International Journal of
SOCIAL SCIENCE & DEVELOPMENT POLICY

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Babasaheb Bhimrao Ambedkar University
in academic collaboration with
Association of the Socio-Economic Development Studies
Lucknow, India

Published and Printed by Excel India Publishers, e-mail: publisher@excelindia.com - www.excelindia.com

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Vol. 3 No. 1 January-June 2017 ISSN: 2454-5732
## Details of the Journal

<table>
<thead>
<tr>
<th>1. Registration No.</th>
<th>ISSN: 2454-5732</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Place of Publication</td>
<td>Department of Economics, Ground Floor Babasaheb Bhimrao Ambedkar University (A Central University) Lucknow-226025 <a href="http://www.bbau.ac.in">www.bbau.ac.in</a></td>
</tr>
<tr>
<td>3. Periodicity of Publication</td>
<td>Bi-annual</td>
</tr>
<tr>
<td>4. Patron</td>
<td>R.C. Sohil Vice Chancellor Babasaheb Bhimrao Ambedkar University NAAC Accredited A-Grade Central University Lucknow-226025</td>
</tr>
<tr>
<td>4. Publisher and Editor-in-Chief</td>
<td>N.M.P. Verma Professor, Department of Economics Babasaheb Bhimrao Ambedkar University NAAC Accredited A-Grade Central University Lucknow-226025 Founder President, Association of the Socio-Economic Development Studies (Jointly published by BBAU &amp; ASEDs)</td>
</tr>
<tr>
<td>5. Nationality</td>
<td>Indian</td>
</tr>
<tr>
<td>6. Printer</td>
<td>Excel Printing Universe Munirka, New Delhi, India <a href="mailto:printing@groupexcelindia.com">printing@groupexcelindia.com</a> <a href="http://www.groupexcelindia.com">www.groupexcelindia.com</a></td>
</tr>
<tr>
<td>8. Nationality</td>
<td>Indian</td>
</tr>
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</table>

Name and address of the individual who owns the newspapers and partners or share holders holding more than one per cent of the total capital: BBAU, Lucknow, India

NMP Verma, Editor-in-Chief

### Annual Subscription

- Individual Rs. 1900 each issue
- Institutional Rs. 2000 each issue
- Overseas US $ 50 each issue

All queries may be addressed to the Editor-in-Chief

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International Journal of
Social Science and Development Policy

Vol. 3 No. 1 January–June 2017 ISSN: 2454–5732

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Relation between GDP Growth and Infrastructure Investment with Special Emphasis on PPP Investment: A VAR Approach

Anirban Sarkar\(^1\) and Sudip Mukherjee\(^2\)

**Abstract**—Infrastructure development has emerged as one of the key growth engines especially for the developing countries like India. Developing countries have realized that the sustained economic growth depends to a large extent on the infrastructure and in order to achieve higher growth rates, investment in infrastructure upgradation and development is the only viable option. Thus financing infrastructure in India is obvious and vital for the sustained economic growth. The financing of infrastructure projects has been traditionally the responsibility of the government. However, owing to the budgetary constraints and other priorities, successive governments were not in a position to fund the infrastructure development activities effectively. As a result, the much needed development has lost its momentum. Infrastructure bottleneck has been a serious concern in India in its way of robust pace of economic progression. In an emerging economy like India, the importance of PPP model has gained greater momentum for increasing and sustaining the current pace of socio-economic development. Thus, the hypothesis of our study is to investigate whether there is any Granger causality between Real GDP growth and growth in total infrastructure investment, Real GDP growth and growth in PPP Investment and also whether there is any Granger causality between PPP growth and Public Investment growth. We have taken available data for 18 years ranging from 1996 to 2014 on real GDP, total infrastructure investment, public sector infrastructure investment and PPP infrastructure investment. The paper uses vector autoregressive model to examine the above mentioned hypothesis. The statistical package STATA is used for the analysis. The result indicates that lagged growth of PPP does not Granger causes growth of real GDP of current year whereas lagged growth of PPP Granger causes growth of public investment of current year and also it appears that lagged growth of real GDP granger cause growth of total investment in infrastructure.

**Keywords**: Infrastructure Development, Public-Private Partnership, Real GDP, VAR Approach

**INTRODUCTION**

Development of infrastructure is a precondition for the economic growth of a country. Increasing demand for quality infrastructure can only be met with robust investment, proficient project management and technological advancement. To meet these requirements, governments are utilizing the capabilities of the private sector in a big way. Public-private partnerships (PPP) have become the preferred mode for the construction and operation of infrastructure projects, both in developed and in developing countries. As most governments in emerging economies are facing fiscal and capacity constraints, PPP provides a way for them to bridge the gap in infrastructure investment.

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PPP not only brings in additional capital but also enables both public and private sectors to bring to the table their own experiences and strengths, resulting in efficient development of infrastructure and service delivery.

The PPP mode, however, comes with its own set of challenges since attracting private investment is not easy. The private sector not only requires an investor-friendly regulatory environment, but also returns on investment. The Government of India (GOI), therefore, has been focusing on the development of enabling tools and activities to encourage private sector investments in the country through the PPP format.

**REVIEW OF LITERATURE**

The expression public-private partnership is a widely used concept world over but is often not clearly defined. There is no single accepted international definition of what a PPP is (World Bank, 2006). The PPP is defined as “the transfer to the private sector of investment projects that traditionally have been executed or financed by the public sector” (IMF, 2004). Any arrangement made between a state authority and a private partner to perform functions within the mandate of the state authority, and involving different combinations of design, construction, operations and finance is termed as Ireland’s PPP model. In UK’s Private Finance Initiative (PFI), where the public sector purchases services from the private sector under long-term contract is called as PPP program. However, there are other forms of PPP used in the UK, including where the private sector is introduced as a strategic partner into a state-owned business that provides a public service.

The PPP is something referred to as a joint venture in which a government service or private business venture is funded and operated through a partnership of government and one or more private sector companies. Typically, a private sector consortium forms a special company called a special purpose vehicle (SPV) to build and maintain the asset. The consortium is usually set up with a contractor, a maintenance company and a lender. It is the SPV that signs the contract with the government and with subcontractors to build the facility and then maintain it.

<table>
<thead>
<tr>
<th>Schemes</th>
<th>Modalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build-own-operate (BOO)</td>
<td>The private sector designs, builds, owns, develops, operates and manages an asset with no obligation to transfer ownership to the government. These are variants of design-build-finance-operate (DBFO) schemes.</td>
</tr>
<tr>
<td>Build-develop-operate (BDO)</td>
<td></td>
</tr>
<tr>
<td>Design-construct-manage-finance (DCMF)</td>
<td></td>
</tr>
<tr>
<td>Buy-build-operate (BBO)</td>
<td>The private sector buys or leases an existing asset from the Government, renovates, modernizes, and/or expands it, and then operates the asset, again with no obligation to transfer ownership back to the Government.</td>
</tr>
<tr>
<td>Lease-operate-transfer (LDO)</td>
<td></td>
</tr>
<tr>
<td>Wrap-around addition (WAA)</td>
<td></td>
</tr>
<tr>
<td>Build-operate-transfer (BOT)</td>
<td>The private sector designs and builds an asset, operates it, and then transfers it to the Government when the operating contract ends, or at some other pre-specified time. The private partner may subsequently rent or lease the asset from the Government.</td>
</tr>
<tr>
<td>Build-own-operate-transfer (BOOT)</td>
<td></td>
</tr>
<tr>
<td>Build-rent-own-transfer (BROT)</td>
<td></td>
</tr>
<tr>
<td>Build-lease-operate-transfer (BLT)</td>
<td></td>
</tr>
<tr>
<td>Build-transfer-operate (BTO)</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Public Private Partnership, Fiscal Affairs Department of the IMF.*
Thus, the PPP combines the development of private sector capital and sometimes, public sector capital to improve public services or the management of public sector assets (Michael, 2001). The PPP may encompass the whole spectrum of approaches from private participation through the contracting out of services and revenue sharing partnership arrangement to pure non-recourse project finance, while sometime it may include only a narrow range of project type. The PPP has two important characteristics. First, there is an emphasis on service provision as well as investment by the private sector. Second, significant risk is transferred from the Government to the private sector. The PPP model is very flexible and discernible in variety of forms. The various models/ schemes and modalities to implement the PPP are set out in Table 1.

Typically, the PPP is not a privatization. At the same time, it cannot be described as partial privatization also. Privatization has generally been defined as a process of shifting the ownership or management of a service or activity, in whole or part, from the government to the private sector. The privatization may be of many forms, which include outsourcing, management contracts, franchise, service shedding, corporatization, disinvestment, asset sales, long-term lease, etc. The key difference between the PPP and privatization is that the responsibility for delivery and funding a particular service rests with the private sector in privatization. The PPP, on the other hand, involves full retention of responsibility by the government for providing the services. In case of ownership, while ownership rights under privatization are sold to the private sector along with associated benefits and costs, the PPP may continue to retain the legal ownership of assets by the public sector. The nature and scope of the services under privatization is determined by the private provider, while it is contractually determined between the parties in PPP. Under privatization, all the risks inherent in the business rest with the private sector while, under the PPP, risks and rewards are shared between the government and the private sector.

Thus the PPP operates at the boundary of the public and private sectors, being neither nationalized nor privatized. Thus, politically, the PPP represents a third way in which governments deliver some public services in conjunction with private sector. Moreover, in a practical sense, the PPP represents a form of collaboration under a contract by which public and private sectors, acting together, can achieve what each acting alone cannot (Michael 2001, Verma 2001).

In the Indian context, the term PPP is used very loosely while at the international arena, the PPP is adopted for developing public assets in various forms as explained in Table 1. According to Ministry of Finance Government of India the PPP project means a project based on a contract or concession agreement, between Government or statutory entity on the one side and a private sector company on the other side, for delivering infrastructure service on payment of user charges. This is a narrower definition as compared to world best practices where the private sector participation in any form of concession agreement, divestiture of the public sector, Greenfield projects and management and lease contract are considered as PPP. The Planning Commission of India has defined the PPP in a generic term as “the PPP is a mode of implementing government programmes/schemes in partnership with the private sector. It provides an opportunity for private sector participation in financing, designing, construction, operation and maintenance of public sector programme and projects”. In addition, Greenfield investment in the infrastructure development has also been given more encouragement in India.
OBJECTIVES AND HYPOTHESES OF THE STUDY

Developing countries have realized that the sustained economic growth depends to a large extent on the infrastructure and in order to achieve higher growth rates, investment in infrastructure upgrading and development is the only viable option. Infrastructure development is not only just confined to power, aviation, railways sectors but there are other sectors like agriculture, irrigation projects, rural infrastructure, health, education, real estate, construction, water and telecommunications, which need significant development. To meet these requirements, governments are utilizing the capabilities of the private sector in a big way. Public-private partnerships (PPP) have become the preferred mode for the construction and operation of infrastructure projects, both in developed and in developing countries. As most governments in emerging economies are facing fiscal and capacity constraints, PPP provides a way for them to bridge the gap in infrastructure investment.

In this backdrop, the objective of the study is to analyze the relationship between real GDP growth (i.e. economic growth) and growth in infrastructure investment with special emphasis on PPP investment.

The study tries to examine the following hypothesis:

- Previous year’s total infrastructure investment growth has causal effect on growth of real GDP of current year or not.
- Previous year’s growth in real GDP has causal effect on growth of total infrastructure investment of current year or not.
- Previous year’s growth in PPP infrastructure investment has causal effect on growth of real GDP of current year or not.
- Previous year’s growth in real GDP has causal effect on growth of PPP infrastructure investment of current year or not.
- Previous year’s growth in Public investment in infrastructure has causal effect on growth of PPP infrastructure investment of current year or not.
- Previous year’s growth in PPP infrastructure investment has causal effect on growth of Public investment in infrastructure of current year or not.

DATA AND METHODOLOGY OF THE STUDY

The study uses 18 years data ranging from 1996–97 to 2013–14 on real GDP, total infrastructure investment, public investment in infrastructure and PPP investment in infrastructure. To investigate the above mentioned objectives, the study defines four variables such as Growth of real GDP, Growth of Public investment in infrastructure, growth of PPP infrastructure investment and growth in total infrastructure investment.

The study defines growth of real GDP as $R\text{GDP}_t = (\log \text{real GDP at } t - \log \text{real GDP at } t-1)$, growth of Public investment in infrastructure as $\text{PUBIG}_t = (\log \text{public investment at } t - \log \text{public investment at } t-1)$, growth of PPP infrastructure investment as $\text{PPPIG}_t = (\log \text{PPP}$
investment at t –log PPP investment at t-1) and growth in total infrastructure investment as
IIGt = (Log total infrastructure investment at t –log total infrastructure investment at t-1).

The methodology used is to first check whether the variables in the time series are
stationary or not. For this purpose, the various stationarity tests like Augmented
Dickey-Fuller (ADF) test, Philips-Perron (PP) test were undertaken. A series is said to be
stationary if the mean & covariance are constant over time & the auto-covariance of the
series depends only on the lag between two time periods & not on the actual time at which
the co-variance is calculated.

After checking for the stationarity of the variables, the study uses VAR and Granger Causality
test to investigate the short run relationship among the variables.

A VAR system contains a set of m variables, each of which is expressed as a linear function of
p lags of itself and of all of the other m–1 variable, plus an error term. With two variables, x
and y, an order-2 VAR would be the two equations:

\[ y_t = \beta_{10} + \beta_{11} y_{t-1} + \beta_{12} y_{t-2} + \alpha_{11} x_{t-1} + \alpha_{12} x_{t-2} + U_{1t} \]  
(1)

\[ x_t = \beta_{20} + \beta_{21} x_{t-1} + \beta_{22} x_{t-2} + \alpha_{21} y_{t-1} + \alpha_{22} y_{t-2} + U_{2t} \]  
(2)

The VAR is a natural framework for examining Granger causality. Consider the two-variable
system in equations (1). The first equation models \( y_t \) as a linear function of its own past
values, plus past values of \( x \). If \( x \) Granger causes \( y \) (which we write as), then some or all of the
lagged \( x \) values have non-zero effects: lagged \( x \) affects \( y_t \) conditional on the effects of lagged \( y \).

The null hypothesis (\( x \) does not Granger cause \( y \)) in this VAR is

\[ H_0: \alpha_{11} = \alpha_{12} = 0 \]

This can be tested using a standard Wald F or \( \chi^2 \) test. Similarly, the null hypothesis (\( y \) does
not Granger cause \( x \)) can be expressed in the VAR as

\[ H_0: \alpha_{21} = \alpha_{22} = 0 \]

Running both of these tests can yield four possible outcomes, as shown in Table 2: no
Granger causality, one-way Granger causality in either direction, or “feedback,” with Granger
causality running both ways.

Table 2: Granger Causality Test Outcome

<table>
<thead>
<tr>
<th>Fail to Reject ( \alpha_{11} = \alpha_{12} = 0 )</th>
<th>Reject ( \alpha_{11} = \alpha_{12} = 0 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fail to reject ( \alpha_{21} = \alpha_{22} = 0 )</td>
<td>no Granger causality ( x ) Granger causes ( y )</td>
</tr>
<tr>
<td>Reject ( \alpha_{21} = \alpha_{22} = 0 )</td>
<td>( y ) Granger causes ( x ) ( x ) Granger causes ( y ) ( y ) Granger causes ( x )</td>
</tr>
</tbody>
</table>

**ANALYSIS AND FINDINGS**

Unit root tests viz. ADF test & PP test were conducted on the variables RGDPG, PUBIG, PPPIG
and IIG, the results of which are summarized in Table 3. The ADF & PP tests indicate the
stationarity of all the four time series at level as it rejects the null hypothesis of
non-stationarity at 1% level of significance for PUBIG, PPPIG, IIG, and RGDPG at 10% level of
significance.
Table 3: Results of ADF and Phillips-Perron Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>ADF</th>
<th>Macknan Approx P-value for Z(t)</th>
<th>Phillips-Perron</th>
<th>Macknan Approx P-value for Z(t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGDPG</td>
<td>-2.946***</td>
<td>0.04</td>
<td>-2.961***</td>
<td>0.038</td>
</tr>
<tr>
<td>IIG</td>
<td>-6.118*</td>
<td>0.00</td>
<td>-6.736*</td>
<td>0.00</td>
</tr>
<tr>
<td>PUBIG</td>
<td>-6.030*</td>
<td>0.00</td>
<td>-6.587*</td>
<td>0.00</td>
</tr>
<tr>
<td>PPPIG</td>
<td>-5.139*</td>
<td>0.00</td>
<td>-6.399*</td>
<td>0.00</td>
</tr>
</tbody>
</table>

*** Significant at 10%, * Significant at 1%

**RELATION BETWEEN RGDPG AND PPPG**

To examine the relationship between RGDPG and PPPG, the following VAR equations are estimated:

$$RGDPG_t = \beta_{10} + \beta_{11} RGDPG_{t-1} + \beta_{12} RGDPG_{t-2} + \alpha_{11} PPPIG_{t-1} + \alpha_{12} PPPIG_{t-2} + U_{1t}$$

$$PPPIG_t = \beta_{20} + \beta_{21} PPPIG_{t-1} + \beta_{22} PPPIG_{t-2} + \alpha_{21} RGDPG_{t-1} + \alpha_{22} RGDPG_{t-2} + U_{2t}$$

The result of the VAR analysis (Granger causality test) is summarized in table 4.

Table 4: Granger Causality Wald Tests

<table>
<thead>
<tr>
<th>Equation</th>
<th>Excluded</th>
<th>Chi2</th>
<th>Prob &gt; Chi2</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGDPG</td>
<td>PPPIG</td>
<td>0.042</td>
<td>0.979</td>
</tr>
<tr>
<td>PPPIG</td>
<td>RGDPG</td>
<td>2.55</td>
<td>0.279</td>
</tr>
</tbody>
</table>

The results of the Granger causality test depicts that lagged PPPG does not Granger Cause RGDPG and lagged RGDPG does not Granger Cause PPPG. The two variables RGDPG and PPPIG do not affect each other in short run. So the growth of PPP infrastructure investment does not affect growth of real GDP.

