal (ASSRJ)*, *Intersections, Academic Journal of Interdisciplinary Studies, Nordic Journal of African Studies, Mediterranean Journal of Social Sciences, International Journal of English and Education, Modern Research Studies, BARNOLIPI—An Interdisciplinary*



Journal, CLCWeb: Comparative Literature and Culture, The Apollonian, to name but these.

We can also argue that academic mobility for higher education teachers/lecturers which comes with the internationalization of education is a big plus for academic publishing in Cameroon. Cameroon professors residing and working either permanently or temporarily in foreign countries now, more than ever before, maintain continuous and collaborative research ties with their peers back at home. This is the case with academics like Oscar Labang, Charles Teke, Francis Nyamjoh, Joyce Ashuntantang, Bill F. Ndi, IrmagardAnchangLangmia, KhebumaLangmia, Peter Vakunta, Jerry Domatob, DibussiTande, Juliana Nfah-Abeny aka Makuchi, George Eshu, AugustinSimoBobda, Joseph BabilaMutia, Gilbert Ndi Shang, etc. In the present global context, no professor has a permanent base due to intellectual/academic mobility. Collaborative research initiatives undertaken by these roving scholars and their home-based colleagues greatly add to the quality and quantity of research publications by Cameroon professors.

Conference and symposia proceedings in Cameroon are equally published. That is the case for conferences like the KITAL/CELLA annual international conferences, symposia and festschrifts in honour of retiring professors like those that were held between 2005 and 2014 at the University of Yaoundé in honour of retiring professors Bole Butake, Beban Sammy Chumbo, Paul Bangwana, V. K. J. Fanso, etc. No Smoke Without Fire: Issues that Taint Cameroonian Professors' Research

This section of the paper argues that despite the above potentials and viability of scholarly publishing in Cameroon, the country's academics suffer from so many problems which tend to hamper and/or taint the image of their research publications. This results to academic marginalities. Among the many issues stifling academic research in Cameroon (and even Africa/developing world at large), we can cite publishing hurdles/conundrums, limited online presence of university annals and journals, absence of student journals within Cameroonian universities, limited funding/lack of incentives, and little or no collaborative vertical research projects among Cameroonian academics. Each of these problems will be considered in turn.

Publishing Conundrums in Africa and Cameroon

Many researchers have demonstrated that Africa including Cameroon suffers from many academic publishing limitations (see Samuel S. Esseh and John Willinsky, n.d.; Ezra Ondari-Okemwa, 2007; and OghenetegaIvwigheghweta and Oghenovo K. Onoriode, 2012). Restricted copyrights and access, lack of infrastructure to host open access publications, low literacy levels, little institutional motivation of scholars and research students to contribute to open access materials, poverty, and lack of appropriate technology tools are some of these major conundrums/huddles to scholarly publishing

in Africa, and Cameroon. With regards to poverty for example, Ivwigheghweta and Onoriode (2012), drawing from DiMaggio et al., hold that "digital divide refers to inequalities in access to the Internet, extent of use, knowledge of search strategies, quality of technical connections and social support, ability to evaluate the quality of information, and diversity of uses" (p.6). Ezra Ondari-Okemwa (2007), insightfully elaborates the technological limitations that hamper scholarly publishing in the continent. He contends that

Scholarly publishing in sub-Saharan African countries [including Cameroon] could benefit from electronic publishing but the countries in the region lack the technological capability to support electronic knowledge transfer and scholarly publishing..The technological challenges in sub-Saharan Africa are similar to those across the African region. Ahwireng-Obeing (2000) thinks that Africa is a 'technological wilderness', peripheral to the knowledge revolution, the convulsive impact of which is only felt in the continent. (n.p.)

Cameroon is thus part of the African "technological wilderness" struggling with publishing obstacles. Furthermore, the Cameroon-born poet Nsah Mala has also explored the difficulties faced by writers (and researchers) in Cameroon in the poem "Publishing Conundrum" published in his most recent poetry collection *If You Must Fall Bush*. It is worth quoting the said poem in its entirety:

Bites of I[s]anity's birth certificate

Was signed at Langaa maternity

On February 12, 2015;

But her father only embraced the baby

At home on April 28, 2015,

After a long, long "on attend l'enfant".

How long shall this continue?

That we conceive children in Cameroon

And cannot be delivered in local maternities.

Where are our Cameroonian literary midwives?

Perhaps Ashuntantang's call fell on stone ears;

We keep owning foreign children conceived here.

Our land is blessed with literary fertility,

But sometimes our pregnancies are overdue

And someone elsewhere begets a child similar to ours.

Then we are accused of literary fornication and adultery.

Our midwives chase shadows of textbooks and booklists

While foreigners name our kids and decide their shapes...

How long shall this publishing conundrum continue? (p.4)

Some reviewers have already underscored publishing hurdles explored in Mala's work and experienced in his Cameroonian society. Michael SuhNiba, in the foreword to the collection, opines that

“...unfortunately Cameroonian authors [and researchers] have a problem because they do not have publication channels. In most cases their works take so much time to be published so much so that they are accused of plagiarism which the poet creatively terms the accusation of ‘adultery and fornication’. Those involved in publishing in Cameroon only care about producing textbooks for the syllabus thereby marginalising creative writers [and researchers]. This sense of frustration which Mala expresses is a sentiment that other Cameroonian writers like Joyce Ashuntantang and Oscar Labang have also explored.” (pp. xvii-xviii)

Similarly, Louisa Lum, in the afterword of the same collection, affirms that “There is also a focus on the difficulty of publication by Cameroonian authors [and researchers] since most local publishers prefer to publish textbooks that will sell in the national school system” (p. 107). According to the above excerpts, the high preference that most Cameroon local publishers give to textbooks is detrimental to creative and scholarly publishing and consequently causes the marginalisation of the latter works, particularly academic research findings. In short, the list of hurdles to academic publishing in Africa is far from being exhaustive. Some of the issues left out here will feature in some of the discussions that follow.