**RELATION BETWEEN RGDPG AND IIG**

To examine the relationship between RGDPG and IIG, the following VAR equations are estimated:

$$RGDPG_t = \beta_{10} + \beta_{11} RGDPG_{t-1} + \beta_{12} RGDPG_{t-2} + \alpha_{11} IIG_{t-1} + \alpha_{12} IIG_{t-2} + U_{1t}$$

$$IIG_t = \beta_{20} + \beta_{21} IIG_{t-1} + \beta_{22} IIG_{t-2} + \alpha_{21} RGDPG_{t-1} + \alpha_{22} RGDPG_{t-2} + U_{2t}$$

The result of the VAR analysis (Granger causality test) is summarized in table 5.

Table 5: Granger Causality Wald Tests

<table>
<thead>
<tr>
<th>Equation</th>
<th>Excluded</th>
<th>chi2</th>
<th>Prob &gt; chi2</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGDPG</td>
<td>IIG</td>
<td>0.656</td>
<td>0.720</td>
</tr>
<tr>
<td>IIG</td>
<td>RGDPG</td>
<td>9.285</td>
<td>0.010</td>
</tr>
</tbody>
</table>

The results of the Granger causality test depicts that lagged IIG does not Granger Cause RGDPG whereas the study see strong evidence that lagged RGDPG helps predict IIG. Previous year’s real GDP growth affects growth of total infrastructure investment in current year.
RELATION BETWEEN PPPIG AND PUBIG

To examine the relationship between PPPIG and PUBIG, the following VAR equations are estimated:

$$PPPIG_t = \beta_{10} + \beta_{21} PPPIG_{t-1} + \beta_{22} PPPIG_{t-2} + \alpha_{21} PUBIG_{t-1} + \alpha_{22} PUBIG_{t-2} + U_{1t}$$

$$PUBIG_t = \beta_{20} + \beta_{21} PUBIG_{t-1} + \beta_{22} PUBIG_{t-2} + \alpha_{21} PPPIG_{t-1} + \alpha_{22} PPPIG_{t-2} + U_{2t}$$

The result of the VAR analysis (Granger causality test) is summarized in table 6.

<table>
<thead>
<tr>
<th>Equation</th>
<th>Excluded</th>
<th>Chi 2</th>
<th>Prob &gt; Chi 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPPIG</td>
<td>PUBIG</td>
<td>3.3767</td>
<td>0.185</td>
</tr>
<tr>
<td>PUBIG</td>
<td>PPPIG</td>
<td>0.144</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The results of the Granger causality test depicts that lagged PUBIG does not Granger Cause PPPIG whereas the study see strong evidence that lagged PPPIG helps predict PUBIG.

CONCLUDING OBSERVATIONS

In India, infrastructure gaps exit in almost all the sectors, posing a serious threat to sustenance of the growth momentum. To augment the infrastructure facilities with private participation, the initiated policy measures have not met with significant success. From the above study it can be concluded that in short run PPP investment growth and real GDP growth do not affect each other. The much talked PPP has no role to influence the growth of real GDP during this period of study. So there is no multiplier effect in Keynesian sense. Whereas lagged growth of PPP investment causes growth of Public investment of the current year in the Granger sense.

PPP infrastructure investment is the part of total infrastructure investment. The study also reveals that lagged growth of total infrastructure investment does not affect the growth of real GDP. Total infrastructure investment and the components of it do not help to predict the growth of real GDP. While the lagged real GDP growth affects the growth of total infrastructure investment in the current year. It can be conclude that no Keynesian multiplier effect is there but accelerator multiplier effect is there.

The Twelfth FYP intends to achieve a huge infrastructure investment target through PPPs. Currently, PPP in infrastructure is at the crossroads with initial euphoria around the PPP models slowing down. Delay in clearances, poorly defined contracts and red-tapism are pushing away the private sector from taking up new projects.

The Government needs to work on each stage of PPP development—planning, designing, contracting, financing and monitoring. New models for PPP are required to be created to cater to the current challenging business climate. Unless project agencies are suitably empowered for effective and time-bound decision making, PPP agenda of the country is going to take time to evolve and develop. There needs to be a clear demarcation of the risks to be borne by public and private parties.

Despite various bottlenecks, PPP in infrastructure holds great potential in a country like India. A long-term sustainable infrastructure plan needs to be developed that will create an environment for increased private sector investments for faster execution of the projects.
Collective efforts by both the private and the public sector and enabling policy provisions may help in achieving the infrastructure PPP agenda of the government.

REFERENCES

Community College Scheme: Alternative System of Education in India

Chandra Tiwari

Abstract—Education in India today needs to be customized according to the needs of its diverse socio-cultural society and unique economic needs. The state of Higher education system in the country is in drastic need of reforms as there is a great mismatch between demand and supply. The need of the hour is “skilled workforce” and not degree holders who cannot be employed meaningfully or contribute to the society in meaningful ways. India at present is recognized as one of the world’s youngest Nation. It is estimated to be the home to 25% of the total workforce of the world by 2025. This provides for excellent opportunity to harness these demographic dividend and at the same time present meaningful reforms in the higher education system of the country. In 12th Five Year Plan the Planning Commission has emphasized the need of expansion of skill based programmes and encourage Community Colleges in India too, which are a great success in other countries of the world.

Keywords: Community College, Credit Points, Self Sufficiency, Industry Connect

INTRODUCTION

The Community College is an alternative system of education, which aims at the empowerment of the disadvantaged and the underprivileged. The focus is twofold, one it is on appropriate skill development which paves way for gainful employment in collaboration with local industry. Second developing self-sufficiency by acquiring suitable skills for lifelong independence in terms of not only gaining employment but also creating job opportunities for others through successful entrepreneurship.

The concept of Community College is to provide holistic and comprehensive education for self-sufficiency to the disadvantaged of the community. This Concept envisions, producing responsible and self-sufficient citizens who not only contribute meaningfully to the society in different ways but also enriches the Community College initiative takes into account that the priorities of equity and equality of Primary, Secondary, Information Technology Education and Vocational Education for all.

OBJECTIVES OF THE STUDY

Taking note of the above existing scenario this paper attempts:

- To Study the relevance of education to individual in particular and society at large.
- To analyze the growth and application of various approaches to make skill development and education meaningful and relevant to all.
- To assess the difficulties faced in implementation of the scheme and its reach to the target population.

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METHODOLOGY AND DATA SOURCE

This paper is based on secondary information from different books, newspaper articles and reports of organizations like MHRD and UGC.

CONCEPT OF COMMUNITY COLLEGE

- In Contemporary Indian Society holistic education particularly in Higher Education System has been cornered by more pragmatic, value driven type of education which provides for better job prospects leading to a content life in community and also contributing meaningfully to the society. Every individual’s growth presents a unique set of challenges at each stage in life. Education plays an important role in the process and therefore has to be planned with great care and thought.

- India today is a nation of majority of young people under the age of 30 years. A census projection report shows that the working age group (15–59) years is set to increase from 58% in 2001 to more than 64% in 2025. Given the appropriate medical care facilities available today the number of aged population is set to increase in the coming decade. This leads us with no choice but to train and harness the human resource potential within the stipulated time period. This can be done effectively by an Education system which is accessible to all, has quality, is affordable to all, suits individuals aspirations of acquiring gainful employment after completing a course. Given the immense population all the mentioned above is possible only by making meaningful use of technology as it not only helps in reaching out to all strata of society but also facilitates lifelong education.

- Higher Education System: The higher education scenario though doesn’t present an impressive state of affairs. On one hand general education is affordable, accessible to public the other side it lacks in ensuring suitable skills for gainful employment. The demand of the contemporary Indian youth is skill based and professional Education which has become dearer and out of reach of most young population. The mismatch between the demand and supply of “skilled” workforce presents a challenging situation. To add to the already grim scenario the higher education system in present form is rigid, time bound, lacks quality at majority of places and not comprehensive and widespread in terms of choices. A student enrolled in a three year degree course, if for some reasons decides to exit at the end of second year is forced to leave empty handed. The valuable two years go unacknowledged due to lack of any certification system in place. There is a genuine need for acknowledgement and certification for skills acquired up to a certain level and subsequent up-gradation later on. Today the higher education system is in need of change where there is more flexibility (entry and exit) in the operation, and credit points at every exit and most importantly improving the quality of course. Only by incorporating these changes our higher education system will be relevant to people and will be beneficial for the economy and society at large (Verma 2015).

- Community College Concept: Economy of any progressive country is linked to an efficient educational system. An education system that is capable of producing employable and contributory members to the society. This calls for suitably trained workforce that is skilled, creative and well equipped to compete in the continuously
changing market. With this vision the Government of India prepared National Vocational Education Qualification Framework (NVEQF) for a standard certification accepted by employers throughout the country and beyond. Community colleges in rest of the world work on the principle apart from providing an opportunity for vertical mobility and lifelong learning also provide for horizontal mobility to join the workforce and earn their livelihood. To implement something similar on the similar lines an idea on pilot phase 100 community colleges was shared in State Education ministers conference in 2012, where the proposal was widely accepted. A suitable framework was constituted and 100 colleges started in the session 2013 in pilot phase.

- The Framework National Vocational Education Qualification Framework (NVEQF)

NVEQF is a descriptive framework that educational qualifications according to levels of knowledge and related skills. The knowledge levels are defined in terms of the competencies possessed by an individual regardless of the manner in which they were acquired i.e. through formal or informal means.

It is therefore a National level common education and competency based skill framework which links between general and vocational education at all levels. This also enables the learners to progress in any desired direction at any point of time according to their convenience.

The NVEQF as envisaged by MHRD and underway aims to set common principles and guidelines for a nationally recognized qualification system covering school, Vocational Education Institutes, Institutes of Higher Education with qualification ranging from secondary level to Doctoral level leading to international recognition of national standards.

Also the students will have provision for both vertical and horizontal mobility with multiple entry and exit points with suitable credit points. This would open door for inclusion at every level and also particularly useful for students with special needs.

The major strength of NVEQF will be its collaboration with Industry, potential employers at all stages right from designing suitable curriculum, training, assessment and accreditation. This will be possible as before implementing the policy extensive consultation with state governments have been carried out. A group of Education Ministers of twelve states have been constituted to prepare NVEQF.

- The main objectives of the scheme as per UGC (UGC guidelines for Community Colleges, (iv); 1-23 & Universities, 2017) are:
  - To make higher education relevant to the learner and the community;
  - To integrate relevant skills into the higher education system;
  - To provide skill based education to students currently pursuing higher education but actually interested in entering the workforce at the earliest opportunity;
To provide employable and certifiable skills based on National Occupational Standards (NOSs) with necessary general education to Senior Secondary School pass-outs, with general education and/or vocational education background.

To provide for up-gradation and certification of traditional/acquired skills of the learners irrespective of their age;

To provide opportunities for community-based life-long learning by offering courses of general interest to the community for personal development and interest;

To provide opportunity for vertical mobility to move to higher education in future; and

To offer bridge courses to certificate holders of general/vocational education, so as to bring them at par with appropriate National Skills Qualification Framework (NSQF) level.

To provide entrepreneurial orientation along with required skill training for self-employment and entrepreneurship development in accordance with the needs of the industry.

In the light of above mentioned objectives, the UGC implemented the scheme of Community Colleges from 2013–14 in pilot mode with directions from MHRD. Also in the subsequent year 2014–2015 it was launched as an independent scheme thus re-emphasizing the importance and need of developing skilled, work ready degree holders in the country. The UGC also launched scheme of B. Voc. Degree programme to expand the scope of vocational education and simultaneously provide vertical mobility to the students admitted into Community Colleges for Diploma programmes to a degree programme in the Universities and Colleges. After these two schemes were implemented, to further give impetus to vocational education and skill based education in the country it is proposed to establish one hundred ‘Deen Dayal Upadhyay Centres for Knowledge Acquisition and Upgradation of Skilled Human Abilities and Livelihood (KAUSHAL)’ during the XII Plan period.

The main objectives of (KAUSHAL) centers are to:

- Create skilled manpower for industry requirements at various levels. The scheme has provision for vertical mobility from short term certificate courses to full-fledged postgraduate degree programme, and also research in specialized areas. The course curriculum would be so designed to have multiple entry and exit at different levels leading up to research degree level.

- Formulate courses at postgraduate level keeping in mind the industry needs and embed the pedagogy and assessment accordingly.

- Work for coordination between the higher education system and industry to become a Centre of Excellence for skill development in specialized areas.

- Network with other such centres and universities and colleges imparting vocational education under the scheme of Community Colleges and B. Voc degree programme in their region.
Community College Scheme: Alternative System of Education in India

- Function as finishing school and to provide supplementary modular training so as to bridge the gap between the learners existing skill set and the domain skills measured against National Occupational Standard (NOS).
- Facilitate for Recognition of Prior Learning (RPL) framework for job roles at NSQF by conducting assessment and certification with respective Sector.
- Maintain ‘Labor Market Information’ for respective regions and coordinate with other government agencies and industry associations.

CONCLUSION

India with its diverse population and unique socio economic conditions needs a lot of changes from the way these colleges are functioning in the rest of the world. These colleges are definitely need of the hour in our country. Keeping the higher education system scenario in picture these colleges have to run a number of short term courses, especially tapping on the communities skills, preserve traditional skills by the virtue of their profession or geography location and caste. This will pave way to recognise and certify traditional skills. Some of the major challenges in the path of this very impressive scheme lies in affordability, accessibility, quality and outcome measured in terms of gainful employment and continuing lifelong education.

REFERENCES

Foreign Direct Investment (FDI) & Agriculture Sector in India: Opportunities and Challenges

Abhishek Pandey

Abstract—In India, agriculture remains the most important sector of the Indian economy. Agriculture sector provides basic inputs to all other industries show a continuous development of this sector from all dimensions is basic requirement. From the monetary point of view, the share of agricultural sector in the economy remains at 17.5 percent of the GDP. Agriculture forms the backbone of rural India which inhabits 49 percent of the Indian population; hence any policy decision regarding agriculture has an impact on a large majority of the vast population. The agricultural sector is facing a crisis. Ardent students of the Indian Economy and all those who have been following the recent trends in its agricultural growth and development will agree that the sharp deceleration in the agricultural sector despite an overall impressive growth of the Indian economy is a major cause of concern today. For promoting agricultural growth, reducing poverty and hunger, promoting environmental sustainability and agricultural investment is important. There is growing evidence that investing in Indian agricultural sector is among the most efficient way to reduce poverty and hunger. Agricultural investments can generate a wide range of developmental benefits. Due to insufficiency of national savings, it is not possible to cope up with the demand of finance in agricultural sector and hence there has been an urgent need of global investments to meet the gap. There can be no better time than now–the period of second generation reforms—for a critical study of this vital sector of the Indian economy and for ensuring a second green revolution in the near future. FDI in Agricultural Sector is one of the fruitful steps in improving the plight of Indian Farmers. This paper attempts to study the FDI policy of Government for agricultural Sector. The present study has focused on the trends of FDI Flow in agricultural sector during 2000–01 to 2016–17 (up to March 2017). At the end, the paper contained the positive and negative impacts of Foreign Investment on Indian Agricultural Sector and policy implications and suggestions.

Keywords: Agricultural Sector, Auxiliary Sectors, DIPP, FDI Equity Inflows, Globalization, UNCTAD

INTRODUCTION

The flow of foreign capital is viewed as an instrument of growth & development and the channel through which it flows is foreign direct investment. Foreign direct investment helps to accelerate the pace of economic growth by facilitating development programmes. It helps to increase country’s exports and reduce imports. It facilitates the transfer of technology, knowledge & improve balance of payments, introduction of new products & efficient resource allocation. In the present day scenario when many countries are moving towards globalization, foreign investment forms to be an integral part of economic growth & economic development. The last decade has seen a surge of interest in international investment in agriculture sector of almost all developing countries. Since India is an agrarian country and has been showing rapid progress in past years thus it is quite natural that it is attracting the attention of the investors all over the world. The role of FDI in the economics investments is important. FDI inflows, was US$ 51 million in 1974, twenty years later in
1995 it is increased to US$ 2151 million. Finally it is increased to US$ 44208 million in 2015, (UNCTAD, 2015). Agricultural sector has been the cornerstone of Indian economy and it accounts for almost 17.5 percent of India's gross domestic product (GDP). Agriculture is an important sector, which determines growth and sustainability and plays a vital role in the development of India, with over 49 percent of the country’s population deriving their subsistence from it. Most of the rural population in India depends primarily on agricultural practices for employment and livelihood. Indian economy in agriculture has shown a steady growth in the last two decades. The economy is also experiencing regular changes in its demographics, lifestyle, and domestic consumption. The agriculture industry in India is growing at a great pace and is expected to grow many folds in the near future. After globalization almost every country in Asia welcome foreign direct investments in many sectors and it is growing its limits steadily. Being an agrarian developing country India is not an exception, like all other countries India also allowed FDI in various sectors including agriculture. FDIs have been playing an important role in promoting economic growth, triggering technological transfer and creating employment opportunities. Increased economic growth reduces poverty and raises the living standards.

OBJECTIVES OF THE STUDY

- To evaluate the Impact, Recent Trends and Pattern of FDI in India.
- To understand the current Scenario of Indian Agriculture Sector.
- To analyze the trends of FDI inflow in Agricultural Sector during 2000–01 to 2016–17.
- To study the opportunities and challenges of FDI in Indian Agricultural Sector.