Limited Online Presence of Cameroonian University Annals and Journals

University annals, bulletins and journals in African as a whole and in Cameroon in particular are not sufficiently visible on the digital space where the entire world converges into a one small global village. Ezra Ondari-Okemwa (2007) affirms that “Scholarly publications emanating from sub-Saharan Africa and the entire African continent lack [offline and online] visibility” (n.p.). In Cameroon specifically, internal scholarly publications such as annals, journals and students’ dissertations are almost nowhere to be found on the World Wide Web. With the exception of ENS Yaoundé which publishes outstanding student dissertations on their website at www.ens.cm, one cannot download a Masters or PhD thesis/dissertation from the website of any university on Cameroon, at least at the time of writing this paper. Apart from *Syllabus Review: Human and Social Sciences Series* and *Epasa Motto: A Multidisciplinary Journal of Arts, Letters and the Humanities of the University of Buea*—which have open-access online versions, no Cameroonian university, at the time this paper was researched and written, can boast of a journal issue found online. In this vein, Daniel Rotich (2010) contends as follows:

The most pressing problem is the need to maintain the technology for traditional printing in scholarly publishing while at the same time investing in and developing a new system that relies on digital creation, transmission and distribution. The costs of doing both things simultaneously are enormous, both to scholarly publishers and to research

libraries. The presence of the Internet in sub-Saharan Africa is extremely low. This has made Africa lag behind in terms of scholarly publishing. There is also a need to build the capacity of editors and designers. Access to ICT facilities is also a pressing need for most publishing institutions. (p.5)

Probably, the lack of proper technological capacities to deal with electronic publishing, as shown above, is responsible for the online invisibility of scholarly publications from Cameroon and sub-Saharan Africa. In like manner, Ivwighregheghweta and Onoriode (2012) quote Hamsel (2005) as having stated that

[T]echnologically, many African countries, especially Nigeria, lack the infrastructure to handle OA materials. Telecommunication challenges like bandwidth allocation, and weak communication and social infrastructure have not only blocked information flows but ultimately stifled social and economic development. Internet connection is a key to OA. Despite a very rapid rate of the Internet growth, Africa still lags behind in Internet connectivity with barely 1% of Internauts in Africa and the Middle East. Scientists who are not connected to the Internet are excluded automatically from publishing in, and benefiting from, a growing number of journals, because many new journals are created online while many old ones now often have online counterparts. (p. 6)

Thus, Cameroonian institutions of higher learning and the state authorities (seem to) lack the basic technological infrastructure to make their publications available on the virtual space. To this, one can also add the fact that most university annals and journals in Cameroon are not published at regular frequencies/intervals. Sometimes, a university goes for more than two years without releasing an issue of its annals or journal(s).

Absence of Student Journals in Cameroonian Universities

In the western world (Europe, USA, Canada, Australia, etc.), universities have student/internal journals within their various schools, faculties, and departments. They sometimes even have specialized journals for graduate (postgraduate) and undergraduate students in order to enable students to get acquainted with academic research while still studying. Examples of such journals include *Aidenn: The Liberty Undergraduate Journal of American Literature* (Liberty University), *Best Integrated Writing* (Wright State University), *Nota Bene: Canadian Undergraduate Journal of Musicology* (Western University), (See Students Journals Published with Digital Commons at <http://digitalcommons.bepress.com/online-journals-student/>, retrieved on 24 March 2016), *The Hilltop Review: A Journal of Western Michigan University* (Western Michigan University, at <http://scholarworks.wmich.edu/hilltopreview/>), *New Vistas Journal* (University of West London, at <http://www.uwl.ac.uk/research/new-vistas-journal/>, retrieved on 24 March 2016), *Canadian Graduate Journal of Sociology and Criminology* (University of Waterloo, at [56 | Voice of Research, Vol. 5 Issue 2, September 2016, ISSN 2277-7733](https://uwaterloo.ca/sociology-</p>
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and-legal-studies/canadian-graduate-journal-sociology-and-criminology/, retrieved on 24 March 2016) and *McGill Sociological Review* (McGill University, at <https://www.mcgill.ca/msr/mcgill-sociological-review-msr/>, retrieved on 24 March 2016). Sadly enough, these types of journals do not yet exist in universities in Cameroon and most sub-Saharan African countries. At a time when Open Access publishing is en vogue, it is regrettable that such research facilities do not exist in Cameroonian universities. It is perhaps due to this sad situation that it is so rare to find a university student in Cameroon (both undergraduate and graduate students) who publishes papers in national and international peer-reviewed journals while still studying. The author of the present paper is one of those rare research students in Cameroon who is publishing in peer reviewed journals! Besides the absence of student academic works in such journals, Cameroonian students are also deprived of the merits that come with such endeavours. Julie Hagan (2014: n.p.) cite the following as the value/merits of research students enjoy from publishing in student journals: improving your writing style, becoming an effective peer reviewer, building leadership skills, broadening your network, and encouraging idea sharing.

Insignificant Research Allowances/Lack of Research Incentives

The lack of research incentives is an acute academic problem in most African universities, especially universities in sub-Saharan Africa where Cameroon belongs. Even Nwaco acknowledges this limitation when he states that “Most will be quick to blame the small or limited research grants offered by the state for research or are quick to accuse censorship...” (n.p.). He also evokes another obstacle to academic publishing in Cameroon which is state censorship of anti-regime research findings. Relatedly, Ezra Ondari-Okemwa (2007), in a lengthy but comprehensive and comprehensible manner, stresses the fact that lack of incentives deters African scholars from publishing. He holds that

Research funding is almost non-existent; many universities in the region have seen enrollment of students escalating while emoluments of faculty members and researchers have remained stagnant over a long period of time. Scholars publish for several reasons and one of the major reasons is that of earning promotions and tenure. However, good incentives can also persuade scholars to publish in scholarly journals. Institutions of higher learning in sub-Saharan Africa, which are the major employers of scholars in the region, do not provide incentives to scholars to publish in scholarly journals... Good remuneration and other monetary rewards for scholars are incentives, but there are other incentives which can create an enabling environment for scholarly publishing. For example, maintaining the best infrastructure that institutions of higher learning should have and maintaining the prestige and comfort associated with higher education can be an important incentive for

scholars in sub-Saharan Africa. Such incentives can enable scholars not only to desire to publish, but also to add to the body of knowledge. Sabbatical leave, which is meant to ensure that scholars have time and attention for research and interaction with their counterparts from other regions of the world, is not easily facilitated in the institutions of learning based in sub-Saharan Africa. The reason for the absence of all these incentives is lack of adequate financing. (n.p)

Limited research allowances also prevent Cameroonian and other sub-Saharan African scholars from attending academic conferences in and outside their countries. Commenting on the importance of these conferences and why African (and Cameroonian) scholars hardly attend them, Ezra Ondari-Okemwa (2007) writes that

In conferences, scholars have an opportunity to present their research findings to their peers, especially those from other regions of the world. These research findings may eventually be published either as conference proceedings or as articles in scholarly journals. Scholars in sub-Saharan Africa find it too costly to sponsor themselves to such conferences and their institutions do not usually give any support. Even conferences organized locally or within the region are out of reach for most scholars in sub-Saharan Africa. (ibid)

The more African and Cameroonian universities cut down and/or feel reluctant to provide adequate research funding and allowances to their professors and students, the more the quality and quantity of academic research from this part of the world will be invisible, marginalised and underestimated on the global academic landscape. This problem is further compounded by the advent of Open Access publishing which in most cases (for now) compels many journals to charge author fees (processing and publishing fees) from the authors of articles and papers. Here it is worth alluding to the personal experiences of the present author in this regard. In 2015, his second published research paper entitled “Black Prophecies on Whites Soils and Ears: A Reading of Joyce Ashuntantang’s ‘The Clairvoyant’” was accepted for publication by two reputable international peer-reviewed journals (one in the UK and another in Germany) which however failed to publish the paper because he could not raise the fees charged him for its publication. Fortunately, another reputable peer-reviewed journal in India accepted and published the paper without charging him any processing/publication fee.

Little or No Vertical Collaborative Research Projects among Cameroonian Academics

One of the factors that cast shadows of invisibility and marginality on Cameroon academic publishing is the near total absence of collaborative research initiatives among scholars in Cameroon, particularly what the present researcher dares call vertical collaborative research—that is, collaborative research between senior and junior professors/lecturers and/or between professors and students. As hinted earlier in this

paper, there are very few university students in Cameroon involved in academic research and publishing other than their chosen research topics for thesis/dissertations. There is also very limited or insufficient research cooperation between Cameroon-based researchers and researchers in the North (developed countries). In this regard, Ezra Ondari-Okemwa (2007) notes that

It takes a collaborative effort to produce knowledge. Scholars in the developed regions who may buy the idea of collaborating and/or co-publishing with their peers from sub-Saharan Africa should do so bearing in mind the challenges of scholarly publishing in the region. It should be clear that scholars in Africa do not have access to information resources, taken for granted in many countries of the developed regions. It should also be understood that information technologies are largely absent in sub-Saharan Africa. If scholars in the developed world think that no worthy scholarship may come out of Africa, then the appeals to collaborate and co-publish may be like preaching to the wilderness. (n.p.)

In the above excerpt, Okemwa spells out precautions that have to be taken each time that South-North research cooperation is to be embarked upon. In this way, he identifies technological loopholes in research in Africa, including Cameroon, at the same time launching an implicit appeal for such initiatives to be carried out. Thus, the present author joins him to recommend that there senior and junior academics as well as academics and their students/mentees should endeavour to carry out collaborative research in Cameroon.

Extinguishing the Fire: The Way Forward for Academic Publishing in Cameroon

Considering the shortcomings identified in academic publishing in Cameroon (and Africa) above, we need to formulate suggestions aimed at redressing the situation in order to make our research findings much more visible both online and offline, in and out of the country. We therefore recommend, to all stakeholders in the area of academic research and publishing in Cameroon, as follows: More and more journals and annals should be created in Cameroonian universities. The periodicity of publications in these journals and/or annals should be made on very regular basis. While creating these journals, attention should be paid to Open Access demands, especially online archiving and indexing so that works published therein will be freely available and accessible online. OA publishing requires that published academic works be freely accessible to readers and users throughout the world and at all times thanks to internet depositories and free downloading options. Intra-university journals should be created, especially student journals for both graduate and undergraduate students in order to initiate students to research early enough. University presses or publishing units in the departments of our various

universities should be created and sustained. The Cameroon government needs to step up research allowances for university lecturers and to provide enough funding to research students. Universities should also be allowed enough autonomy so that they can forge profitable partnerships with the private sector and secure funding sources for research scholars and students within their various faculties and departments. The powers that be should encourage university professors in Cameroon to attend academic conferences. Ondari-Okemwa (2007) strongly proposes that “Institutions of higher learning in the [sub-Saharan African] region should do everything possible to enable scholars to attend conferences organized locally, regionally and internationally. Attendance of such conferences allows scholars to understand the current paradigms in their various areas of research” (n.p.). Ivwighregheghweta and Onoriode (2012) add that “OA increases the return on their investment in research, making the results of the funded research more widely available, more discoverable, more retrievable, and more useful. OA serves public funding agencies by providing public access to the results of publicly funded research” (p.4). The organization of academic gatherings such as conferences, seminars, festschrifts and symposia should be encouraged in Cameroon. The KITAL/CELLA example should be emulated. Meanwhile, professors should be encouraged to attend such gatherings and other conferences outside the country. In this vein, it should be added that Cameroon’s participation (through Cameroonian scholars) in international academic conferences such as the African Literature Association (ALA) in the literary field should be improved. That is why Cameroonian literary scholars and research students need to take advantage of the competitive travel grants and free students membership options offered by the ALA in order to increase their participation in ALA events. Collaborative research, particularly vertical collaborative research, should be encouraged and effectively practised among Cameroon academics. Senior researchers should initiate book projects and issue Calls for Papers so that junior researchers and research students may take advantage and train themselves in the art and science of research. Each time a book project is undertaken necessitating open calls for papers, the information should be circulated as widely as possible. Passing across such information on social media like Facebook and Yahoo groups, via email and in hard copy letters etc. can really enable many academics to participate. The powers that be should make sure that the journals they create are open access in nature and try as much as possible to avoid charging author fees in order not to deter poor researchers from sharing their research findings. Our OAJs should raise funds in different ways like donations from sponsors and others. Similarly, efforts should be made by well-informed academics in Cameroon to share information about OAJs in various research fields which do not charge author fees. This will enable many Cameroonian scholars to



publish since they are usually unable to pay author fees to internationals due to poverty and even modes of payment like online payment.

Conclusion

This paper has refuted NwanatifuNwaco's claims that Cameroon professors do not publish research findings. It used evidence from randomly selected web-traced CVs of some Cameroon professors, examined some of the journals and publishing houses in which they publish, discussed how specialized searching techniques on the internet do yield research publications from Cameroon, and also cited seminal works on scholarly publishing in Africa in order to defend the thesis that Cameroon professors and some of their students are very committed to academic research and publishing. However, the paper also identified and discussed some of the issues that plague academic publishing in Cameroon and Africa such as limited funding/lack of incentives, technological weaknesses, absence of student journals, and limited collaboration between researchers. These issues were raised to prove that despite everything scholarly publishing in Cameroon and Africa is still standing on shaky grounds, though it is fallacious to claim that Cameroon professors do not publish. In the last part of the paper, recommendations have been made aimed at improving the quality, quantity and visibility of scholarly publications from Cameroon in particular and Africa/the developing world at large. These recommendations include the need for the creation of more journals and annals in Cameroon, the need to make such journals open access in nature, the need for more incentives to be provided for academics to attend conferences, the need to promote and encourage collaborative research among scholars in Cameroon, among others. If these recommendations are effectively implemented coupled with commendable initiatives like the KITAL/CELLA annual conferences and the progressive integration of ICTs in the management of Cameroonian universities and other higher institutions of learning, we can then be sure that the future looks bright for scholarly publishing in Cameroon and Africa. And this bright future lies on the shoulders of open access publishing and online archiving which Daniel Rotich (2010) acknowledges as being "of vital importance to developing countries [such as Cameroon], which often do not have the capital necessary to access scholarly literature" (n.p.). It is our wish that this paper contributes toward achieving this bright future of academic publishing in Cameroon (and in Sub-Saharan Africa as a whole).