METHODOLOGY

This paper is a descriptive and analytical study in nature. The study is based on secondary data. The required data has been collected from various sources i.e. journals, magazines, and websites particularly from the Department of Industrial Policy & Promotion, Publications from Ministry of Commerce & Industry, World Investment Reports, Asian Development Bank’s Reports, Various Bulletins of Reserve Bank of India, etc. It is a time series data and relevant data have been collected for the period of 2000–01 to 2016–17. The data collected has been analyzed through tables & graphs.

REVIEW OF LITERATURE

FDI is considered as an important tool for emerging economies like India, as it is expected to bring latest technology and enhance production capabilities of the economy. There is a no dearth of literature on the present issue. To justify the need of present study, following literature is reviewed: Singh J., Chadha S., and Sharma A. (2012) in his study “Role of Foreign Direct Investment in India: An Analytical Study” investigated the Foreign Direct Investment flows are supplementing the scare domestic investments in developing countries particularly in India. But foreign investor never adopts environment friendly technique to maximize their profit. They found that the highest amount of FDI gone to financing sector, insurance sector, real estate and business services which is 33.05% of total cumulative inflow of FDI. Kumar Vinay (2012) in his study “Trend of FDI in India and Its Impact on Economic Growth” Investigated the FDI trend in Indian economy is moving in upward direction that too with the good speed. On the basis of analysis it is quite evident to say that
Indian economy is one of the most promising investment destinations for most of the developed and developing nations. But one question that is striking my mind is that in spite of having good inflow of FDI in India just after the recession period. As the growth rate of FDI in India for the period of 2010 to 2014 is not much attractive.

Malhotra B. (2014) in his paper “Foreign Direct Investment: Impact on Indian Economy” examined the India’s FDI policy has been gradually liberalized to make the market more investor friendly. The results have been encouraging. These days, the country is consistently ranked among the top three global investment destinations by all international bodies, including the World Bank, according to a United Nations report. For Indian economy which has tremendous potential, FDI has had a positive impact. FDI inflow supplements domestic capital, as well as technology and skills of existing companies. FDI also helps to establish new companies.

Wadhwa Shobhit & Wadhwa Sucheta Arora. (2014) in their paper “FDI in Agricultural Sector in India: Status and Challenges” have attempted to study the trend of FDI inflow in India especially in agricultural sector. They have analyzed the challenges faced by the sector in attracting the foreign investors along with various initiatives taken by the government.

Prajapati Maulik C. and Prajapati Rasik I. (2014) in their paper “An Effect of Foreign Direct Investment in India: A Review” have analyzed that FDI has long term impact on development of a country not only a source of capital but also enhance competition through transfer of technology, strengthening infrastructure, raising productivity and generating new employment opportunities.

Singh Kapil & Walia Ritu K. (2015) in their study “Foreign Direct Investment (FDI) & Agriculture Sector in India” have concluded that FDI enhanced the financial position of India by providing a sound base for economic growth and development of the country.

According to UNCTAD (2009) FDI has potential to generate employment, raise productivity, transfer skill and technology, enhance export and continue to the long term economic development of the world’s developing countries.

FDI means an investment made by a company into the production and services in other nation either by buying a business or by expanding trade in that nation. It is a form of doing trade in another nation (Rao, 2009). Organization for Economic Cooperation and Development (OECD) and International Monetary Fund (IMF) define FDI as a category of cross border investment made by a resident in one economy (the direct investor) with the objective of establishing a ‘lasting interest’ in an enterprise (the direct investment enterprise). The multinational companies believe that FDI is a significant way to organize their business actions across the boundaries so as to comply with their corporate strategy and also serve as a competitive advantage to the host country (RBI bulletin, 2012).

Foreign investors can contribute in development of an economy by investing in two ways, i.e. in the form of Greenfield Investment and Mergers & Acquisitions.

*Greenfield Investment:* A form of FDI where a parent company starts a new venture in a foreign country by constructing new factories and/or stores.

*Mergers and Acquisition:* It occurs when a transfer of existing assets from local firms takes place.
TREND, PERFORMANCE & CURRENT STATUS OF FDI IN INDIA

The model of LPG was introduced in Indian economy under Structural Adjustment Programme supported by IMF and World Bank. This culminated into a series of economic reforms in 1991 along with a host of industrial policy reforms. The importance and role of FDI policy in bringing greater efficiency, competitiveness, technological up-gradation, creation of a sound base for export promotion and ultimately enabling Indian economy to integrate with rest of the world, was recognized in the New Industrial Policy of 1991. Various measures such as-abolition of licensing except for 18 industries, Ceiling of 40 per cent foreign equity under FERA was done away etc. Also, Indian government set up Foreign Investment Implementation Authority (FIIA) to facilitate and simplify the process of quick FDI approvals.

### Table 1: Cumulative FDI Flows in India (2000–2017)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total FDI Inflows into India (Amount US$ Million)</th>
<th>Cumulative Amount of FDI Inflows (Equity inflows + Re-invested earnings + 'Other capital')</th>
<th>US$ 484,351 Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000–01</td>
<td>4029</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2001–02</td>
<td>6130</td>
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</tr>
<tr>
<td>2002–03</td>
<td>5035</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2003–04</td>
<td>4322</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2004–05</td>
<td>6051</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2005–06</td>
<td>8961</td>
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<td></td>
</tr>
<tr>
<td>2006–07</td>
<td>22826</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2007–08</td>
<td>34843</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2008–09</td>
<td>41873</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2009–10</td>
<td>37745</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2010–11</td>
<td>34847</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2011–12</td>
<td>46556</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2012–13</td>
<td>34298</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2013–14</td>
<td>36046</td>
<td>US$ 484,351 Million</td>
<td></td>
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<tr>
<td>2014–15</td>
<td>45148</td>
<td>US$ 484,351 Million</td>
<td></td>
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<tr>
<td>2015–16</td>
<td>55559</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
<tr>
<td>2016–17(P)</td>
<td>60082</td>
<td>US$ 484,351 Million</td>
<td></td>
</tr>
</tbody>
</table>

Source: FDI fact sheet (April 2000 to March 2017) DIPP, Ministry of Commerce, Govt. of India.

The above table shows that cumulative amount of FDI inflows since the year 2000 to March 2007 is $ 484,351 million while cumulative amount of FDI equity inflows from the 2000 to March is equal to $331,991 million clearly indicating the increasing trend of FDI in India.

### Table 2: Foreign Direct Inflows in India Since 2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Total FDI Inflows into India (Amount US$ Million)</th>
<th>% Age Growth Over Previous Year (in US$ Terms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000–01</td>
<td>4029</td>
<td>-</td>
</tr>
<tr>
<td>2001–02</td>
<td>6130</td>
<td>(+) 52</td>
</tr>
<tr>
<td>2002–03</td>
<td>5035</td>
<td>(-) 18</td>
</tr>
<tr>
<td>2003–04</td>
<td>4322</td>
<td>(-) 14</td>
</tr>
<tr>
<td>2004–05</td>
<td>6051</td>
<td>(+) 40</td>
</tr>
<tr>
<td>2005–06</td>
<td>8961</td>
<td>(+) 48</td>
</tr>
<tr>
<td>2006–07</td>
<td>22826</td>
<td>(+) 53</td>
</tr>
<tr>
<td>2007–08</td>
<td>34843</td>
<td>(+) 53</td>
</tr>
<tr>
<td>2008–09</td>
<td>41873</td>
<td>(+) 20</td>
</tr>
<tr>
<td>2009–10</td>
<td>37745</td>
<td>(-) 10</td>
</tr>
<tr>
<td>2010–11</td>
<td>34847</td>
<td>(-) 08</td>
</tr>
<tr>
<td>2011–12</td>
<td>46556</td>
<td>(+) 34</td>
</tr>
<tr>
<td>2012–13</td>
<td>34298</td>
<td>(-) 26</td>
</tr>
<tr>
<td>2013–14</td>
<td>36046</td>
<td>(+) 05</td>
</tr>
<tr>
<td>2014–15</td>
<td>45148</td>
<td>(+) 25</td>
</tr>
<tr>
<td>2015–16</td>
<td>55559</td>
<td>(+) 23</td>
</tr>
<tr>
<td>2016–17(P)</td>
<td>60082</td>
<td>(+) 08</td>
</tr>
</tbody>
</table>

Note: Negative (-) sign indicates outflow.

Source: FDI Factsheet (May, 2017), DIPP, Ministry of Commerce &Industry, GOI.

The above table shows that in the year 2000–01 there was US $ 4029 Million FDI inflow in India which has increased to US $ 60082 Million in 2016–17. Percentage growth trend of FDI shows a positive response for most of the years except that 2002–03, 2003–04, 2009–10, 2010–11 and 2012–13. As far as percentage growth over previous year is concerned, it has been showing the fluctuating trends since 2000. Technological up gradation, access to global managerial skills, optimum utilization of natural and human resources, making Indian...
industry internationally competitive, opening up export markets, providing backward forward linkages and access to international quality goods and services, the Indian Government has taken many steps to attract more FDI. According to World Investment Report 2017 (UNCTAD), India improved its ranking by one notch to 9th position as one of the highest recipients of foreign direct investment (FDI) in 2016, at a time global FDI flows fell. While the US remained the top host country for FDI in 2016 with $391 billion inflows, and the UK saw an unprecedented rise from $33 billion in 2015 to $254 billion in 2016, inflows to India grew 1% to $44.5 billion. In a survey of top executives carried out by UNCTAD in early 2017, the economic situation in developing Asia ranked as the top macroeconomic factor influencing FDI, with the favorite FDI destinations remaining the US, China and India. FDI outflows from South Asia declined by 29% to only $6 billion in 2016, as India’s outward FDI dropped by about a third, from $7.6 billion in 2015 to $5.1 billion in 2016. The signing of a tax treaty by the Indian and Mauritian governments in May 2016 might have contributed to reduce round-tripping FDI. Therefore the trend gives support to the fact that as and when the government has taken initiatives to open up and liberalize the economy further, the investors have welcomed the initiative and reciprocated by infusing investments into India. There are various reasons which work in favour of India and increase the level of interest shown in by foreign organization’s some of them being its demographics’ with a young population there is a huge consumer base that is to be tapped, the growing middle class, increased urbanization and awareness, rising disposable incomes.

Table 3: Top Sector-Wise FDI Equity Inflows from April 2000 to March 2017

<table>
<thead>
<tr>
<th>S. No</th>
<th>Sector</th>
<th>Amount of FDI Inflows (In US$ Million)</th>
<th>% Age of Total Inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Services Sector</td>
<td>59,476.49</td>
<td>17.92</td>
</tr>
<tr>
<td>2</td>
<td>Computer Software &amp; Hardware</td>
<td>24,669.49</td>
<td>7.43</td>
</tr>
<tr>
<td>3</td>
<td>Construction Development</td>
<td>24,293.08</td>
<td>7.32</td>
</tr>
<tr>
<td>4</td>
<td>Telecommunications</td>
<td>23,946.04</td>
<td>7.21</td>
</tr>
<tr>
<td>5</td>
<td>Automobile Industry</td>
<td>16,673.91</td>
<td>5.02</td>
</tr>
<tr>
<td>6</td>
<td>Drugs &amp; Pharmaceuticals</td>
<td>14,706.89</td>
<td>4.43</td>
</tr>
<tr>
<td>7</td>
<td>Chemicals (Other Than Fertilizers)</td>
<td>13,293.09</td>
<td>4.00</td>
</tr>
<tr>
<td>8</td>
<td>Food Processing Industries</td>
<td>7,542.91</td>
<td>2.27</td>
</tr>
<tr>
<td>9</td>
<td>Agriculture Services</td>
<td>1,920.74</td>
<td>0.58</td>
</tr>
<tr>
<td>10</td>
<td>Agricultural Machinery</td>
<td>449.18</td>
<td>0.14</td>
</tr>
</tbody>
</table>

Source: FDI Factsheet (May, 2017), DIPP, Ministry of Commerce & Industry, GOI.

The above Table depicts the sector having the highest FDI equity inflow in India. The report shows that Service sector has the highest FDI Equity inflow 17.92%, followed by Computer Software & Hardware (7.43%), Construction Development (7.32%). As far as FDI inflows in Food Processing Industries, agricultural services and agricultural machinery is concerned, these sectors collectively attract about 2.99% of total FDI inflows in India during the period 2000 to 2017 which is an indication of agriculture sector as a low priority sector for foreign direct investment inflows in India. In agriculture sector also, food processing is the sector which has the highest FDI inflows during the above mentioned period.

INVESTMENT OPPORTUNITIES IN AGRICULTURE

- Millions of tons of food in India go wasted every year due to insufficient storage facilities. The investment opportunities in the Food Storage facilities look very promising for both private and foreign investors.
Infrastructure investments would include: Distribution, Quality control, Manufacturing, Food processing, Quality control, Storage and warehousing, Logistics, Packaging and lots more.

NECESSITY OF FDI IN AGRICULTURE

The growth rate of agriculture sector in the 11th plan was 3.6% and estimated at 4% in the 12th five year plan but for growing demand of agricultural products and food grain requirements, agricultural productivity and growth needs to be further improved. Therefore, apart from internal resources, India needs foreign capital that can boost Agricultural Sector in terms of productivity and capital formation. Moreover foreign capital with latest technology and research would be an added advantage for agricultural sector.

INDIAN AGRICULTURAL SECTOR & FDI POLICY

Ministry of Agriculture, the Ministry of Rural Infrastructure and the Planning Commission are the main governing bodies that determine the future role of agriculture in India (Verma 2013). Current developments in FDI in Indian agricultural sector are as follows- FDI up to 100% is permitted under the automatic route in activities such as development of seeds, animal husbandry, Pisciculture, cultivation of vegetables and mushrooms, etc under controlled conditions and services related to agro and allied sectors.

FDI IN AGRICULTURE

<table>
<thead>
<tr>
<th>Sector/Activity</th>
<th>% of Equity/ FDI Cap</th>
<th>Entry Route</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Floriculture, Horticulture, Apiculture and Cultivation of Vegetables &amp; Mushrooms under controlled conditions; 2. Development and Production of seeds and planting material; 3. Services related to agro and allied sectors</td>
<td>100%</td>
<td>Automatic</td>
</tr>
</tbody>
</table>

Note: Besides the above, FDI is not allowed in any other agricultural sector/activity
Source: FDI circular, 2016, DIPP, Ministry of Commerce & Industry, GOI.

FDI IN TEA & PLANTATION SECTOR

<table>
<thead>
<tr>
<th>Sector/Activity</th>
<th>% of Equity/ FDI Cap</th>
<th>Entry Route</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tea sector including tea plantations</td>
<td>100%</td>
<td>Automatic</td>
</tr>
<tr>
<td>2. Coffee plantations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Rubber plantations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Cardamom plantations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Palm oil tree plantations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Olive oil tree plantations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Besides the above, FDI is not allowed in any other plantation sector/activity.
Source: FDI circular, 2016, DIPP, Ministry of Commerce & Industry, GOI.

OTHER CONDITION

Approval of the State Government concerned is required in case of any future land use change.
FOREIGN DIRECT INVESTMENT IN AGRICULTURE SECTOR

FDI in agricultural sector can be categorized into four major heads.

FDI INFLOWS IN AGRICULTURAL SERVICES AND MACHINERY

As per data released by Department of Industrial Policy and Promotion (DIPP), FDI inflows in the Indian agricultural services and machinery are allowed up to 100 percent and allowed through automatic route in India. The foreign direct investment (FDI) inflows in agricultural services and machinery sector during April 2000–March 2017 stood at US$ 2369.92 million.

Table 6: Sector-Wise Foreign Direct Investment Equity Inflows in India during from April 2000 to March 2017

<table>
<thead>
<tr>
<th>Name of Sector</th>
<th>FDI Inflows (Crores)</th>
<th>FDI Inflows in (US $ Million)</th>
<th>Percentage Share in Total Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture Services</td>
<td>9,791.34</td>
<td>1,920.74</td>
<td>0.58</td>
</tr>
<tr>
<td>Agriculture Machinery</td>
<td>2,361.55</td>
<td>449.18</td>
<td>0.14</td>
</tr>
</tbody>
</table>

Source: FDI Factsheet (May, 2017), DIPP, Ministry of Commerce & Industry, GOI.

The above table is indicating that FDI inflows in agricultural services and agricultural machinery since the year 2000 to March 2017 are growing very steadily which is supported by the fact that during that period percentage share in total investment in agriculture services and agricultural machinery is 0.58 and 0.14 respectively meaning that still agriculture sector in India is unable to attract desirable level of foreign direct investments which is necessary for the upliftment and betterment of the agricultural sector in India.

FDI INFLOWS TO FOOD PROCESSING INDUSTRIES

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. There is a vital and important link between agriculture and food processing industry in India. Food processing industry is a predominant segment in the Food Industry in India and accounts for 32 percent share in the industry. The food processing industry comprise of 2 percent of fruits and vegetables and 15 percent of processed milk. Important initiatives by the Indian government have led to significant growth in FDI Inflows to Food Processing Industries. The food industry, which is currently valued at US$ 39.71 billion! is expected to grow at a Compounded Annual Growth Rate (CAGR) of 11 per cent to US$ 65.4 billion by 2018. Food and grocery account for around 31 per cent of India's consumption basket. Accounting for about 32 per cent of the country's total food market, the Government of India has been instrumental in the growth and development of the food processing industry. The government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. It has approved proposals for joint ventures (JV), foreign collaborations, industrial licenses, and 100 per cent export oriented units. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 14 per cent of manufacturing Gross Domestic Product (GDP), 13 per cent of India's exports and six per cent of total industrial investment. Indian food service industry is expected to reach US$ 78 billion by 2018. The Indian gourmet food market is currently valued at US$ 1.3 billion and is
Foreign Direct Investment (FDI) & Agriculture Sector in India: Opportunities and Challenges

Growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. India’s organic food market is expected to increase by three times by 2020. (Source: www.ibef.org)

Table 7: Sector-Wise Foreign Direct Investment Equity Inflows in India During from April 2000 to March 2017

<table>
<thead>
<tr>
<th>Name of Sector</th>
<th>FDI Inflows (Crores)</th>
<th>FDI Inflows in (US $ Million)</th>
<th>Percentage Share in Total Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Processing Industries</td>
<td>45,130.72</td>
<td>7,542.91</td>
<td>2.27</td>
</tr>
</tbody>
</table>

Source: FDI Factsheet (May, 2017), DIPP, Ministry of Commerce & Industry, GOI.

According to the data provided by the Department of Industrial Policies and Promotion (DIPP), the food processing sector in India has received around US$ 7542.91 million worth of Foreign Direct Investment (FDI) during the period April 2000-March 2017 accounting for 2.27 percent share in total investment. The Confederation of Indian Industry (CII) estimates that the food processing sectors have the potential to attract as much as US$ 33 billion of investment over the next 10 years and also to generate employment of nine million person-days.

FDI INFLOWS TO FERTILIZER INDUSTRY IN INDIA

The government of India has allowed foreign direct investment in the fertilizers industry of the country. Foreign Direct Investment (FDI) in fertilizers in India is allowed up to 100% under the automatic route in India. The various advantages of FDI inflows into fertilizer industries are growth, quality, improved technology and expansion of fertilizer industry. It is widely believed that these steps will be beneficial in the growth of agriculture infrastructure in the country and will benefit the sector in the long run.

Table 8: Sector-Wise Foreign Direct Investment Equity Inflows in India during from April 2000 to March 2017

<table>
<thead>
<tr>
<th>Name of Sector</th>
<th>FDI Inflows (Crores)</th>
<th>FDI Inflows in (US $ Million)</th>
<th>Percentage Share in Total Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fertilizers</td>
<td>3,066.09</td>
<td>565.69</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Source: FDI Factsheet (May, 2017), DIPP, Ministry of Commerce & Industry, GOI.

The above table is indicating that FDI inflows in fertilizers since the year 2000 to March 2017 is growing very slowly. During that period percentage share in total investment in fertilizers is 0.17 which means that fertilizers sector in India is unable to attract desirable level of foreign direct investments.

FDI INFLOWS IN SECTORS AUXILIARY TO AGRICULTURE

Table 9: Sector-Wise Foreign Direct Investment Equity Inflows in India During from April 2000 to March 2017

<table>
<thead>
<tr>
<th>Name of Sector</th>
<th>FDI Inflows (Crores)</th>
<th>FDI Inflows in (US $ Million)</th>
<th>Percentage Share in Total Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rubber goods</td>
<td>13,517.50</td>
<td>2,347.02</td>
<td>0.71</td>
</tr>
<tr>
<td>Vegetable oil &amp; Vanaspati</td>
<td>3,882.13</td>
<td>697.51</td>
<td>0.21</td>
</tr>
<tr>
<td>Sugar</td>
<td>1,218.17</td>
<td>204.44</td>
<td>0.06</td>
</tr>
<tr>
<td>Timber products</td>
<td>907.25</td>
<td>157.69</td>
<td>0.05</td>
</tr>
<tr>
<td>Tea &amp; Coffee (Processing &amp; Warehousing Coffee &amp; Rubber)</td>
<td>516.27</td>
<td>111.22</td>
<td>0.03</td>
</tr>
</tbody>
</table>

Source: FDI Factsheet (May, 2017), DIPP, Ministry of Commerce & Industry, GOI.
FDI would bring investment in post-harvest infrastructure that would increase the shelf-life of produce and minimize food wastage (now as high as 20–30%). Moreover, new investment would result in other positive externalities such as better seeds and stricter standards that would increase quality and productivity while lowering costs.

It is clear from the above analysis that Food processing Industries are attracting highest FDI as far as agricultural sector in India is concerned.

INVESTMENTS & DEVELOPMENTS IN AGRICULTURE SECTOR

Some major investments and developments in agriculture in the recent past are as follows:

- Mahindra & Mahindra (M&M), India’s leading tractor and utility vehicle manufacturer, announced its entry into pulses retailing under the brand ‘NuPro’. Going forward, the company plans to foray into e-retailing and sale of dairy products.
- Fertilizer cooperative IFFCO launched a joint venture with Japanese firm Mitsubishi Corp for manufacturing agrochemicals in India.
- Acumen, a not-for-profit global venture fund, has invested Rs. 11 crore (US$ 1.7 million) in Sahayog Dairy, an integrated entity in the segment, based at Harda district in M.P.
- Oman India Joint Investment Fund (OIJIF), a joint venture (JV) between the State Bank of India (SBI) and State General Reserve Fund (SGRF), invested Rs. 95 crore (US$ 14.62 million) in GSP Crop Science, a Gujarat-based agrochemicals company.
- Rabo Equity Advisors, the private equity arm of Netherlands-based Rabo Group, raised US$ 100 million for the first close of its second fund–India Agri Business Fund II. The fund plans to invest US$ 15–17 million in 10–12 companies.
- Israel-based ADAMA, The world’s seventh-largest agrochemicals firm, plans to invest at least US$ 50 million in India over the next three years.
- Belgium-based Univeg with Mahindra & Mahindra has collaborated to develop a fresh fruit supply chain.
- Companies from the US, Canada, Australia, Israel, the Netherlands and other European countries have shown strong interest to transfer the best practices, linkages between scientific institutes, agriculture storage, cold-chain management, market access, and productivity enhancement such as the introduction of new technology in seed and plant biotech.
- Canada-based International Food Security Research Fund has major investments in food security research in several Indian universities. These strengthen food-processing and sustainable agricultural techniques.

GOVERNMENT INITIATIVES FOR IMPROVING FDI INFLOWS IN AGRICULTURE

Considering the role and importance of foreign direct investment in Indian agricultural sector, several steps have been taken by the government to revitalize agricultural sector and
improve the conditions of farming community. Some of the important initiatives taken by the government include:

- The government has allowed 100 per cent FDI under the automatic route in storage and warehousing including cold storages. 100 per cent FDI is also permitted for development of seeds.
- The Cabinet Committee on Economic Affairs (CCEA) has approved the implementation of the National Mission on Oilseeds and Oil Palm (NMOOP) during the 12th Plan with financial allocation of Rs. 3507 crore (US$ 559.51 million). This would help in enhancing production of oilseeds by 6.58 MT and also bring additional area of 125,000 hectares under oil palm cultivation.
- The Cabinet Committee on Economic Affairs (CCEA) has approved the implementation of the National Mission on Oilseeds and Oil Palm (NMOOP) during the 12th Plan with financial allocation of Rs. 3507 crore (US$ 559.51 million). This would help in enhancing production of oilseeds by 6.58 MT and also bring additional area of 125,000 hectares under oil palm cultivation.
- The government has launched an initiative to spend US$ 65.1 million to promote 60,000 pulses villages in rain fed areas for increasing crop productivity and strengthening market linkages.
- The Ministry of Food Processing Industries has taken some new initiatives to develop the food processing sector, which will help to enhance the incomes of farmers and export of agro and processed foods, among others. It also includes the opening of Mega Food Parks and reduction in excise duties for Food Processing machinery.
- The Ministry of Agriculture, Government of India, has signed a Memoranda of Understanding (MoU) with 52 countries to provide better agricultural facilities for cooperation in the field of agriculture and allied sectors.
- India and Bhutan plans to strengthen strategic cooperation in the field of agriculture and allied sectors.
- The Government of India, in its Budget 2015–16, planned several steps for the sustainable development of agriculture.
- The Department of Agriculture Research & Education (DARE) and the Department of Animal Husbandry, Dairying & Fisheries (DAHD&F) under the Ministry of Agriculture have signed MOUs/agreements with other countries, taking the number of partnerships with other countries to 63.
- Tata Chemicals Ltd has announced the pan-India launch of FarmGro (foliar spray) and FarmGro G (granules) as organic plant growth regulators.
• These initiatives would provide better agricultural facilities in areas such as research and development, capacity building, post-harvest management, food processing, plant protection, animal husbandry, dairy and fisheries.

• Recently Fiji proposed to enter into the MoU with India in the areas of rice, horticulture, fisheries and animal husbandry.

• The Oman India Joint Investment Fund (OIJIF), a joint venture between State Bank of India (SBI) and State General Reserve fund (SGRF), has invested Rs. 95 crore in GSP Crop Science, a Gujarat based Agrochemical Company.

**POSITIVE OUTCOMES OF FDI IN AGRICULTURAL SECTOR**

• Permitting foreign investment in agricultural retailing is likely to ensure adequate flow of capital into rural economy in a manner likely to promote the welfare of all sections of society, particularly farmers and consumers. It will bring about improvements in farmer income and agricultural growth and assist in lowering consumer price inflation.

• New investment would result in other positive externalities that would increase quality and productivity while lowering costs.

• The middleman, which has dominated farmers in India for decades, and farmers can now get the full benefit of their produce can be eradicated due the FDI inventiveness.

• Foreign companies are expected to take some constructive steps for the creation of supply Chain and also infrastructure will improve significantly.

• There is also a possibility of increasing of job opportunities in sectors like transportation, packaging, agriculture processing. According the Government of India, FDI in retail sector is capable of generating approximately 4 million direct jobs and around 5 to 6 million indirect jobs within a span of 10 years.8

• The biggest benefit of FDI in multi-brand retail is expected to be on farmers; it will improve their income, as well as give them opportunity to diversify into other agriculture products. Currently Indian farmers are too focused on grains (wheat, rice) and cash crops (sugarcane, cotton). FDI may prompt them to grow other items like pulses, vegetables etc. as it is expected that the advent of foreign companies in retail will boost demand for these products.9

• This is expected to boost the country’s domestic manufacturing industry that foreign retail companies have to be source at least 30 per cent of the commodities from small and micro industries.

• FDI inflow in farm machinery will lower the price of agriculture tools, implements and machinery (like tractors) and make them more affordable. Though most farmers rent big machinery (like combine harvesters) but if the cost of machine decreases the rent may came down as well.

• FDI in Food processing industries helps in improvement of financial status of farmers as it increases the farm gate prices (companies pay more to farmers than the middlemen as well as reduce the wastage of produce). The companies have their own infrastructure like cold storage that can increase shelf life of food products.10
DISADVANTAGES OF FDI POLICY: CHALLENGES AND THREATS

- There might be job losses in the manufacturing segment. Though the government has capped the sourcing of commodities from the domestic market at 30 per cent, the rest of the 70 per cent can be bought from the foreign markets.\textsuperscript{11}

- The Indian retailers might not be able to cope up with the increasing competition from the foreign retailers who are well prepared with better infrastructure and management procedure. Slowly this might lead to the replacement of the Indian retailers to a considerable extent.

- According to the non-government cult, FDI will drain out the country's share of revenue to foreign countries which may cause negative impact on India's overall economy.

- It cannot be assured that FDI in agriculture would not further add to the woes of farmers by deploying for the benefits of other nations. This would enslave the farmers at the hands and mercy of giant companies who will still consider them as cheap labors, their energy to be harvested for their benefits.

- In a monsoon dependent agriculture, FDI can move out if there are two or three consecutive bad seasons and then the contract farmers could be left stranded and have to depend on MSP offered by government.

- It is said that FDI might provide employment opportunities, but it is argued that it cannot provide employment opportunities to semi-illiterate people. This argument gains more importance because in India, large numbers of semi-illiterate people are present.

- Though Government has predetermined that 30 per cent procurement should be from Indian sources, this may get diluted over the years. The remaining 70 per cent procurement from cheaper countries will make the people run towards that stuff and the 30 per cent supply from Indian small industries will have their own death, unable to compete with low price Chinese goods.\textsuperscript{12}

- FDI in retail may also have harmful impact of similar kind. Local markets will be eliminated through aggressive pricing by retail giants and once they know farmers are completely dependent on them, they will offer them pittance.

- Seed companies like Monsanto have been accused of monopolistic practices. They first sell the seeds cheap, once they know farmers are dependent on them, they raise prices.

- In contract farming, farmers may lose out too. It is a well-noted fact that some companies may indulge in monopolistic practices and will extract any surplus from farmers. Because of the illiterateness of the farmers in many parts of India, they know little about market conditions and by taking advantage of this fact, companies may design the contract in such a manner that favors them at the cost of farmers. However this can be eliminated with proper governmental regulatory oversight.
WALMART LOBBYING FACTOR AND FDI

Walmart in its report to US Govt. revealed that it spend Rs. 125 crores in lobbying Indian lawmakers to get access to Indian market. These are serious facts because if Govt. has done all this in favor of bribery and money then results might not be good as it is projected and the very purpose of introducing the policy of FDI in Indian economy will not be fulfilled. Since Walmart will continue to mould things in their favor by lobbying and bribery as political corruption is well known in Indian politics. So, the government must be aware of these types of political bribery and corruption.

CONCLUSION AND POLICY IMPLICATIONS

FDI is one of the most important means of arranging finance for the economy of any country. India has also been realizing this since 1991 when The New Economic Policy came into force making Indian economy a liberal and global one. For fast growing economies like India, getting international know-how and global marketing capabilities are as important as access to capital. Increased trade between nations increases foreign direct investment. The subsequence continuing development of the Indian agriculture sector through FDIs is predicted undertake a significant positive influence on the 700-million strong rural populations, moving into about 600,000 small villages of India. Rapid investments in technology development, irrigation infrastructure, increased exposure of modern agricultural practices and provision of agricultural credit and subsidies are classified as the major factors contributed to agriculture growth. It complements public and private investments necessary to bring knowledge, technologies and services to farmers. Hundred percent FDI has been allowed in development and production of seeds and planting material; floriculture, horticulture and cultivation of vegetables and mushrooms under controlled conditions; animal husbandry. Investment in agricultural infrastructure has the potential of minimum wastage especially of perishable fresh foods and vegetables and this will lead to increase the income of the farmers. Agricultural sector in recent years is witnessing a steady decline in its growth rate and in order to improve the graveing situation, Government of India should focus on providing subsidies to small farmers as subsidies in India are too low when compared to countries to Canada, Japan and USA. After passing the Food Security Act in parliament, the need for more investments in the agricultural sector of India is only bound to increase. Agricultural Ministry must also frame strong policies for subsidies and their utilization. Government also needs to create better domestic agricultural infrastructure and market opportunities to attract foreign investors in this sector. Union government should frame policies in this regard with the co-operation of state governments which should be free bureaucratically; outdated laws & traditions, corruption and non transparency then this will lead to fair production in economy. Proper attention should be given to all allied activities if we want faster, sustainable and more inclusive growth in agriculture. Last but not least, government must pay attention to attract FDI to improve the health of different sectors of Indian economy in general and agriculture in particular. Government should try to develop India as an emerging investment destination to solve all the problems of Indian economy in general and agriculture in particular. It is also said that the government must promote sustainable agriculture development through FDI.
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Need to Reform Social Science Curriculum

Sisodia Saumya

Abstract—The discipline of Social Science has an important place in Indian education system. It is more than just academic subject. Its need starts from the primary stage & its usability exists lifelong. According to the NCF, Social Science content should aim at raising students’ awareness through critically exploring and questioning familiar social reality. The possibilities of including new dimensions and concerns, especially in view of students’ own life experiences, are considerable. Selecting and organizing material into a meaningful curriculum, one that will enable students to develop a critical understanding of society, is therefore a challenging task.

The revising and re-framing of the social science curriculum is the concerning issue today. The outdated content, the lack of inter-relatedness among major subjects of this discipline, the presentation of the chapters, the society perspective towards the content & many more issues have to be sorted out to bring out the realistic nature of social science discipline, because its relevance is felt much more in globalised & digital era than before. The “beingness” of human being is at stake. Social Science is the only answer to solve the complex & conflicting issues of present.

Keywords: Social Science, Education System, Curriculum, Indian Schools

INTRODUCTION

National Council for the Social Studies, the largest professional association for social studies educators in the world, defines social studies as:

“...the integrated study of the social sciences and humanities to promote civic competence. Within the school program, social studies provides coordinated, systematic study drawing upon such disciplines as anthropology, archaeology, economics, geography, history, law, philosophy, political science, psychology, religion, and sociology, as well as appropriate content from the humanities, mathematics, and natural sciences. The primary purpose of social studies is to help young people make informed and reasoned decisions for the public good as citizens of a culturally diverse, democratic society in an interdependent world.”

Social science is a study of the society at all levels, it is an inter-disciplinary subject that draws from probably all other subjects and from human experience. Its scope and importance is not only continuously growing, but is emerging as a rational path for human progression.

The subject social science in school connects us to the past to understand, appreciate and learn how we have reached to where we are now; it also connects us to the present through the study of institutions that govern us; and contextualise the past and present by providing us with an understanding of the larger eco-system that we are a part of. It helps us to dream of building a better world. Social science includes the practical questions related to human development such as ‘How to make our cities better, improve standards of living, reduce crime rates, overcome discrimination, provide better governance, improve productivity’.

The teaching of social sciences in post-colonial India was largely influenced by the perceived needs of nation-building and modernization. A continued emphasis on this encoded aim of
social science education reverberates the views that emerged in the first few decades of independent India which in turn were informed by the discourse emerging in the new nation-states on the value of social science education. Thus education for citizenship was said to acquire a new meaning and the school was seen as the nucleus of such an educative force.

It was only in the 19th century that social science began to take shape, and it is only in the 20th century that a number of disciplines such as economics, sociology, political science, history, geography, psychology and anthropology made their mark. It is interesting to note that social (studies) science became part of the official curriculum in modern India only with the Basic Education Program of Gandhiji, which makes it a very young discipline.