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A STUDY OF RESERVE BANK OF INDIA (RBI) INITIATIVES WITH RESPECT TO EXPORT FINANCE

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Voice of Research

Volume 5, Issue 2

September 2016

ISSN 2277-7733

Abstract

The paper attempts to study the RBI initiatives with respect to Export financing schemes for boosting Indian Exports. It is of great importance that the country's exports be stepped up, so as to reduce the trade and current account deficits to sustainable levels. Apart from export incentives provided to exporters, RBI and the Government should also ensure that the exporters are provided credit facilities at a reasonable rate of interest. The paper covers the existing financing policies of the RBI and also focus on issues relating to various difficulties being faced by exporters with regard to availability of credit, factoring and other procedural issues in their dealings with banks and financial institutions.

Keywords: Export financing, RBI, factoring

The RBI first introduced the scheme of Export Financing in 1967. The scheme is intended to make short-term working capital finance available to exporters at internationally comparable interest rates. Under the earlier scheme in force upto June 30, 2010, RBI fixed only the ceiling rate of interest for export credit while banks were free to decide the rates of interest within the ceiling rates keeping in view the Benchmark Prime Lending Rate (BPLR) and spread guidelines and taking into account track record of the borrowers and the risk perception. In order to enhance transparency in banks' pricing of their loan products, banks were advised to fix their BPLR after taking into account actual cost of funds, operating expenses and a minimum margin to cover regulatory requirement of provisioning / capital charge and profit margin. However, the BPLR system, introduced in 2003, fell short of its original objective of bringing transparency to lending rates. This was mainly because under the BPLR system, banks could lend below BPLR. For the same reason, it was also difficult to assess the transmission of policy rates of the Reserve Bank to lending rates of banks. Accordingly, based on the recommendations of the Working Group on Benchmark Prime Lending Rate (Chairman: Shri Deepak Mohanty) banks were advised to switch over to the system of Base Rate w.e.f. July 1, 2010. The Base Rate System is aimed at enhancing transparency in lending rates of banks and enabling better assessment of transmission of monetary policy. Under the Base Rate System, applicable w.e.f. July 1, 2010, interest rates applicable for all tenors of rupee export credit advances are at or above Base Rate.

Existing credit structure for exporters¹ can be categorised as under

A. Rupee Export Credit	B. Export Credit in Foreign Currency
1. Pre-shipment Rupee Export Credit	1. Pre-shipment Export Credit in Foreign Currency
2. Post-shipment Rupee Export Credit	2. Post-shipment Export Credit in Foreign Currency
3. Interest on Rupee Export Credit	3. Interest on Export Credit in Foreign Currency

Rupee Export Credit

Pre-shipment Rupee Export Credit: 'Pre-shipment/ Packing Credit' means any loan or advance granted or any other credit provided by a bank to an exporter for financing the purchase, processing, manufacturing or packing of goods prior to shipment/working capital expenses towards rendering of services on the basis of letter of credit opened in his favour or in favour of some other person, by an overseas buyer or a confirmed and irrevocable order for the export of goods/ services from India or any other evidence of an order for export from India having been placed on the exporter or some other person, unless lodgement of export orders or letter of credit with the bank has been waived.

Period of Advance: The period for which a packing credit advance may be given by a bank will depend upon the circumstances of the individual case, such as the time required for procuring, manufacturing or processing (where necessary) and shipping the relative goods / rendering of services. It is primarily for the banks to decide the period for which a packing credit advance may be given, having regard to the various relevant factors so that the period is sufficient to enable the exporter to ship the goods / render the services. If pre-

shipment advances are not adjusted by submission of export documents within 360 days from the date of advance, the advances will cease to qualify for prescribed rate of interest for export credit to the exporter *ab initio*.

Disbursement of Packing Credit: Banks may release the packing credit in one lump sum or in stages as per the requirement for executing the orders/LC.; Ordinarily, bank shall maintain a separate account of each packing credit sanctioned for the purpose of monitoring the period of sanction and end-use of funds; Banks may also maintain different accounts at various stages of processing, manufacturing etc. depending on the types of goods/ services to be exported e.g. hypothecation, pledge, etc., accounts and may ensure that the outstanding balance in accounts are adjusted by transfer from one account to the other and finally by proceeds of relative export documents on purchase, discount, etc.

Liquidation of Packing Credit: The packing credit/pre-shipment credit granted to an exporter may be liquidated out of proceeds of bills drawn for the exported commodities on its purchase, discount etc., thereby converting pre-shipment credit into post-shipment credit. Further, subject to mutual agreement between the exporter and the banker it can also be repaid / prepaid out of balances in Exchange Earners Foreign Currency A/c (EEFC A/c) as also from rupee resources of the exporter to the extent exports have actually taken place. If not so liquidated/ repaid, banks are free to decide the rate of interest from the date of advance.

Post-shipment Rupee Credit: 'Post-shipment Credit' means any loan or advance granted or any other credit provided by a bank to an exporter of goods/services from India from the date of extending credit after shipment of goods/rendering of services to the date of realization of export proceeds as per the period of realization prescribed by FED, and includes any loan or advance granted to an exporter, in consideration of, or on the security of any duty drawback allowed by the Government from time to time. As per the current instructions of FED, the period prescribed for realization of export proceeds is 12 months from the date of shipment.

Types of Post-shipment Credits: Post shipment advance can mainly take the form of - Export bills purchased/discounted/negotiated; Advances against bills for collection; Advances against duty drawback receivable from government.

Liquidation of Post-shipment Credit: Post-shipment credit is to be liquidated by the proceeds of export bills received from abroad in respect of goods exported / services rendered. Further, subject to mutual agreement between the exporter and the banker it can also be repaid / prepaid out of balances in Exchange Earners Foreign Currency Account (EEFC A/C) as also from proceeds of any other unfinanced (collection) bills.