After Gandhiji’s Basic Education Program brought social (studies) science into the realm of formal education in modern India, the Secondary Education Commission provided the official recognition to the subject at an all India level. The Mudaliar Commission Report dated 1953 spoke of attention that is required towards the currently relevant concept of world citizenship, but even 50 years hence, the study of social (studies) science is still associated with remembering dates, facts and names of famous people, places and institutions. NCERT soon after it was set up, also came out with objectives of teaching social (studies) science and other than the usual and now staid things such as to ‘make a better citizen’ also mentioned that a key thing is to ‘train minds to think’ and ‘to develop skills to express freely’. In 1964, the Kothari Commission said that one of the aims of teaching social (studies) was to help students acquire certain values and attitudes which were critical for participation in the affairs of the world other than the acquisition of knowledge of the environment and understanding the human relationships. The NCF, in 2005 in its position paper on social science, said that it is important to ‘reinstate the significance of the social sciences by not only highlighting its increasing relevance for a job in the rapidly expanding service sector, but by pointing to its indispensability in laying the foundations for an analytical and creative mindset’.

In the paper titled ‘Into the future with social science’ Jean-Eric Aubert, Directorate for Science, Technology and Industry of the Organization for Economic Co-operation and Development predicted that ‘perhaps in the information age and in the dematerialized economy of the knowledge world, society will discover a pressing need to know itself much better, if only to survive. Social sciences will then be very much in demand’. Today, even in the Indian context we can say that the trend is clearly towards elevating social science to a much higher level than what has been accorded till date. These changes are already visible in the urban centers and popular perceptions on the relevance of social science are also changing.

The subject called social science taught in some form or the other in schools across the world. Sometimes it goes by the name of Environment Studies (like in the present primary schools in India), sometimes as separate subjects—history, geography, civics until middle school and then as history, geography, economics, political science and sociology in high school.

Social sciences, according to Max Weber, are “primarily analytical instruments for understanding the meaning of and causal relations between elements of social and cultural life” (Root 1994: 47).

By social science I mean all subjects dealing with the analysis of some or all aspects of society and social life seen through some lens or the other. With the increasing influence of
humanistic psychology in education during the last two decades of the 20th century, ‘the most compelling feature of social studies (came to be) the almost insistent way it invites one to connect with one’s (and other’s) humanity’ (Wishon et al., 1998). Undoubtedly, social science is as important as natural science, but the hard reality is that for the larger society it is a "non-utility subject". Thus the discipline is yet to get the status it deserves. The society need to realize the potential of this discipline in dealing with contemporary political, social and economic realities.

SOCIAL SCIENCE CURRICULUM IN INDIAN SCHOOLS: A CRITICAL ANALYSIS

The term “curriculum” refers to a “set of planned activities which are designed to implement a particular educational aim—a set of such aims—in terms of the content of what is to be taught and the knowledge, skills and attitudes which are to be deliberately fostered together with statements of criteria for selection of content, and choices in methods, materials and evaluation (NCERT 2006c: 12). This definition suggests that curriculum may not only include syllabus and textbooks or both, but also an invisible plan formed by different stake-holders of schooling: syllabus and textbook developers, publishers, boards, school administrators, teachers, parents and others.

In India, as in the rest of the world, governments—both central and state—play a crucial role in curriculum formulation, and its reform or renewal. Schools are expected to teach as prescribed in the syllabus approved by government agencies, both central and state. Any curricular reform is generally evolved and planned at the national-level agencies, such as the NCERT, and implemented in schools run by central and state governments. The term “curricular reform” refers to all initiatives taken to improve the quality of learning through (i) changes in syllabi, text-books, and other learning materials in languages, science, social science and mathematics; and (ii) changing the class-room processes, helping teachers understand and take forward the required changes envisaged in curricular areas and changes in the evaluation of learning. Learners in schools during first 10 years study at least five major subjects—science, mathematics, two (or three) languages and social science—yet it is social science curricular materials alone that receive wide attention and criticism from the public.

During the first 20 years of independent India, textbooks of social science schools sought to promote the idea of development of the nation, to understand its nature, its social, economic, geographical and cultural aspects, and challenges, to help India overcome its socio-economic challenges, appreciate its past and also develop patriotism towards national integration. Learners were also expected to familiarize themselves with how our rules were based on democratic principles as given in India’s Constitution.

The school social science curriculum up to the secondary stage (Classes 1 to 10) includes topics from history, economics, geography and political science. In Classes 1 and 2, social science concepts are included as part of language or mathematics courses. In Classes 3 to 5 they are introduced along with natural science concepts as part of environmental studies. Social science concepts are introduced from Class 6 onwards either as “social studies” or as “social science.” The horizon of this discipline broadens from Class 9 onwards. This means social science topics are introduced separately as part of four subjects, and students are assessed under one course—social science. In Class 12, social sciences are introduced as elective subjects.
In twentieth century, there has been a substantial change in the nature and structure of social science curriculum. The NCF 2005 brought some fundamental changes in the social science syllabus and textbooks of all the four subjects. First, certain norms were followed to take away the social science curriculum from political challenges and to provide non-partisan treatment to the content.

These are: (i) contents are presented from more than one viewpoint when dealing with controversial subjects; (ii) wherever available, only authentic sources were used to reconstruct crucial details; (iii) a variety of sources from scholarly writings to different materials were incorporated from print media as part of the textbook narrative; (iv) detailed discussion on the role of political leaders who are still active in politics was avoided.

Second, a thematic approach has been followed to develop contents. This is a pedagogical device generally followed by teachers while teaching different subjects. The thematic approach helps focus on important social science concepts, events and processes, and reduce curricular burden. It also helps teachers see the interrelationships across social sciences. It is possible that “knowledge” of specific events and processes within a theme may be left out in this approach. Thus, there were review meetings of textbooks in which social scientists, pedagogues and teachers helped resolve the inclusion and exclusion of such events and processes.

In the post–NCF 2005 history textbooks, historians have made considerable changes reflecting the contemporary developments in history in introducing themes and changing the titles of textbooks to Our Past I, II and III, yet they could not come out of the “time syndrome.” Similarly, geography curriculum in schools moved from regional geography—studying each continent in a class—to themes. Yet, the division of themes is dominated through physical and human geography. Learners are introduced to physical geography in Classes 6 and 7, and to human geography—topics associated with day-to-day lives—in Class 8. This dichotomy continues even in Classes 9 and 10. Also, the way geography content is presented in Indian social science textbooks suggests the dominance of the colonial framework of gathering knowledge of resources (Bhog et al. 2010). Economists have introduced their discipline very recently, yet young learners are introduced to concepts—gross domestic product (GDP), national income, structural aspects of the Indian economy—which are abstract in nature. Political scientists have learners know and memorize laws, rules, duties, rights, and functions of political institutions, and powers of various officials of the government as the “civics” part of the social science curriculum. The organization of social science syllabi also shows that there is no uniformity in presenting social science knowledge in consonance with the cognitive level of learners. Also, both learners and teachers find it difficult to see the linkages between topics from different subjects, all learnt under the rubric of social science.

It is necessary to understand how social science curriculum is conceptualized and presented. It is also essential to know approaches used to organize the presentation of content and the nature of the content. It has been seen that a particular view of the discipline as an approach to organize social science content hinders reforms in the social science curriculum.

Though social science is considered a non-utilitarian subject (NCERT 2007), in recent times this subject has also been considered a potential source to create awareness on various social and legal issues confronting the nation. This, in a way, compels curriculum developers to include topics related to these issues in social science syllabi and textbooks. For example, after the union government enacted the Consumer Protection Act (COPRA) in 1986, curriculum developers were directed to include “consumer awareness” as a topic in the
social science syllabi. Similarly, when there was insurgency in different parts of India, social science curriculum developers were directed to include topics on terrorism and fundamental duties. During the last two decades, many topics, such as disaster management, tsunami, road safety, income tax, financial literacy, hygiene and food safety, legal education, human rights education, and environmental education are included in social science syllabi and textbooks. Civil society organizations exert pressure, influencing the government to include topics related to a variety of issues, particularly in social science curriculum. Political parties are no exception to this phenomenon, particularly when they are in power. While developing the content, it was noticed that such topics do not gel with other social science contents (Bhattacharya 2009). This also has implications on the quality of teaching–learning of social sciences and undermines the basic purpose of social science education that is, familiarizing learners with social science concepts and equipping them with theoretical tools for a critical understanding of society. This also has implications in the examination arena. For example, since 2004, the year in which a tsunami affected India’s coastal areas, the CBSE reserved eight marks for disaster management in the social science course, and also brought out a separate booklet on the topic. We are well aware that this is a topic that can be understood better as part of both geography and science courses. Many state examination boards have also followed the CBSE practice. Learners are required to learn to deal with contemporary challenges they face in their daily lives. If learners are able to understand social science concepts and tools better, are they not able to deal with any social issue better? Why is it necessary to include discussion on acts passed in Parliament or state assemblies in social science curricula? If all steps taken by governments to address social and economic challenges are to be included in social science textbook, it would become governments’ campaign material. Social science textbooks brought out by some states already contain such materials. Is it not necessary to differentiate social issues which (i) require advocacy among young learners and are not necessarily taught in the classroom as curricular content, and (ii) are to be included as a topic in the social science course? There is no research evidence available in India to show that including a topic may lead to specific outcomes. For example, road safety is one topic taught as part of the social science course in erstwhile Andhra Pradesh for nearly two decades. Learners studied one chapter in every year from Classes 6 to 10. However, Andhra Pradesh is in no way different from other states in the number of road accidents. In fact, it is one of the states that report the highest number of deaths due to road accidents in India. Why?

Content, therefore, needs to focus on a conceptual understanding rather lining up facts to be memorized for examinations. Emphasis has to be laid on developing concepts and the ability to analyze sociopolitical realities rather than on the mere retention of information without comprehension. It is also necessary to recognize that the social sciences lend themselves to scientific inquiry just as much as the natural and physical sciences do, as well as to indicate ways in which the methods employed by the social sciences are distinct but in no way inferior to those of the natural and physical sciences.

Gender concerns need to be addressed in terms of making the perspectives of women integral to the discussion of any historical event and contemporary concerns. This requires an epistemic shift from the patriarchal preconceptions that inform much of the social studies at present. Concerns related to the health of children and social aspects of changes during adolescence (like changing relationships with parents, peer group, the opposite sex and the adult world in general) need to be addressed appropriately. The concept of human rights has a universal frame of reference and the NCF recommends that children are introduced to universal values in a manner appropriate for their age.
Over the last few decades in the name of ‘child friendliness’ text narratives have been often abused by introducing characters into the descriptions who rattle out the same set of information often in a condescending manner. And by some interesting pedagogical rules “spiraling” and “local to remote” are slogans of textbook writers. For instance, at the national level the chapter on Panchayat appeared in class 3, state government in class 4 and central government to UN in class 5. The so called “spiraling” brought them back in classes 6, 7, 8 and then again clubbed the local governments and state governments to class 9 and to class 10. In the name of spiraling aren’t we merely asking children to recall information on how the Panchayats are formed 3 times during their school lives?

In Political Science, the best feature in the books are the cartoons! Unni and Munni, and the political ones. The two cartoon characters encourage us to think differently and ask questions. Some of them actually get you thinking when you think about it. Take, for example the question, “If casteism and communalism are bad, what makes feminism a good thing? Why don’t we oppose all those who divide the society on any lines—caste, religion or gender?” and “Are you suggesting that strike, dharna, bandh and demonstration are a good thing? I thought it happened only in our country because, we are not a mature democracy yet” or “Does it mean that whichever side manages to mobilize a bigger crowd gets away with whatever it wants? Are we saying that ‘Might is Right’ in a democracy?” (NCERT Class X) The Let Us Read Newspaper/Listen To Radio/Watch Television features are good. Even though teachers in the school (especially in tenth) are too busy finishing the syllabus to actually bother to go through them, they are good because what use is learning democracy theoretically if we aren’t relating it to what is actually happening?

PROBLEMS & SUGGESTIONS

As a teacher and editor I find some issues that need to be addressed today. The chapters in class 9th history textbook are like different instances drawn from different parts of the world. Why those chapters are being included in the curriculum is not clearly defined anywhere. Why the Indian students need to study various historical instances happened in western countries along with their history. How the history, geography & politics of a region are inter-related. Why the Environmental Studies turn into Social Studies at secondary level. Why the Social Studies turn into Social Science at higher secondary level. Why only the “Civics” turned into “Political Science”, what is the basic difference between the two. All these are those questions which need answers today....the usability of this subject is at stake if these questions will not be answered.

There are various instances in the content of social science textbooks where the inferences of the facts are given but what are these inferences and why these are included in the chapter is not stated. It is like a situation that the students know the particular word, but they don't know its implications. What is the use of that text/content? The revision of the textbooks is also one of the major steps that should be taken. There are many more developments happen in the fast changing world. If students are not well equipped with recent data and incidents then how will they be able to tackle current problems with old and obsolete information? There is a need for new data to be added to widen exposure.

Also, in textbook of class 8 (social and political life), the chapter contains stories more than the concepts. It's good to make the students understand concepts with the help of stories, but it should be limited to an extent to differentiate the subject from English Literature.
The curriculum of social science has to be reframed in such a way that the content does not remain as static information which has to be studied by the students to pass the particular exam, but it should become the dynamic knowledge which has practical implications.

I want to say that social science has to retain its objectivity and value just like the natural sciences. The NCERT has to take some firm steps to make the discipline “live” so that the humanity remains “alive” in this world. The publishers, social scientists and governments should work together towards its rejuvenation. The concepts have to be described with the use of flowcharts and concept-maps. In spite of raising conflicting issues over historical facts (like the recent one on the battle of Haldighati), it is important to reflect light on the peace and conflicting issues of present time. The matter of the textbook should be developed in such a way that it makes the learner to develop thinking which brings positive outcome. The responsibility of making the citizen of a country broad-minded rests on the shoulders of social science. If we want to make real development and progress by using Science and Technology then we have to insist on the Education of Social Science, because only then we will be able to cheer the fruits of technology, otherwise it would be a disaster. Science tells us “what a thing is” and social science tells us “why a thing is”…. To study “what” without a “why” is meaningless.

CONCLUSION

The relatively recent formulation of social science as a discipline, since the late 19th century, is well known. Even more recent is the evolution of social science as a school subject in terms of content, methods and theoretical foundations. The inability of social sciences to occupy a central place in the primary and secondary school systems has in fact been a matter of grave concern.

Allan Janik in a paper titled ‘Future for the Humanities?’ presents how in the case of a gifted 40-year-old architect or engineer who is promoted to a management position, the promotion could be a source of deeply disturbing problems if there is no preparation for being a manager, which is largely a matter of coping with conflicts - and conflict resolution is a skill imbibed through social science. He espouses the case for studying social science by saying humanities (which is only one part of social science) are vital to understanding the context in which knowledge is applied in society and thus to any serious approach to life-long learning. He describes life-long learning as making serious re-adjustments to our very selves that mere technical knowledge cannot facilitate.

In conclusion, one can state with authority that it is becoming increasingly clear that the relevance of social science is only rising as it is intrinsically linked to the formation of the Knowledge Economy and Society and the recent emerging trend of evidence-based politics. Governments are beginning to realize how social sciences can help in the management of societies and are increasingly depending on the social sciences to deal with particular problems they are now facing. For instance, modern governments run research projects and the findings of these studies influence the design of government programs for combating various issues such as social discrimination, unemployment, urban violence and so on.

To conclude, I would like to say that Social Science curriculum in Indian schools need revision. In order to make India a “master of world”, the basic structure on which the essence of Indian education system rests should be reform and this task of reforming it
should start with the discipline of Social Science. There are certain skills which can only be inculcated among the students through the curriculum of social science, example leadership qualities, management qualities, etc. So the curriculum includes the real stories and philosophies that shake the minds of the learners to become not only an engineer or a doctor or a teacher but also a good human being and that is the very basis of any society.

REFERENCES

Abstract—The research paper is a sincere effort to explore the role of participatory development media in general and specific roles of media channels in catering the objectives of poverty alleviation, social change, protecting biodiversity and regulating its depletion in particular for maintaining development sustainability both at local and global level. The goal of conserving biodiversity is not confined to one locality or region or nation but embraces the entire globe. This demands people to think globally and act locally for the development and growth of societal as well as environmental ecology. An informed, motivated and conscious citizen can utilize poverty alleviation programmes effectively and successfully. Informed and motivated citizens can also play a responsible role in promoting environmental protection and preserving biodiversity in various walks of their lives. In fact to fulfill the goals of sustainable development through protecting biodiversity, there is an indispensable need to mould a lifestyle that is environment friendly and equitable all over the world.

Participatory Media in general and various media channels in particular have a potential role to play in moulding such a lifestyle. Poverty eradication, food security, protecting the environment, reducing the consumption of non-renewable resources and increasing the use of renewable resources, conservation of biological diversity, land degradation and deforestation, waste management, using appropriate technologies, land reforms, population control and stabilization, upholding basic human rights, social welfare and women’s upliftment, promoting intra-generational and inter-generational equity, and participation of people from individual, local levels to global levels, being the various important objectives of sustainable development, different media channels have a potential role to play in fulfilling these objectives. Though participatory media alone is not sufficient to meet these objectives but is a crucial element in facilitating the fulfillment of these objectives.

Keywords: Social change, Media Strategy, Sustainable Development, Poverty Alleviation, Environmental Ecology

INTRODUCTION

Ever since the end of the Second World War, there is a common concern for macro level development among the development theorists and policy makers. The last six decades have witnessed a remarkable shift in the meaning and focus of development. Sustainable development though is a two decades old concept, still is considered as the latest and present trend of human development at local as well as global level. The research paper deals with the issue of sustainable development and the role of media and its strategy in sustainable development. Whether its role in sustainable development is the same as that of it in relation to the previous trends of development or different? If it is different, to what extent? Why and how? It becomes very pertinent to ask these questions for two reasons: One, the scope of sustainable development is broader than the earlier notions of development. While earlier development was the concern of a few economists, policy makers and administrators, sustainable development has become everybody’s concern. Two,
it is pertinent to find out the implications of tremendous changes that have taken place in communication in relation to sustainable development.

There is no medicine to Cancer and Swine flu; prevention is a solution to keep preventing these diseases. Similarly, informed and conscious citizens can take steps to avert the danger to the environment and can take steps to promote safety to environment. Therefore, media can play an important role in sustainable development by creating awareness, educating the people, translating the technical knowledge into people’s language, conscientizing the people, facilitating people’s expressions and interacting at grassroots level.

Sustainable development is a broader concept compared to the earlier concepts and trends of development. It is intended not merely for the third world countries, but it is for the entire globe for a distant future. It is a holistic approach. It encompasses all activities of human beings and it calls for the participation of people at individual, local, national and global levels. It is broader and different from the earlier trends of development as the earlier concepts and theories of development are concerned with only the development of the third world countries. The aim of sustainable development is not confined to merely the Third World countries. It emerged out of the concern shown in international conferences and commissions in which both developed and underdeveloped countries have been the partners and all have the common responsibility to fulfill the various objectives. Besides, it is aimed at helping not only the present generations, but also the future generations. The concept of sustainable development is broader and different from the earlier trends of development. The role of communication in sustainable development is much wider compared to the role of communication in the earlier development models.

CONCEPTUAL BACKGROUND

Sustainable development as an emerging discipline has occupied a pivotal place in every aspect of human life today. Sustainable development has become the concern of media academicians, economists, ecologists, administrators, lawyers, communication experts, environmentalists, human right activists, and NGO’s. In other words, it has become everybody’s cup of tea.

_The world commission on environment and Development defined sustainable development as the ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs.’ (WCED, 1987)_

It’s an assumption that sustainable development is a coin having two important obligations on its two sides. One side is the alleviation of poverty and the other, the protection of environment. Sustainable development is very much linked with the personal involvement and active participation of people. It is a holistic concept that can be on the global, national, local and individual scale. Media is an intervening variable without which the materialization of different goals of sustainable development is not possible. Therefore, media has the key role in facilitating the participation of people relating to sustainable development.

RESEARCH OBJECTIVES

Sustainable development being the most recent and the modern trend of social development, the broad aim of the study is to analyze the role of participatory development communication for sustainable development and to recommend a suitable communication strategy for sustainable development. Following are some of the important objectives earmarked for this study.
• To identify the role and implications of social Sustainable Development.
• To study and examine the developmental programs of Government towards alleviation of Poverty from the national scene.
• To study and examine the role of participatory development media for the protection of biodiversity in Koraput district of Odisha.

METHODOLOGY
This study is based on primary data collection method. The primary data is collected on two broad areas through administration of a well structured Interview Schedule.

• Participatory development communication and poverty alleviation programmes.
• Environmental awareness and media habits among the peoples of Nandpur and Pottangi.

For the study of the role of media for the success or failure of the poverty alleviation programmes, two rural, tribal and environmentally affected villages named as Nandpur and Pottangi are selected for this study. In these villages, information is collected from the target beneficiaries of different developmental schemes initiated by the Govt. of India. The respondents included are both beneficiaries and non -beneficiaries of these schemes. The data and information collected through an interview schedule. Separate schedules are used to cover different subjects such as MGNREGA, IRDP, TRYSEM, SGSY, SGRY and subject related to environmental awareness. In case of the target beneficiaries of such programmes, questions are asked in the local languages such as Odia and Adivasi. With regard to environmental awareness, questions are asked in Odia and the local language as per the convenience of the respondents.

PARTICIPATORY MEDIA STRATEGY FOR SOCIAL CHANGE AND DEVELOPMENT
Communication is a basic instinct of human mankind. Media enriches knowledge, organizations and power and runs a thread linking the earliest memory of man to his noblest aspiration through constant thriving for a better life.

Poverty alleviation, protection of environment, reducing the consumption of non-renewable resources and increasing the use of renewable resources, conservation of biological diversity, controlling various types of pollution, land degradation and deforestation , waste management using appropriate technologies land reforms, population control and stabilization, upholding basic human rights, social welfare and woman’s upliftment, promoting intra-generational and intergenerational equity and participation of people from individual, local levels to global level, being the various important objectives of sustainable development, different communication channels have a potential role to play in fulfilling the objectives of protecting biodiversity. Though, media alone is not sufficient to meet these objectives, it is a crucial element in facilitating the fulfillment of these objectives (Verma 2015).

MEDIA STRATEGY FOR POVERTY ALLEVIATION AND BIODIVERSITY CONSERVATION IN KORAPUT DISTRICT

Awareness Campaign
Awareness among the people of Koraput in particular and Odisha in general is one of the primary requirements for the success of any programme relating to sustainable
development whether it is a poverty alleviation program or family planning program or a forestation programme. People should be aware of it, its importance and its utility. Communication has a great role in creating awareness pertaining to various aspects of sustainable development.

**Environmental Training and Education**

For an effective penetration, the environmental education has to be essentially location specific. At the first level, special attention should be paid to school children and women. Formal and non-formal educational institutions, mass media, governmental and non-governmental organizations have a significant role as channels of communication in educating people about the dreadful consequences of environmental depletions.

**Disseminating Technical Knowledge into Local Languages**

For creating awareness among people and for their effective participation in various programmes aiming at sustainable development, technical knowledge and different aspects of international conventions have to be translated into peoples’ languages.

**Conscientization**

For attaining the objectives of sustainable development, active involvement and commitment of every individual in relation to their decisions and acts is inevitable. To achieve this, people have to be actively conscious. Conscientizing people about their problems and also about environmental problems at national and global levels, their involvement and responsibilities have crucial role for sustainable development.

**Striving Attention of the National Government**

Communication media, especially mass media have a constructive role to play by focusing attention of the government on various problems by offering constructive suggestions and by criticizing the government whenever it seeks to push through unproductive decisions and harmful environmental projects.

**Development Support Systems**

Govt. has been initiating various programmes and projects aiming at poverty alleviation, employment generation, conserving and protecting environment. For the effective implementation and good results of such programmes, target groups and beneficiaries have to be well informed and thorough awareness has to be created about the programmes meant for them. Communication has a gap reducing role between benefit agents and beneficiaries.

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**Table 1: Media Habits (Newspaper Reading Habits among the Respondents)**

<table>
<thead>
<tr>
<th>Nature of Population</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>46</td>
<td>24</td>
<td>70</td>
</tr>
<tr>
<td>Urban</td>
<td>280</td>
<td>150</td>
<td>430</td>
</tr>
<tr>
<td>Total</td>
<td>326</td>
<td>174</td>
<td>500</td>
</tr>
</tbody>
</table>

Source: Primary Data

**Table 2: Radio Listening**

<table>
<thead>
<tr>
<th>Nature of Population</th>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>150(150)</td>
<td>97(150)</td>
<td>247(300)</td>
</tr>
<tr>
<td>Women</td>
<td>38(100)</td>
<td>59(100)</td>
<td>97 (200)</td>
</tr>
</tbody>
</table>
Table 3: Film Viewing Habits of the Respondents

<table>
<thead>
<tr>
<th>Nature of Population</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>149(150)</td>
<td>107(150)</td>
<td>256(300)</td>
</tr>
<tr>
<td>Women</td>
<td>98(100)</td>
<td>67(100)</td>
<td>165(200)</td>
</tr>
<tr>
<td>Total</td>
<td>237(250)</td>
<td>174(250)</td>
<td>421(500)</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 4: Mode and Frequency of Viewing Films

<table>
<thead>
<tr>
<th>Mode of Seeing</th>
<th>Daily</th>
<th>Weekly Twice</th>
<th>Weekly Nightly</th>
<th>Monthly</th>
<th>Quarterly or Yearly</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Cinema Hall</td>
<td>0</td>
<td>50</td>
<td>252</td>
<td>69</td>
<td>52</td>
<td>423</td>
</tr>
<tr>
<td>On TV</td>
<td>50</td>
<td>67</td>
<td>140</td>
<td>180</td>
<td>36</td>
<td>497</td>
</tr>
<tr>
<td>Cassettes/CDs</td>
<td>46</td>
<td>78</td>
<td>120</td>
<td>174</td>
<td>32</td>
<td>470</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 5: Magazine Reading Habits

<table>
<thead>
<tr>
<th>Nature of Population</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>121(150)</td>
<td>24(150)</td>
<td>145(300)</td>
</tr>
<tr>
<td>Women</td>
<td>78(100)</td>
<td>23(100)</td>
<td>101(200)</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 6: Awareness about Environmental Issues

<table>
<thead>
<tr>
<th>Issues</th>
<th>Urban Male (150)</th>
<th>Female (100)</th>
<th>Rural Male (150)</th>
<th>Female (100)</th>
<th>Total (500)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deforestation</td>
<td>143</td>
<td>97</td>
<td>80</td>
<td>35</td>
<td>355</td>
</tr>
<tr>
<td>Soil degradation</td>
<td>138</td>
<td>89</td>
<td>56</td>
<td>21</td>
<td>304</td>
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<tr>
<td>Air pollution</td>
<td>148</td>
<td>95</td>
<td>78</td>
<td>34</td>
<td>355</td>
</tr>
<tr>
<td>Water pollution</td>
<td>149</td>
<td>98</td>
<td>98</td>
<td>45</td>
<td>390</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>121</td>
<td>79</td>
<td>28</td>
<td>11</td>
<td>239</td>
</tr>
<tr>
<td>Biodiversity depletion</td>
<td>136</td>
<td>87</td>
<td>26</td>
<td>9</td>
<td>258</td>
</tr>
<tr>
<td>Vulnerable species</td>
<td>98</td>
<td>84</td>
<td>23</td>
<td>9</td>
<td>214</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 7: Participation of People in Clean and Biodiversity Protection Programs

<table>
<thead>
<tr>
<th>Age</th>
<th>Urban Male (150)</th>
<th>Female (100)</th>
<th>Rural Male (150)</th>
<th>Female (100)</th>
<th>Total (500)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20</td>
<td>60</td>
<td>45</td>
<td>69</td>
<td>39</td>
<td>213</td>
</tr>
<tr>
<td>20–40 years</td>
<td>57</td>
<td>30</td>
<td>40</td>
<td>34</td>
<td>161</td>
</tr>
<tr>
<td>40–60</td>
<td>21</td>
<td>15</td>
<td>22</td>
<td>9</td>
<td>67</td>
</tr>
<tr>
<td>Above 60 years</td>
<td>8</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Primary Data

Media Strategy and Poverty Alleviation Programmes in Koraput

This paper deals with the role of media channels in the success or failure of the implementation of poverty alleviation programmes initiated by the govt. It is believed that, those who are aware of the schemes or benefits meant for them can avail and utilize those schemes or benefits in a better way. Sometimes, due to lack of awareness, even educated people fail to avail themselves of some provisions or benefits meant for them. As such, what about the uneducated and poor people in rural areas in terms of utilizing the poverty alleviation programmes meant for them? To what extent do they have awareness about these programmes? What are the channels of communication or sources of information creating such awareness? To what extent is the awareness responsible for utilization of these schemes...
and what is the overall impact of the poverty alleviation schemes on the beneficiaries? These are the questions to be addressed from communication point of view, while analyzing the role of communication in the success or failure of the poverty alleviation programmes.

In order to find out answers to these questions, a survey has been conducted in two villages, Nandapur and Pottangi panchayat, located in the tribal Koraput district of Odisha. This survey has been conducted among the target beneficiaries of MGNREGA, SGRY, SGSY and IRDP Schemes both those who have availed of these schemes and those who have not availed them. An attempt also has been made to evaluate the improvement in the quality of life of those who have been profited by these schemes. Findings of the survey have been presented in this chapter. This chapter has been divided into two parts-Part-I and Part-II. Part-I deals with the profile of the villages selected for the present study and the role of communication in relation to MGNREGA and SGRY. Part-II focuses on the role of communication in relation to the utilization of SGSY and IRDP schemes.

**MAJOR FINDINGS**

In order to analyze the role of communication in the success or failure of these programmes and to evaluate the overall impact of these schemes, a survey has been conducted among the beneficiaries of SGSY and IRDP asset-giving scheme and the MGNREGA and SGRY. A survey has also been conducted among the target beneficiaries of these schemes, who could not avail of the scheme to find out why they could not avail of the scheme and to what extent the lack of communication or awareness, is responsible for not utilizing the schemes.

**AWARENESS ABOUT MGNREGA AND SGRY AMONG THE BENEFICIARIES**

From the survey, it has been found that all the beneficiaries of MGNREGA and SGRY schemes are aware of this programme. But interestingly, some members of these schemes in Nandapur know and pronounce MGNREGA groups as ‘doctor’ groups. Similarly, in Pottangi, 25 per cent of respondents do not know about MGNREGA.

**Source of Information about the Scheme**

Beneficiaries of MGNREGA came to know about the scheme through friends, family members, sarpanch, group leaders and government officials/personal.

For majority of the respondents (58 per cent), government personnel have been the source of information about these schemes, followed by friends (20 per cent), Sarpanch (18 per cent), family members (6 per cent) and group leader (6 per cent) of respondents respectively. In Nandapur, respondents, who came to know through governmental personnel, said that they were told about these schemes by a motivator-cum-social worker, who came to Nandapur from Semiliguda. In Pottangi, the Sarpanch is found to be a source of information to a considerable number of people (18 per cent). Interestingly, most of the respondents, who said that they came to know through Sarpanch, belong to SC and ST community to which Sarpanch too belongs. With regard to information about the schemes, government officials being the main source of information next to close or intimate people are playing an important role.

**Knowledge about the Schemes**

For the success of any scheme, the target groups need to have proper understanding about various aspects of the scheme that they are availing of and about the benefits they can derive
from the scheme that they are using. With regard to MGNREGA and SGRY, though majority of the people (60 per cent) said that they could understand about the schemes, a good number of people (40 per cent) said that they could not yet understand about these schemes, as shown in Figure 2.

Understanding about MGNREGA and SGRY is more in Pottangi compared to Nandapur. It could be due to the reason that this scheme was introduced in Pottangi in 2006, much earlier, whereas in Nandapur, it was introduced in 2008.

**Motivation about the Scheme**

Motivation is inspiring a person to act in a particular manner. It is stimulating the interest of a person in an activity. As such, motivation is of a crucial importance with regard to poverty alleviation programmes. Among 50 MGNREGA and SGRY beneficiaries in Nandapur and Pottangi, 28 respondents (56 per cent) said that they were motivated to join MGNREGA, SGRY and DWCRA groups by various sources, such as friends, sarpanch and governmental personnel. While 22 respondents (44 per cent) said that they were not motivated by any one, but they joined on their own.

**Motivation Source**

The MGNREGA and SGRY beneficiaries of Nandapur and Pottangi were motivated by different sources. A total of 28 respondents (56 per cent) said that they were motivated by different sources. Out of them, for 11 respondents (39.28) government personnel have been the source of motivation followed by sarpanch to 9 (32.1 per cent) respondents, family members to 8 (28.5 per cent) respondents, friends to 7 (25 per cent) respondents and groups leader to 2 (7.1 per cent) respondents.

**Sources of Motivation to MGNREGA and SGRY Beneficiaries**

Government personnel being a source of motivation to more number of people. Among the government personnel, the opinion leader has been mentioned by the respondents in Nandapur, as their source of information and motivation. It seems that the relationship between opinion leader and villagers helped her to establish contact with women of Nandapur and Pottangi to motivate them.

**Impact of the Scheme**

The MGNREGA and SGRY groups in Pottangi are six years old, and in Nandapur, two years old. Therefore, an attempt has been made to evaluate the impact of the scheme on the financial condition and the quality of life of the beneficiaries.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Community</th>
<th>Beneficiaries in Nandapur</th>
<th>Beneficiaries in Pottangi</th>
<th>N</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SC</td>
<td>7</td>
<td>7</td>
<td>30</td>
<td>14</td>
<td>46.6</td>
</tr>
<tr>
<td>2</td>
<td>ST</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>3</td>
<td>OBC</td>
<td>4</td>
<td>7</td>
<td>17</td>
<td>11</td>
<td>64.4</td>
</tr>
<tr>
<td>4</td>
<td>General</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>12</strong></td>
<td><strong>15</strong></td>
<td><strong>50</strong></td>
<td><strong>27</strong></td>
<td><strong>54.0</strong></td>
</tr>
</tbody>
</table>
Among the respondents belonging to Backward Classes (OBCs), out of 14 respondents, 11 respondents (78.5 per cent) said that there was improvement in their financial condition after joining the MGNREGA and SGRY groups, while among Scheduled Caste people; improvement in the financial condition has taken place in case of 14 respondents (46.6 per cent). It implies that those who are relatively better off are utilizing the scheme in a better manner.

Out of 23 respondents, who said that there was no improvement in their financial condition, 14 respondents (60.86 per cent) said that since they had not received anything from the government, there was no improvement in their financial condition. While seven respondents (30.43 per cent) said that they only their money was lent to them as loan and that too on interest; therefore, there was no improvement in their financial condition. Two respondents said that they were eating only if they worked and they were not receiving any financial benefit from MGNREGA and SGRY.

With regard to interest on SGRY loan, there is a contrasting response in these two villages. While the respondents in Pottangi remained silent and to some extent happy with the interest, the respondents in Nandapur resented about it saying that they were forced to pay interest on the money, which they themselves saved, and felt that it was burdensome for them.

**Improvement in the Quality of Life**

About the improvement in the quality of life of people after availing MGNREGA and SGRY scheme, 40 respondents (80 per cent) told that there was no improvement in their quality of life, i.e. in terms of the quality of food, shelter, clothes, etc., while 10 respondents (20 per cent) said that there was some improvement in their quality of after availing the scheme.

Though 80 per cent of respondents said that there was no improvement in their quality of life in terms of food quality, clothes, shelter, etc., some of them expressed that there was a remarkable change in their outlook. They said that after joining MGNREGA and SGRY, those who were illiterate, were becoming literate and those who were earlier confined to their homes, were now coming out from their houses and interacting with other members in society and thus becoming socially sensitive and active individuals.