Interest on Rupee Export Credit: General-For the period upto June 30, 2010, a ceiling rate had been prescribed for rupee export credit linked to Benchmark Prime Lending Rates (BPLRs) of individual banks available to their domestic borrowers. Banks had, therefore, freedom to decide the actual rates to be charged within the specified ceilings. The Base rate system is applicable w.e.f. July 1, 2010. Accordingly Interest rate applicable for all tenors of rupee export credit advances is

¹ DBOD No.DIR.BC.16/04.02.002/2013-14 July 1, 2013 Master Circular - Rupee / Foreign Currency Export Credit and Customer Service To Exporters



at or above Base Rate. ECNOS means Export Credit Not Otherwise Specified in the Interest Rate structure for which banks are free to decide rate of interest keeping in view the Base Rate/BPLR guidelines. Moreover, banks should not charge penal interest w.r.t ECNOS.

Interest on Pre-shipment Credit: Banks should charge interest on pre-shipment credit upto 270 days at the rate to be decided by the bank within the ceiling rate arrived at on the basis of BPLR relevant for the entire tenor of the export credit under the category. The period of credit is to be reckoned from the date of advance. This guideline is applicable upto June 30, 2010. The Base Rate System is applicable from July 1, 2010 and accordingly interest rates applicable for all tenors of rupee export credit advances sanctioned on or after July 01, 2010 are at or above Base Rate. If pre-shipment advances are not liquidated from proceeds of bills on purchase, discount, etc. on submission of export documents within 360 days from the date of advance, the advances will cease to qualify for prescribed rate of interest for export credit ab initio.

In cases where packing credit is not extended beyond the original period of sanction and exports take place after the expiry of sanctioned period but within a period of 360 days from the date of advance, exporter would be eligible for concessional credit only upto the sanctioned period. For the balance period, interest rate prescribed for 'ECNOS' at the pre-shipment stage will apply. Further, the reasons for non-extension of the period need to be advised by banks to the exporter. In cases where exports do not take place within 360 days from the date of pre-shipment advance, such credits will be termed as 'ECNOS' and banks may charge interest rate prescribed for 'ECNOS' pre-shipment from the very first day of the advance. If exports do not materialize at all, banks should charge on relative packing credit domestic lending rate plus penal rate of interest, if any, to be decided by the banks.

Interest on Post-shipment Credit: Early payment of export bills In the case of advances against demand bills, if the bills are realised before the expiry of the normal transit period (NTP), interest at the prescribed rate shall be charged from the date of advance till the date of realisation of such bills. The date of realisation of demand bills for this purpose would be the date on which the proceeds get credited to the banks' Nostro accounts. In the case of advance/credit against usance export bills, interest at prescribed rate may be charged only upto the notional/actual due date or the date on which export proceeds get credited to the bank's Nostro account abroad, whichever is earlier, irrespective of the date of credit to the borrower's/exporter's account in India. In cases where the correct due date can be established before/immediately after availment of credit due to acceptance by overseas buyer or otherwise, prescribed interest can be applied only upto the actual due date, irrespective of whatever may be the notional due date arrived at, provided the actual due date falls before the notional due date.

Rupee Export Credit Interest Subvention: The rupee export credit interest rate subvention scheme was formulated by the Government of India to alleviate the exporters' concerns for which operational instructions are issued by the Reserve Bank of India based on advice from the Ministry of Finance, Government of India. The sectors/sub-sectors to be included under the interest subvention facility are decided by the Government. In 2007, the Government of India announced a package of measures to provide interest rate subvention of 2 percentage points per annum on rupee export credit availed of by exporters in nine specified categories of exports, viz., textiles (including handlooms), readymade garments, leather products, handicrafts, engineering products, processed agricultural products, marine products, sports goods and toys and to all exporters from the SME sector defined as micro enterprises, small enterprises and medium enterprises for a period from

April 1, 2007 to September 30, 2008. Accordingly, banks will charge interest rate not exceeding BPLR minus 4.5/6.5 per cent, as applicable, on pre-shipment credit upto 180 days and post-shipment credit upto 90 days on the outstanding amount for the period April 1, 2007 to September 30, 2008. However, the total subvention will be subject to the condition that the interest rate, after subvention will not fall below 7 per cent which is the rate applicable to the agriculture sector under priority sector lending. With the change over to the Base Rate System, the interest rates applicable for all tenors of rupee export credit advances with effect from July 1, 2010 are at or above Base Rate in respect of all fresh/renewed advances as advised vide circular DBOD. Dir.(Exp). BC.No.102/04.02.001/2009-10 dated May 6, 2010. Accordingly, banks reduced the interest rate chargeable to exporters as per the base rate system in the above mentioned sectors eligible for export credit subvention by the amount of subvention available, subject to a floor rate of 7%. If, as a consequence, the interest rate charged to exporters goes below the Base Rate, such lending will not be construed to be a violation of the Base Rate guidelines.

Further, the Government of India has decided to increase the rate of interest subvention on the existing sectors from the present 2% to 3% with effect from August 1, 2013. Accordingly, banks may reduce the interest rate chargeable to the exporters as per Base Rate system in the existing sectors eligible for export credit subvention by the amount of subvention available subject to a floor rate of 7%. Banks may ensure to pass on the benefit of 3% interest subvention completely to the eligible exporters. The Government has introduced the Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit w.e.f. 01.04.2015 for 5 years. The scheme has been notified vide RBI circular No. 62 dated 04.12.2015. The scheme is available to all exports by manufacturers under 416 specified tariff lines and exports made by manufacturing Micro, Small and Medium Enterprises across all ITC (HS) Codes. The rate of interest equalisation is 3% per annum.

Export Credit in Foreign Currency

Pre-shipment Credit in Foreign Currency (PCFC): General - With a view to making credit available to exporters at internationally competitive rates, authorised dealers have been permitted to extend pre-shipment Credit in Foreign Currency (PCFC) to exporters for domestic and imported inputs of exported goods at Libor/Euro Libor/Euribor related rates of interest as detailed below: i. The scheme is an additional window for providing pre-shipment credit to Indian exporters at internationally competitive rates of interest. It will be applicable to only cash exports. The instructions with regard to Rupee Export Credit apply to export credit in Foreign Currency also mutatis mutandis, unless otherwise specified; ii. The exporter will have the following options to avail of export finance: a. to avail of pre-shipment credit in rupees and then the post-shipment credit either in rupees or discounting/ rediscounting of export bills under EBR Scheme mentioned in paragraph 6.1. b. to avail of pre-shipment credit in foreign currency and discount/rediscounting of the export bills in foreign currency under EBR Scheme. c. to avail of pre-shipment credit in rupees and then convert draws into PCFC at the discretion of the bank.