Among those who said that there was some improvement in their quality of life, for seven respondents (70 per cent), there is improvement in their food consumption, followed by educating children (10 per cent), wearing better clothes (50 per cent), and improvement in shelter (50 per cent), bank balance (40 per cent) and cooking stove (20 per cent).

**Awareness about MGNREGA and SGRY**

Majority of the target beneficiaries, who have not availed of the schemes (64%) are also aware of the schemes, while 36 per cent of the respondents said that they had not heard about these schemes as shown in the figure 6.

Majority of the respondents, who know about these schemes are more in Nandapur than in Pottangi.

A total of 32 respondents said that they knew about these schemes. Out of them, some came to know about it through multiple sources, whereas others came to know through single
sources. Among the other sources, others came to know through single sources. Out of the sources of scheme related information, friends (84.37%) by pachayat members (46.8 %), family members (18.75%), government officials (9.3%) and sarpanch (6.2%).

Friends have been mentioned as a source of information by 84 per cent of the respondents. From this, it is evident that interpersonal relations and interpersonal communication played an important role in spreading the information about the developmental programmes. None of the respondents, who availed the scheme, mentioned panchayat members as a source of information. But interestingly, 46.8 per cent of the respondents, who have not availed the scheme, have mentioned panchayat members as a source of information. The position of sarpanch and government officials also diminished as a sources of information to the people, who have not availed the scheme, here, informal sources seemed to be more influential than formal sources of information in spreading the information.

CONCLUDING REMARKS

To conclude, the study reveals that awareness about the schemes is a crucial factor in availing and proper utilization of the schemes- MGNREGA, SGRY, SGSY and IRDP. While all the beneficiaries of these schemes have awareness about these schemes, 36 per cent of the MGNREGA and SGRY target beneficiaries and 25 per cent of SGSY and IRDP target beneficiaries, who have not availed these schemes, do not have awareness about the schemes. Those, who have awareness about these schemes, acquired this awareness through interpersonal and group communication channels-government officials, sarpanch, friends and family members. Interestingly, no single respondent mentioned mass media as source of information. 54 per cent of MGNREGA and SGRY non-beneficiaries could not avail the scheme, lack of awareness being one of the reasons. Where there is more awareness and initiative on part of the beneficiaries, their effectiveness of the scheme is found to been more. For example, MGNREGA and SGRY beneficiaries in Nandapur and SGSY and IRDP beneficiaries of Pottangi, awareness and initiative have been found to be more. In their case, the respective schemes also have been utilized properly. In case of the majority of the MGNREGA and SGRY beneficiaries, there is some improvement in their financial condition, as every month they are saving some little amount of money. However, some beneficiaries are not in a position to pay the money every month, as their husbands continue to take liquor. Therefore, there is an indispensable need to create awareness and educate the people-both men and women-about the importance of regular savings and about the disadvantages of drinking habit, in case of SGSY and IRDP asset-giving schemes.

The study reveals that the government officials have given adequate choice to the target beneficiaries to choose the asset they need. But since the selection of the beneficiaries is done by them, they have sanctioned the loan to those who are better-off and thus showed the bias in favor of rich applicants instead of providing opportunity to the poor for whom this scheme is meant. Thus, on the one hand in Nandapur, beneficiaries failed to utilize the schemes, and on the other hand, in Pottangi, beneficiaries could well utilize the scheme, but already they had certain level of affluence. Over all the assets have been given to very limited number of people, which is a limitation of the scheme and which limited the impact of the scheme. Though for 80 per cent of the respondents, there is no improvement in their quality of life, they feel now that there is change in their outlook, which is a commendable achievement of the scheme. Interpersonal and group communications among the members of the MGNREGA and SGSY groups have contributed significantly for this change.
SUGGESTIONS/ RECOMMENDATIONS
Following are some of the important suggestions/recommendations emerged from the research study for attaining the goals of sustainable development.

FOR PRINT AND ELECTRONIC MEDIA
Environmental education through communication should be an integral part of our national education system.

- Film being an important and influential medium is used effectively to disseminate educational information among the people for conserving biodiversity.
- Social advertisements containing literature related to biodiversity and other developmental issues be given priority.
- Media has to be strong in its science and facts and is in need of an interpreter who could convert technical jargon into simple language interestingly.
- Good practices by the tribal populations in particular and general public in general should be documented more often by the print media.
- Focus of environmental journalism has shifted from the larger role that it can play in the development of the society to just selling.
- Internet reaches policy makers worldwide. Hence, it can be instrumental in bringing about a change.

AUDIOVISUAL AND BROADCAST MEDIA
Video programmes need to be short and to the point, so that it can hold the viewers attention.

- Audio-visual medium is only one of the tools and we should look for synergy with several other media and initiatives to achieve sustainable development.
- Broadcast scenario is changing to a greater extent. Local and regional channels should be given preference for development programmes and these channels must have a special slot for its transmission.
- Development film makers should start to think beyond recognition for their films and see how they could also contribute to make a difference to the communities they portray in their films.
- Video programmes produced from different development quarters need to have accountability, affordability and accessibility.
- Outreach activities with videos in such as film festivals would be successful if it provides information on the issue in discussion, inspires similar action from the audience, and integrates diverse information into one forum.
- Most people in developing countries depend on western news channels for information. However, the western channels seem biased in their coverage of stories from developing nations. This needs to be checked on urgent and priority basis.
REFERENCES


Abstract—Education is considered globally as one of the important instruments for social change. It attaches more significance for the developing nations. Moreover, child centric quality education has still been concerns of intellectuals, policy makers and social activists across the world in general and backward regions like India in particular. This paper is an attempt to underline the issues related to quality education in Bihar, one of the most backward states of India. This exercise is intended to deal with status of free and compulsory quality education, its underlying challenges, gaps in terms of hard and soft infrastructure and desired imperatives.

Keywords: Literacy, Right to Education, Modern Education, Labor

INTRODUCTION

It has been realized globally that literacy is one of the important instruments for social change. Literacy in general parlance is being considered as one of the empowering tools for knowing the world through reading, writing and comprehension. In order to attach importance to literacy, the United Nation Education, Social and Cultural Organization (UNESCO), resolved on November 17, 1965 to mark September 8 as International Literacy Day to underline the significance of literacy. Later in Thailand Conference on Education for All (EFA) in 1990, global community resolved for meeting basic learning need beyond literacy (UNESCO, 1990). Gradually, literacy assumed multi-dimensions dealing with problems of lives and society. Global Monitoring Report 2006 focused on Literacy for Life (UNESCO, 2006).

Quality of education has been the concerns of intellectuals, policy makers and social activists across the world. The question arises as to what is quality and what we want to achieve through quality education. Is it an instrument for providing skills, employment and income for eradication of poverty through functional literacy? Is it an instrument of creating a human being as a subject or as an object? Is it an instrument for creating an egalitarian society? There are certain presumptions, i.e., education is one of the most powerful instruments for development and poverty eradication and school education is the foundation of a society. Literacy and education are generally not the same-dimensions of functional and lively education through certification. Family is the best school for social lives, as Aristotle said. Education is for emancipation and not merely sets of skills for livelihoods, it is an instrument of social change. Many experiments with education have been done.

Modern education evolved in the process for industrial civilization in UK and its colonies like India. Similarly, child centric education is imparted in Germany and Japan. India had a tradition of Gurukul, i.e., Takshashila, Nalanda, Shantiniketan and Basic Schools. Now, India has multi layered school education system—ICSE, CBSE, SSSEB, Madarsa Board, Sanskrit Education Board, (Govt., Govt. recognized—public and private schools). This paper is an attempt to underline the issues related to quality education in Bihar. This paper is divided

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into six sections including introduction. Besides introduction, second section has dealt with conceptual framework, third section has been devoted on free and compulsory education, fourth section discussed current status of quality education, fifth section underlined challenge before quality education and gaps followed by imperatives as the last section of this paper.

CONCEPTUAL FRAMEWORK

The word education has ever been evolving with varying meaning through time and space. It has been derived from Latin word *educatus*, which means "bring up, rear, educate," which is related to *educere" bring out," from ex- "out" + *ducere" "to lead". The verbal form is *educare* from *educere*, which, in turns comes from *"ducere" "to lead or draw out." This word has been derived from the verb *educere*, which means "to draw forth from within." This was the original teaching method of Socrates of drawing from within to think, write or find their own path. The noun education first appeared in the 16th century in English. Meaning "provide schooling" is first attested in 1588 in Shakespeare. In Italian, the word education still means "upbringing" rather than "instruction". In India, education has been considered as means of emancipation. This perception has very much been ingrained in the social wisdom which can be traced back as early as in the pre historic age saying *‘Sa vidyayavimuktaye’* (i.e., education, which liberates, articulated in verse of *Shri Vishnu Puran*, prathamskandh, ch. 19, verse 41). But the fact remains that the majority of the lower rung of the society remained deprived from education, denied access to resources, and relegated to sub human conditions as historically disadvantaged groups (Ambedkar, 1998, Vol. 13, ch. 10, pp. 125–150).

With the growing realization in the world, education has been considered as an effective instrument of liberation, equality and justice. Quality of education has been concerns over the ages among the teachers, thinkers, practitioners, policy makers, implementing agencies, and society at large. It is said that the education is the science of emancipation. Education liberates from all kinds of bondages, it is not merely a set of skills and skills’ ability. It is a much larger canvass than functional literacy alone. It is rather a science for creating human being and society, which in turn is contingent upon the worldview of education as well as the perspective and vision of a social progress. For example, if the perspective and vision is an egalitarian society, the worldview of education is supposed to be egalitarian. A discriminatory and exclusionary mix of multi-structured and multi-graded education system that India has inherited from the British Colonial Rule, can hardly create an egalitarian society. This was very much realized by the leaders of the Indian freedom struggle. Gandhiji as early as 1916 started in Satyagraha Ashram in 1916. He wrote: "We in Ashram believe that the great harm that is being done to the country will continue so long as education is not given along national lines. Accordingly a National School has been started as an experiment. The aim is to give higher education through the mother tongue and in a manner that will impose no strain. ... In this experiment both mental and physical education is provided. A curriculum extending over 13 years is visualized. This will include, besides training corresponding to a graduate’s instruction in the Hindi language, in agriculture and weaving." (CWMG, Vol. 13, p. 456, July 1, 1917). Later having broader experiences through freedom struggle, he convened a conference on *Buniadi Talim* (Basic Education) at Vardha in 1937 and constituted a committee headed by Zakir Hussain, which submitted its report in 1938 and recommended for an independent education system for independent India suitably incorporating vision of Mahatma Gandhi as indicated earlier. Broad features of
recommendations were to impart education through mother tongue, bridge the gaps between mental and physical labour, with values of dignity of labour, character building, dutifulness, moral, self-reliant, and equality, embedded with life, culture and prosperity for integrated personality development. Education Commission constituted in 1948 headed by Radhakrishnan, which submitted its report (Government of India, 1950) emphasized on values of society, development of basic skills, independence, initiatives for solving problems, discovery and development of humane and constructive talents, and attributes of social responsibility and cooperation. National Council for Education Research and Training (NCERT) emphasized in 1970 on self-realization, human relationships and civic responsibility. In independent India also much discussed Kothari Commission, and Acharya Ramamurthy Commission also suggested many reforms.

**FREE AND COMPULSORY EDUCATION**

In the modern world the debate on free and compulsory elementary education of the children at their school going ages (below 14 years of age) can be traced back about one and a half century of the history of human development. The issue was first raised in Great Britain in the year 1870 with ‘Foster Education Act’ by which the state assumed responsibility for elementary education and in 1880 the school attendance up to the age of ten was made compulsory. Not until 1918 was secondary education clearly defined as state’s responsibility. Out of about 198 countries in the world about 100 countries have democratic form of government. With the Right to Education Act coming into force, India has also joined the league of over 130 countries which have legal guarantees to provide free and compulsory education to children.

It was also cited in a 2005 World Bank survey, which stated that only 13 countries impart primary education totally free of cost. In majority of countries, some direct costs have been reported, though no tuition fees are charged. “In reality, free primary schooling still remains the exception rather than the rule,” says the report. Chile tops the list of countries in providing free education for a period of 15 years to a child. It gives free and compulsory education to children in the age group of six to 21 years. The Latin American country, where elementary education was among the worst two decades ago, had implemented a special education programme in 1990, which recorded a significant improvement among primary and upper primary students. There are seven countries such as Germany, Belgium, Italy and Norway that have provisions of free and compulsory education to children covering their entire schooling period. According to the UNESCO’s ‘Education for All Global Monitoring Report 2010’, about 135 countries have constitutional provisions for free and non-discriminatory education for all.

Demand for universal education was raised during the British Colonial Rule and considered in the Constitution of independent India (Article 45), which reads: “The State shall endeavor to provide free and compulsory education for all children until they complete the age of 14 years, within a period of ten years from the commencement of the Constitution.” In 1975, after the 42nd amendment in the Constitution, the union government incorporated this in the “Concurrent List”. In the 1993, in a legal matter against the state government of Andhra Pradesh, Article 21 of the Constitution, which guarantees Fundamental Right to Life and Liberty to the citizens of India, was utilized to promote elementary education. This was further mobilized through debates and led to 86th amendment in 2002 which reiterated, The state shall provide free and compulsory education to all children of the age 6 to 14 years in such manner as the state may, by law determine.”
The Government of India enacted ‘The Right to Education Act (RTE) 2009’ towards catering free and compulsory education to children of age group 6 to 14 to achieve faster inclusive development. Through enactment of this Act, free and compulsory education has been made obligatory on states to implement since April 2010. With given infrastructure and support system, states have been putting their efforts with the assistance from the Centre. However, its implementation through states has been an uphill task in view of critical gaps in soft and hard infrastructure, financial inadequacy, weak delivery system, inconsistent pedagogy, curriculum framework, language, symbols and environment, etc., which need a serious rethinking on education system. However, this study will not deal all these issues. It has a limited scope to put an endeavour to analyse and underline possible constraints that need to be considered and addressed by the Government of Bihar so that State Government could implement the Right of Children to Free and Compulsory Education Act, 2009 efficiently and effectively in letter and spirit.

**CURRENT STATUS**

Education system and outcomes progressed significantly since independence in terms of quantity and quality. Many initiatives have been taken up to ensure quality education through various schemes and programmes, such as, National Policy for Education 1968, 1996, Sarva Shiksha Abhiyan (SSA), Mid Day Meal (MDM), Integrated Child Development Scheme (ICDS), Right to Education (RTE), Rashtriya Madhyamik Shiksha Abhiyan (RMSA), Rashtriya Uchch Shiksha Abhiyan (RUSA), etc. However, implementation remained a serious challenge. As a result, although the country has moved ahead significantly in terms of quantity and quality of education, still there is long way to go.

Over all literacy rate in India has increased significantly from 28.3 per cent in 1961 to 72.9 per cent in 2011. Male literacy has also increased substantially and doubled from 40.4 per cent to 80.9 per cent. Female literacy rate had a quantum jump of more than four times, but still lagged far behind the national average literacy rate. It could move from 15.4 per cent to 64.6 percent. However, gender gap was reduced from 25.1 per cent to 16.3 per cent (Fig. 1).

![Fig. 1: Trends in Literacy Rates](source: Diagram generated from the Census of India 2011 data.)
In case of Bihar, total literacy rate for corresponding period increased from 22 per cent to 61.8 per cent. Male literacy rate increased from 35.2 to 71.2 and female literacy from 8.2 to 51.5 percent. Gender gap was reduced from 27 per cent to 19.7 per cent. Thus, despite significant changes in education status Bihar is still lagging far behind the national average (Fig. 2).

Interstate comparison of literacy rates suggests that backward states, like Bihar, Jharkhand, Rajasthan, Madhya Pradesh are still lowest at the ladder of literacy rates in latest 2011 Census of India. Bihar is not only lagging behind national average, it lags behind even many backward states such as Jharkhand, Rajasthan, Uttar Pradesh, Chattisgarh, Madhya Pradesh and Odisha (Fig. 3).

Intraregional disparity is still alarming in Bihar, which is shown in Table 1. More than 30 districts of Bihar are below national average. About 12 districts are below 60 per cent. Only 8 districts are closer to and above national average.
Table 1: Intra-district Literacy Rates in Bihar

<table>
<thead>
<tr>
<th>Literacy Level (%)</th>
<th>50–60</th>
<th>60–70</th>
<th>70–80</th>
</tr>
</thead>
<tbody>
<tr>
<td>East &amp; West Champaran</td>
<td>Madhubani, Saran, Muzaffarpur</td>
<td>Siwan, Munger</td>
<td></td>
</tr>
<tr>
<td>Sheohar, Supaul, Araria</td>
<td>Gopalganj, Vaishali, Samastipur,</td>
<td>Patna, Bhojpur</td>
<td></td>
</tr>
<tr>
<td>Sitamarhi, Purnia, Kishanganj</td>
<td>Begusarai, Khagaria, Banka, Arwal</td>
<td>Buxur, Kaimur</td>
<td></td>
</tr>
<tr>
<td>Katihar, Saharsa, Madhepura, and Darbhanga</td>
<td>Bhagalpur, Lakhisarai, Nalanda</td>
<td>Rohtas, Arwal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sheikhpura, Gaya, Nawada, Aurangabad</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Census of India 2011

Table 2: Intra-district Male Literacy Rates in Bihar

<table>
<thead>
<tr>
<th>Literacy Level (%)</th>
<th>60–70</th>
<th>70–80</th>
<th>80–90</th>
</tr>
</thead>
<tbody>
<tr>
<td>East &amp; West Champaran</td>
<td>Madhubani, Saran,</td>
<td>Siwan, Munger</td>
<td></td>
</tr>
<tr>
<td>Sheohar, Khagaria, Araria</td>
<td>Vaishali, Samastipur, Gaya</td>
<td>Patna, Bhojpur</td>
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<tr>
<td>Sitamarhi, Purnia, Kishanganj</td>
<td>Begusarai, Bhagalpur, Jamui</td>
<td>Buxur, Kaimur</td>
<td></td>
</tr>
<tr>
<td>Katihar, Saharsa, Madhepura, and Darbhanga</td>
<td>Lakhisarai, Nalanda, Nawada</td>
<td>Rohtas, Arwal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Muzaffarpur, Sheikhpura,</td>
<td>and Aurangabad</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gopalganj, and Jehanabad</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Census of India 2011

There are more than 29 districts of Bihar, where male literacy rates are lower than national male literacy rates (Table 2). More than 13 districts are even below general national literacy level and only nine districts are either closer or above national average. Intra-district distribution deficit of female literacy is much alarming. Almost all districts are below national average rate of literacy (Table 3).