Choice of currency: The facility may be extended in one of the convertible currencies viz. US Dollars, Pound Sterling, Japanese Yen, Euro, etc.; To enable the exporters to have operational flexibility, it will be in order for banks to extend PCFC in one convertible currency in respect of an export order invoiced in another convertible currency. *For example*, an exporter can avail of PCFC in US Dollar against an export order invoiced in Euro. The risk and cost of cross currency transaction will be that of the exporter; Banks are permitted to extend PCFC for exports to ACU countries; The applicable benefit to the exporters will accrue only after the realisation of the export bills or when the resultant export bills are rediscounted on 'without recourse' basis.



Source of funds for banks: The foreign currency balances available with the bank in Exchange Earners Foreign Currency (EEFC) Accounts, Resident Foreign Currency Accounts RFC (D) and Foreign Currency (Non-Resident) Accounts (Banks) Scheme could be utilised for financing the pre-shipment credit in foreign currency; Banks are also permitted to utilise the foreign currency balances available under Escrow Accounts and Exporters Foreign Currency Accounts for the purpose, subject to ensuring that the requirements of funds by the account holders for permissible transactions are met and the limit prescribed for maintaining maximum balance in the account under broad based facility is not exceeded; Foreign currency borrowings - In addition, banks may arrange for borrowings from abroad. Banks may negotiate lines of credit with overseas banks for the purpose of grant of PCFC to exporters without the prior approval of the RBI, provided the rate of interest on the borrowing does not exceed 250 basis points from November 15, 2011 (100 basis points upto November 14, 2011) over six months Libor/Euro Libor/ Euribor; Banks should draw on the line of credit arranged only to the extent of loans granted by them to the exporters under the PCFC. However, where the overseas bank making available the line of credit stipulates a minimum amount for drawals which should not be very large, the small unutilised portion may be managed by the bank within its foreign exchange position and Aggregate Gap Limit (AGL). Similarly, any pre-payment by the exporter may also be taken within the foreign exchange position and AGL limits. c. Banks may avail of lines of credit from other banks in India if they are not in a position to raise loans from abroad on their own, subject to the condition that ultimate cost to the exporter should not exceed 350 basis points from November 15, 2011 to May 4, 2012 (200 basis points upto November 14, 2011) above Libor/ Euro Libor / Euribor, provided the bank does not have a branch abroad. The spread between the borrowing and lending bank is left to the discretion of the banks concerned. Banks are free to determine the interest rates on export credit in foreign currency with effect from May 5, 2012; iv. In case the exporters have arranged for the suppliers' credit for procuring imported inputs, the PCFC facility may be extended by the banks only for the purpose of financing domestic inputs for exports; v. Banks are also permitted to use foreign currency funds borrowed in terms of para 4.2(i) of Notification No. FEMA.3/2000 RB dated May 3, 2000 as also foreign currency funds generated through buy-sell swaps in the domestic forex market for granting pre-shipment credit in Foreign Currency (PCFC) subject to adherence to Aggregate Gap Limit (AGL) prescribed by RBI (FED).

Spread: The spread for pre-shipment credit in foreign currency will be related to the international reference rate such as Libor/ Euro Libor/Euribor (6 months). The lending rate to the exporter should not exceed 350 basis points from November 15, 2011 to May 4, 2012 (200 basis points upto November 14, 2011) above Libor/Euro Libor/Euribor, excluding withholding tax. Banks are free to determine the interest rates on export credit in foreign currency with effect from May 5, 2012. i. Libor / Euro Libor / Euribor rates are normally available for standard period of 1, 2, 3, 6 and 12 months. Banks may quote rates on the basis of standard period if PCFC is required for periods less than 6 months. However, while quoting rates for non-standard period, banks should ensure that the rate quoted is below the next upper standard period rate; ii. Banks may collect interest on PCFC at monthly intervals against sale of foreign currency or out of balances in EEFC accounts or out of discounted value of the export bills if PCFC is liquidated. Period of credit: i. The PCFC will be available for a maximum period of 360 days. Any extension of the credit will be subject to the same terms and conditions as applicable for extension of rupee packing credit and it will also have additional interest

cost of 200 basis points above the rate for the initial period of 180 days prevailing at the time of extension. ii. Further extension will be subject to the terms and conditions fixed by the bank concerned and if no export takes place within 360 days, the PCFC will be adjusted at T.T. selling rate for the currency concerned. In such cases, banks can arrange to remit foreign exchange to repay the loan or line of credit raised abroad and interest without prior permission of RBI. iii. For extension of PCFC within 180 days, banks are permitted to extend on a fixed roll over basis of the principal amount at the applicable Libor/Euro Libor/Euribor rate for extended period plus permitted margin of 350 basis points from November 15, 2011 to May 4, 2012 (200 basis points upto November 14, 2011) above Libor/ Euro Libor / Euribor.

Banks are free to determine the interest rates on export credit in foreign currency with effect from May 5, 2012.

Disbursement of PCFC: i. In case full amount of PCFC or part thereof is utilised to finance domestic input, banks may apply appropriate spot rate for the transaction; ii. As regards the minimum lots of transactions, it is left to the operational convenience of banks to stipulate the minimum lots taking into account the availability of their own resources. However, while fixing the minimum lot, banks may take into account the needs of their small customers also; iii. Banks should take steps to streamline their procedures so that no separate sanction is needed for PCFC once the packing credit limit has been authorised and the disbursement is not delayed at the branches. Liquidation of PCFC Account: General - PCFC can be liquidated out of proceeds of export documents on their submission for discounting/rediscounting under the EBR Scheme detailed in para 6.1 or by grant of foreign currency loans (DP Bills). Subject to mutual agreement between the exporter and the banker, it can also be repaid / prepaid out of balances in EEFC A/c as also from rupee resources of the exporter to the extent exports have actually taken place. Packing credit in excess of F.O.B. value: In certain cases, (viz. agro based products like HPS groundnut, defatted & deoiled cakes, tobacco, pepper, cardamom, cashew nuts, etc.) where packing credit required is in excess of FOB value, PCFC would be available only for exportable portion of the produce.

Substitution of order/commodity: Repayment / liquidation of PCFC could be with export documents relating to any other order covering the same or any other commodity exported by the exporter or amount of balance in the EEFC Account. While allowing substitution of contract in this way, banks should ensure that it is commercially necessary and unavoidable. Banks should also satisfy about the valid reasons as to why PCFC extended for shipment of a particular commodity cannot be liquidated in the normal method. As far as possible, the substitution of contract should be allowed if the exporter maintains account with the same bank or it has the approval of the members of the consortium, if any.

Cancellation/non-execution of export order: In case of cancellation of the export order for which the PCFC was availed of by the exporter from the bank, or if the exporter is unable to execute the export order for any reason, it will be in order for the exporter to repay the loan together with accrued interest thereon, by purchasing foreign exchange (principal + interest) from domestic market through the bank. In such cases, interest will be payable on the rupee equivalent of principal amount at the rate applicable to ECNOS at pre-shipment stage plus a penal rate of interest from the date of advance after adjustment of interest of PCFC already recovered; It will also be in order for the banks to remit the amount to the overseas bank, provided the PCFC was made available to exporter from the line of credit obtained from that bank; Banks may extend PCFC to such exporters subsequently, after ensuring that the earlier cancellation of PCFC was due to genuine reasons.



Running Account Facility for all commodities: Banks are permitted to extend the 'Running Account' facility under the PCFC Scheme to exporters for all commodities, on the lines of the facility available under rupee credit, subject to the following conditions: a. The facility may be extended provided the need for 'Running Account' facility has been established by the exporters to the satisfaction of the bank; b. Banks may extend the facility only to those exporters whose track record has been good; c. In all cases, where pre-shipment credit 'Running Account' facility has been extended, the LCs or firm orders should be produced within a reasonable period of time; d. The PCFC will be marked-off on the 'First-in-First-Out' basis; e. PCFC can also be marked-off with proceeds of export documents against which no PCFC has been drawn by the exporter.

Banks should closely monitor the production of firm order or LC subsequently by exporters and also the end-use of funds. It has to be ensured that no diversion of funds is made for domestic use. In case of non-utilisation of PCFC draws for export purposes, the penal provisions stated above should be made applicable and the 'Running Account' facility should be withdrawn for the concerned exporter.

Banks are required to take any prepayment by the exporter under PCFC scheme within their foreign exchange position and Aggregate Gap Limit (AGL) as indicated in paragraph 5.1.3 (iii) (b) above. With the extension of 'Running Account' facility, mismatches are likely to occur for a longer period involving cost to the banks. Banks may charge the exporters the funding cost, if any, involved in absorbing mismatches in respect of the prepayment beyond one month period.

Forward Contracts: PCFC can be extended in any of the convertible currencies in respect of an export order invoiced in another convertible currency. Banks are also permitted to allow an exporter to book forward contract on the basis of confirmed export order prior to availing of PCFC and cancel the contract (for portion of drawal used for imported inputs) at prevailing market rates on availing of PCFC; Banks are permitted to allow customers to seek cover in any permitted currency of their choice which is actively traded in the market, subject to ensuring that the customer is exposed to exchange risk in a permitted currency in the underlying transaction; While allowing forward contracts under the scheme, banks may ensure compliance of the basic Foreign Exchange Management requirement that the customer is exposed to an exchange risk in the underlying transaction at different stages of the export finance.

Post-shipment Export Credit in Foreign Currency

Rediscounting of Export Bills Abroad Scheme (EBR): Banks may utilise the foreign exchange resources available with them in Exchange Earners Foreign Currency Accounts (EEFC), Resident Foreign Currency Accounts (RFC), Foreign Currency (Non-Resident) Accounts (Banks) Scheme, to discount usance bills and retain them in their portfolio without resorting to rediscounting. Banks are also allowed to rediscount export bills abroad at rates linked to international interest rates at post-shipment stage.

Scheme: It will be comparatively easier to have a facility against bills portfolio (covering all eligible bills) than to have rediscounting facility abroad on bill by bill basis. There will, however, be no bar if rediscounting facility on bill to bill basis is arranged by a bank in case of any particular exporter, especially for large value transactions; Banks may arrange a "Bankers Acceptance Facility" (BAF) for rediscounting the export bills without any margin and duly covered by collateralised documents; Each bank can have its own BAF limit(s) fixed with an overseas bank or a rediscounting agency or an arrangement with any other agency such as factoring agency (in case of factoring arrangement, it should be on 'without recourse' basis only); The exporters, on their own, can arrange

for themselves a line of credit with an overseas bank or any other agency (including a factoring agency) for discounting their export bills direct subject to the following conditions: (a) Direct discounting of export bills by exporters with overseas bank and/or any other agency will be done only through the branch of an authorized dealer designated by him for this purpose; (b) Discounting of export bills will be routed through designated bank / authorized dealer from whom the packing credit facility has been availed of. In case, these are routed through any other bank, the latter will first arrange to adjust the amount outstanding under packing credit with the concerned bank out of the proceeds of the rediscounted bills. The limits granted to banks by overseas banks/discounting agencies under BAF will not be reckoned for the purpose of borrowing limits fixed by RBI (FED) for them.

Eligibility criteria: The Scheme will cover mainly export bills with usance period upto 180 days from the date of shipment (inclusive of normal transit period and grace period, if any). There is, however, no bar to include demand bills, if overseas institution has no objection to it; In case borrower is eligible to draw usance bills for periods exceeding 180 days as per the extant instructions of FED, Post-shipment Credit under the EBR may be provided beyond 180 days; The facility under the Scheme of Rediscounting may be offered in any convertible currency; Banks are permitted to extend the EBR facility for exports to ACU countries; For operational convenience, the BAF Scheme may be centralised at a branch designated by the bank. There will, however, be no bar for other branches of the bank to operate the scheme as per the bank's internal guidelines / instructions.

Interest on Export Credit in Foreign Currency: Interest rate structure on Export Credit in Foreign Currency - In respect of export credit to exporters at internationally competitive rates under the schemes of 'Pre-shipment Credit in Foreign Currency' (PCFC) and 'Rediscounting of Export Bills Abroad' (EBR), banks are free to determine the interest rates on export credit in foreign currency with effect from May 5, 2012. However, up to May 4, 2012 banks may fix the rates of interest with reference to ruling Libor, Euro Libor Or Euribor, wherever applicable, as under:

Type of Credit		Interest Rate (% p.a)
(i) Pre-shipment Credit		
(a)	Upto 180 days	Not exceeding 350 basis points over LIBOR/EUROLIBOR/EURIBOR
(b)	Beyond 180 days and upto 360 days	Rate for initial period of 180 days prevailing at the time of extension plus 200 basis points
(ii) Post-shipment Credit		
(a)	On demand bills for transit period	Not exceeding 350 basis points over LIBOR/EUROLIBOR/EURIBOR
(b)	Against usance bills upto 6 months from the date of shipment	Not exceeding 350 basis points over LIBOR/EUROLIBOR/EURIBOR
(c)	Export Bills (Demand or Usance) realized after due date but upto date of crystallization	Rate for (ii) (b) above plus 200 basis points

Note: i) Bank should not levy any other charges over and above the interest rate under any name viz. service charge; management charge etc. The practice of IBA fixing out of pocket expenses has been done away with effect from August 2012 and the decision to recover out of pocket expenses is left to individual banks. While recovering out of pocket expenses, banks should ensure that the charges are reasonable and on an actual cost basis; ii) Banks are free to decide the rate of interest, being the rupee credit rate, for pre-shipment and post-shipment credit beyond the tenors prescribed above, keeping in view the guidelines on Base Rate.

Recommended Policy Measures to Increase Cost-effective Finance: The Technical Committee (Chairman: Shri. G. Padmanabhan²) noted that exporters prefer foreign currency borrowings over Rupee financing for the following two reasons: due to natural hedge available for their export

² Report of the Technical Committee on Services/Facilities to Exporters, April 29, 2013 G. Padmanabhan

operations; and due to cost competitiveness of foreign currency funding vis-à-vis Rupee borrowings.

Currently, post-shipment credit can be rediscounted with overseas banks. Liabilities arising due to this rediscounting are not included for DL/NDTL computation for the purpose of CRR and SLR. In order to make available cost-effective export credit, the Committee recommends exemption of foreign currency borrowings, EEFC, FCNR(B) deposits, to the extent of export finance in foreign currency (pre and post shipment finance), from DTL/NDTL calculations, in order to eliminate the burden of CRR/SLR impact on cost of lending. Alternatively, exporters should be permitted to access foreign markets for their requirements directly (similar to trade credit availed for imports into India).

Export factoring is an international financial solution that releases cash within 24 hours of an invoice being raised, providing working capital to fund the business growth of exporters. The worldwide volume for factoring increased sharply in 2011 to reach a level of USD 2.6 trillion posting a growth of 22 percent over the previous year. The biggest factoring business growth has been witnessed in inter-Asian trade, including a remarkable growth of import factoring in markets such as China, Taiwan and Hong Kong. Globally, there are approximately 2,700 active factoring providers, which were advancing around \$300 billion to around 485,000 factoring clients. The five biggest traditional receivables finance markets remain the long established European countries: UK & Ireland (14.6%), Italy (8.93%), France (8.9%), Germany (8.02%) and Spain (5.72%). Asia, including the estimates for China and Taiwan, represented approximately 19 percent of turnover, followed by South America (8%), North America (5%), Australia and New Zealand (3%) and Africa and Middle East (2%).

Although the Factoring Regulation Act, 2011, has been passed in India, there are no clear operating guidelines for the banks. At present, purchase of non-LC bills by banks without recourse to the drawer is restricted. The Committee recommends that banks may be permitted to extend 'non-recourse' factoring, or 'limited recourse' factoring as 'with recourse' factoring may not be treated as true sale for assignor. Similarly, Annexure 5 of RBI Master Circular on Income Recognition and Asset Classification (IRAC) norms defines 'advances' as all kinds of credit facilities, including factored receivables. The Committee is of the view that in the event of receivables falling overdue, they should be treated as default of drawee and the same may be reported to CIBIL provided factoring is done on non-recourse or limited recourse basis. The assignor should be treated as defaulter only if factoring is done with recourse. Provisioning and asset classification of receivables should be in line with those applicable to loans and advances.

The Committee noted that Factoring is done on a non recourse basis in most of the markets and the Factoring companies are able to do this on the back of Credit Insurance. The Committee also noted that credit insurance facility was available for Factoring in India, until the recent past. In 2010, IRDA has issued a circular (No IRDA/NL/CIR/159/09/2010 dated 27th September 2010) preventing all General insurance Companies (except ECGC) to sell credit insurance to the Banks and NBFCs. As per IRDA, the cover under these policies appears to be in the nature of "credit default insurance", and therefore felt the need for "different regulatory treatment". The Committee further noted that credit insurance policy is still available to the exporters to cover the buyer risk; however, the said policy cannot be assigned or endorsed to any third party (Banks / Factoring Companies). The Committee felt that with the help of availability of Insurance, the exporters will be able

to secure financing. Hence, the Committee recommends IRDA to revisit the policy and permit issuance of credit insurance policy to the Factoring company. The Committee noted that the following benefits would accrue to the exporters in case of direct export factoring: Buyer risk covered (Protracted default & Insolvency); Non submission of Turnover declaration by exporter; Not to keep a track about insurance premium; No hassle of notification and claim lodgement with Insurance Company (on buyer default); No follow up with Insurance Company for renewal, new limits (buyer addition).

(NB: All the above activities are undertaken by the Factoring Company). The Committee observed that ECGC issues various types of policies to the exporter, but these policies are not assigned or endorsed to any third party. Due to non-assignment, the Factoring Company does not have any control over the policy. In view of this, the Committee recommends that ECGC should design a policy for Factoring companies for post-shipment financing, as the above circular of IRDA should not be applicable to ECGC. With the availability of ECGC cover to the Factoring Company, Exporter will also be benefited as both the facilities, such as financing and credit protection, will be made available under one single roof.

However, the Authorised Dealer (AD) licence issued by RBI to Factoring companies restricts the export factoring (cannot be done on a non-recourse basis). There are associations of International Factoring Companies, like Factors Chain International (FCI), International Factors Group (IFG), which help factoring companies/banks across the globe to conduct Factoring business.

Conclusion

It may be mentioned that RBI in accordance with the Government policies, over time, has liberalized and taken various steps provide various facilities and benefit of interest subvention to exporters, however, it has been receiving a number of representations from various trade bodies/individual exporters highlighting the difficulties being faced by them in getting timely, adequate and hassle-free flow of credit towards working capital, capital expenditure and other requirements of the sector. Among others it includes review of the existing policies/procedure relating to bank finance for exports and suggest measures to improve timely, adequate and hassle-free flow of credit towards working capital, capital expenditure and other requirements of the sector, and, in particular SME units; to evaluate and suggest ways for improving financial support to the export sector from alternative sources like factoring, interest subvention, export advance from the external sources etc.; to suggest measures to simplify and rationalize the existing procedures including the documentation, matters relating to transaction cost/transition period, to examine specifically the special needs of exporting units located in SEZ, requirements of merchanting trade, etc.

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Reg. no: GUJENG/2012/48984



website: www.voiceofresearch.org

Printed, published and owned by Dr. Avdhesh S Jha, Printed at Rudrax Printers, 48, Laxmi Estate, Nr. Nagarvel Hanuman Temple, Amraiwadi Road, Ahmedabad-380026 and Published at E/1, Samay Appartments, Behind NID, Paldi, Ahmedabad-380007. Gujarat. India. Ph. No. 079-26623727 Chief Editor Dr. Avdhesh S Jha