Table 3: Intra-district Male Literacy Rates in Bihar

<table>
<thead>
<tr>
<th>Female Literacy Level (%)</th>
<th>40–50</th>
<th>50–60</th>
<th>60–70</th>
</tr>
</thead>
<tbody>
<tr>
<td>East &amp; West Champaran</td>
<td>Jehanabad, Kaimur, Arwal</td>
<td>Siwan, Munger</td>
<td></td>
</tr>
<tr>
<td>Sheohar, Madhubani, Araria</td>
<td>Muzaffarpur, Gopalganj, Saran</td>
<td>Patna, Bhojpur</td>
<td></td>
</tr>
<tr>
<td>Sitamarhi, Kishanganj, Supaul</td>
<td>Vaishali, Samastipur, Buxur</td>
<td>Rohtas, and</td>
<td></td>
</tr>
<tr>
<td>Katihar, Saharsa, Purnia</td>
<td>Begusarai, Bhagalpur, Gaya</td>
<td>Aurangabad</td>
<td></td>
</tr>
<tr>
<td>Madhepura, Banka, Jamui, and Darbhanga</td>
<td>Lakhisarai, Sheikhpura, Nalanda</td>
<td>Nawada, and Khagaria</td>
<td></td>
</tr>
</tbody>
</table>

Source: Census of India 2011

About 15 districts are even having below 50 per cent of female literacy and more than 32 districts are below the national average of female literacy. Only six districts are either closer to or above the national level of female literacy rates. Thus, intra-district situation of female literacy needs special attention to catch up the national average.

CHALLENGES

A study of 33,661 children from 12 locations (village in case of rural and ward in case of urban) revealed that 65.9 per cent were of school going age (6-14), out of which 90.2 per cent were enrolled and 9.8 per cent were out of school including never enrolled (8.6 per cent) and drop out (1.3 per cent). About 79 per cent were enrolled in government school, which were generally of Hindi medium. About 2.6 per cent children were enrolled in more than one school. About 2.5 per cent children were of special need, still waiting for proper
support system (Diwakar & Kumar, 2015). However, these figures could be much higher for the entire state.

![Fig. 4: Drop Out Rates in Bihar](image)

**Dropout**

Despite many initiatives taken up by the government of Bihar to address the dropouts such as bicycle, dress and stipend for students, creating infrastructure, i.e., building, toilets, and drinking water facilities, etc., dropout still persists (GoB, 2016). However, dropout rates at different levels of schooling have declined over time significantly (Fig. 4).

Changes in dropout rates were witnessed in primary education in Bihar Sharp decline was seen in dropout of girls in primary education. However, it is still very high. Lower classes had lower dropouts and scale of dropout increased in higher classes (Diwakar, et al., 2015).

**Out of School**

Study suggests that about 9.8 per cent children were out of school in sample districts and about 2.6 per cent children were enrolled in more than one school (Diwakar & Kumar, 2015). In case of girls students, Bihar registered the steepest decline in ‘out of school children’ from 17.6 per cent in 2006 to less than 4 per cent in 2016 (ASER, 2016, p. 83). This is remarkable change. However, out of school children are inside school is also a testable hypothesis, as schools still lack infrastructure to accommodate students. Multi-graded classes are still pervasive (ASER, 2016: Table 16, p. 87). Therefore, a careful scrutiny is required in this regard.
Recently, total state public expenditure on education sector was increased significantly. It was budgeted Rs. 5788.02 crore in 2007–08, which was increased year to year and in 2013–14 it was reached to the tune of Rs. 13,667.23 crore. However, percentage of total budget to education has been fluctuating from 18.3 in 2007–08 to 19.35 in 2012–13 and 17 in 2013–14. Plan expenditure was increased from Rs. 1046.26 crore to Rs. 5038.99 crore. Moreover, this sector remained on priority and about 54.3 per cent budget of social sector was spent on education alone in 2007–08 with little variation to 48 per cent in 2013–14. Compound annual growth rate was 16.3 per cent (GoB, 2016).

Despite substantial increase in public expenditure on education, gaps are still enormous. There was an indirect moratorium appointment in every sector during 1990s in the name of reforms. Thereafter, fluid recruitment process was carried out in the name of decentralization and appointments of contract teachers through panchayati raj institution (PRI) were made. Later corrective initiatives including State Level Teachers’ Eligibility Test (STET) based recruitment and training of teachers, etc., were adopted and situation was marginally improved also. However, teacher pupils ratio is still deplorable, which has been dealt elsewhere.

**Quality Gaps**

In order to ensure quality education, provisions were made under Right to Education (RTE), which requires compliance of full-time schools teaching, minimum number of hours each year, infrastructural facilities and learning materials in school, school development plan and school management committee (SMC), trained and full time teachers, child centric education (CCE) that implies individual teaching customized to a child’s needs and multi level learning, no corporal punishment or no detention, no failure implying a stress free environment of learning, remedial teaching to take care of weaker students or latecomers to the educational stream, curriculum to be determined by academic authority, etc. Moreover, quality environment in schools has many aspects to be addressed *inter alia* availability of quality teachers, maintaining quality time on tasks, quality of lesson planning and teaching learning methods (TLM), availability of class rooms, attractive learning environment, extra curriculum activities for personality development, teacher parents interactions, etc. Let us take a few of the indicators mentioned above to understand the quality gaps in school education.

**Teachers Gaps**

There was indirect moratorium on appointment in every sector during 1990s in the name of reforms. Thereafter, fluid recruitment procedures in the name of decentralization were adopted to fill up the gaps of teachers through contractual arrangements at very low remuneration, even below the minimum wage for unskilled labour. Later corrective initiatives, including STET based recruitment procedures were adopted and situation was marginally improved. But, many positions are still vacant and recruitment is yet to be done.

In 2011, total Primary and Upper Primary (PUPP) schools were about 74,189. Total Primary and Upper Primary students were 2,09,64,378, and number of teachers was 331487. Thus, pupil teacher ratio (PTR) was 63.24. Required number of teachers was 698813, (if PTR is 30:1). Hence, gaps in number of teachers were 3,67,326. In 2021, total projected PUPP Students will be 2,35,30,914, and hence, required no of teachers would be 7,35,041 (if PTR is 30:1). Gaps would obviously be higher (Diwakar, 2014). In case of Secondary Schools, about
30 per cent posts were vacant and PTR in many districts was 100 plus (Diwakar, Ghosh & Chowdhary, 2015). However, ASER Report suggests some soothing indications of improvement in RTE-PTR schools from 8.8 per cent in 2010 to 12.7 per cent in 2014.

**Performance Gaps**

Teachers’ appointment and their training alone do not ensure quality environment. A study of 529 class observation (186 standard II, 253 standard IV and 90 of standard VI to observe classroom transactions) for which 15,069 students and 326 teachers were also covered, this study suggests that teachers’ presence were 67 per cent after half an hour of opening of school and 65 per cent before half an hour of closure (Diwakar and Behra, 2014). This study also suggests that quality of time spent in the classroom is another concern. Only 14 per cent time spent was student centric on feedback, 60.9 per cent teacher centric, 16.9 per cent on instruction and remaining on management and off class activities. Pattern of student and teacher centric activities in classes seldom differed even if the classes were of science, mathematics or languages. About 18 per cent time was spent on active learning activities, 45.9 per cent on passive learning, which gradually increased with increasing levels of class, i.e., II, IV and VI.

Teachers satisfactory performance in terms of clarity and pronunciation, for class IV, II and VI were 22.8 per cent, 18.9 per cent and 20.7 per cent respectively. About 46 per cent of total classes observed were multi-graded class. None of the teachers were found capable of tackling multi-graded class. Teachers were also withdrawn from teaching for elections, Census, and such other works, such as BRC, CRC, Live stock census, pulse polio drive, etc. There is hardly any creative initiative to involve parents, teachers and students to create a congenial ambience for learning (Diwakar & Behra: 2014). One of the reasons as to why quality performance and outcome was yet to achieve is lack of proper lesson planning. About 60 to 80 per cent teachers did not attach importance to lesson plan and creative initiatives. TLM is another area of concerns. Two third schools did not use TLM, which is matter of serious concerns (Yusuf, 2011).

Findings of a study based on schools, teachers, students, classrooms, and community observation, suggest that improvement in transactions in terms of teaching skills, dealing with students, teaching learning methods (TLM), child centered approach, hand writing, punctuality of time, story telling, extra curricular activities such as learning by playing, singing, parent teachers meeting, home visit, community interaction, education tour, etc., have made significant improvements in school environment. However, elderly teachers generally did not change much. Lack of trained teachers in the schools has been still a serious problem. Teachers training through distance mode have also not been much effective (Yousuf, 2011). Moreover, teachers’ training through distance mode might have served the purpose to give affidavit before the court of law but it has a little impact on quality delivery. Thus, orientation and training of the teachers is another important area of concerns, which need to be addressed on priority basis. Therefore, intermittent training and continuous effective monitoring is required to improve the quality of teachers’ performance.

**Incentives Gaps**

In order to bring out of school child into school and retain them to bring down the drop out rate, Government of Bihar has been putting innovative programmes in place such as stipend, school uniform, bicycle distribution and recently sanitary napkin to girls students, etc., at different levels with different schemes. A monitoring and evaluation report regarding
efficacy of such schemes suggests that only 69 per cent of enrolled students were eligible in the year 2013–14. Coverage of Bicycle distribution was better than scholarship. Coverage of scholarship for girls students was still lower. About 44 per cent of sample schools were not covered with all types of scholarships. Inadequate or delayed funds, inadequate preparation by school administration, indifferent attitude of DEO, weak coordination among agencies engaged in execution, improper information about schedules, non-adherence of guidelines and norms, for example, lack of video recording, police protection and security, etc. (Diwakar, et al., 2015).

**Infrastructural Gaps**

In order to facilitate quality education, availability of proper infrastructure, such as, classrooms, furniture, library, computer and science laboratory, drinking water, toilets, etc., are necessary conditions. Because of inadequate classroom and teachers multi grade classes prevails (Diwakar and Behra 2014, see also Pratham, 2016, p. 87). Classes were also conducted on verandah and open space for want of classrooms. In some cases, classrooms were converted into storerooms for MDM or TLM. ASER report suggests that RTE-CTR improved from 48.2 in 2010 to 60.3 in 2014 (Pratham, 2014).

Timely quality printing and availability of text books with quality paper is a serious concern. If library would have been maintained, gaps in timely availability of text books would have been managed to some extent. ASER report suggests improvement in availability of library books from 52.9 in 2010 to 76.3 in 2014. However, it is yet to reach to 23.7 per cent schools. Another study suggests that library facility varied from 23 per cent to 75 per cent in Secondary School and Science Laboratory Evaluation of Rashtriya Madhyamik Shiksha Abhiyan reveals that 40 to 80 per cent schools did not have science laboratory (Diwakar, Ghosh & Chowdhary, 2015). Computer was available in 6.9 per cent schools in 2010, which was declined to 5.7 per cent (ASER, 2014).

ASER Report 2016 also suggests that the drinking water was available to 78.7 schools in 2010, which further improved to 89.5 per cent in 2016. Usable toilet facility has improved from 33.6 per cent to 70.6 per cent in corresponding period. However, usable toilets for girls have improved slowly from 18.1% to 60.8% (Pratham, 2017, 87). In case of Secondary School, 65 per cent have toilet facility and 60 per cent schools have separate toilet facility for girls (Diwakar, Ghosh & Chowdhary, 2015).

Besides the abovementioned important gaps, few other gaps were found which were equally grey areas in maintaining quality environment. For example, norms of school uniforms were also not being followed in case of 20 per cent schools. Parents were generally concerned for non-teaching matters like MDM, Scholarship, Bicycle, uniforms, etc. MDM served on the day of visit was in 57.2 per cent schools in 2010, which was improved to 69.2 per cent. About 20 per cent schools did not follow norms of school uniform (Diwakar & Behra, 2014). Majority of teachers rejected importance of education tour and learning exposure. Financial management in secondary needs serious attention. Only 20 per cent schools maintained their cash register on daily basis. Thus, restoring quality with equity and transparency is a serious challenge.
CONCLUSIONS AND POLICY IMPERATIVES

Above analysis brings fact home that there are apparent indications of improvements in hard and soft infrastructures of schools, enrollments, retention, class transactions, etc., but still there is a huge gap and long way to go to achieve goal of universal quality education system in Bihar. In view of the above analysis regarding teachers’ availability, ability, performance, training, availability of text books, library, science and computer laboratory, with quality concerns of hard and soft infrastructure ambience and students skills to read and write and exposure to language and mathematics, Government Schools need to be prioritized in terms of providing quality teachers, their regular face to face training, off and on campus activities, innovative teaching learning environment, etc.

Quantitative and qualitative gaps of hard and soft infrastructure need to be addressed on priority basis along with equity and transparency. Science and Computer Laboratory and Library need proper attention. Administrative reorientation is necessary. Social awareness and vigilance may be helpful. In order to ensure equity, state has to play proactive role, as privatization is not a proper and sustainable solution in a poor state like Bihar, where intraregional variation in income is enormous.

REFERENCES

Abstract—This paper is a comprehensive assessment development in education brought out by the Uttar Pradesh (UP) government in the Post Colonial era. India has a long history of organised education. The paper traces the development of education system since the earlier times and the changes brought out by the British and later by an independent government of India and Uttar Pradesh in particular. It captures changes initiated and effected through various programmes and policies in educational sectors. It makes an in-depth analysis of the public policy dynamics and its implications for development. The paper highlights the reform process initiated by the First and Second Five Year Plans.

Uttar Pradesh is considered to be a backward State both in the Economic Sector and Social Sector. The Government in the initial years has to remove this backwardness. The development in the field of education is the best way to remove the backwardness in both the sectors.

The system of education has traditional biasness towards a particular segment and gender of the society. The major task before the government was to break this traditional structure and to make education available for each and every segment of the society. This also called for a special programmes for the deprived section of the society. To break the inertia of status quoism, the future planning should adopt a holistic and radical approach to the development, incorporating special measures to eliminate the existing educational backwardness.

Keywords: Education, Development, Planning, Economic, Social, Deprived

The focus is on exploring the educational perspectives of social development in line to the policy of welfare state and its impact on the development of the heartland of India i.e. the State of Uttar Pradesh. India has a long history of organised education system but it had some limitations also which was the reflection of the social order of prevalent time.

The Gurukul system of education is one of the oldest system of education in India but before that the guru shishya system was extant, in which students were taught orally and the data would be passed from one generation to the next. Gurukul were traditional residential schools for learning for Hindus which were invariably teacher's house or a monastery. Education was free and limited to the higher castes, but students paid Gurudakshina, a voluntary contribution after completion of their studies. The teachers at Gurukul imparted knowledge of Religion, Philosophy, Literature, Warfare, Statecraft, Mathematics, Medicine, Astrology and History. Only students belonging to Brahmin and Kshatriya communities were taught in these Gurukuls. It was, perhaps, with the advent of Buddhism and Jainism that came in the access of right education for the deprived sections of the society.

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The higher education flourished to the level of very high standards at Nalanda, Takshashila, Ujjain and Vikramshila Universities. Art, Architecture, Painting, Grammar, Logic, Philosophy, Mathematics, Astronomy, Literature, Buddhism, Hinduism, Arthashastra (pertaining to Economics and Politics), Law and Medicines were among the subjects taught and each university specialized in a particular field of study. Traditional educational structures were not recognized by the British government and it gradually declined in due course.

By 1820s, neither the village schools nor the tols (education institutions mainly of Sanskrit medium) or Madrasas (Muslim education institutions came up during the medieval period of Muslim rule) were the vital centers of learning. In early 1820's Indian social reformers requested British government to spend government funds not on starting Sanskrit schools rather on establishing schools on the lines of Europeans schools. This was requested so as to instruct native Indians in the modern concepts of education of Mathematics, Natural Philosophy and other pure and social sciences. The present education system in its western style and content was introduced by the British in the 20th century. Gandhi is said to have described the traditional educational system as a beautiful tree that was destroyed during the British rule.

In the Post Colonial period, the educational system on which the entire social and economic fabric rests has to be re-oriented in regard to the vital needs and requirement of a healthy and social order. The system, which was inherited, only served the need of an alien Government. Government service was supposed to be the be-all and end-all of all education. Academic freedom was the very essence of dynamism that must characterize the educational programme. The Government, therefore, planned to make education purposeful that fits into the general scheme of development and facilitate the achievement of our national objectives. Thus reorientation in the system of education inherited from an alien administration became necessary in order to make purposeful education available to the citizens.

At the beginning of India’s independence, the educational development in India was at a very low level. The modern educational system, which began in about 1800, did not make much progress even at the end of the British rule in India. The overall percentage of literacy in India was only about 14 while the literacy level of the State was 10.8 per 100 populations in 1951-52 (Baljit Singh, 1967, 110). In the primary education (Class I-V or age group six to eleven), the total enrolment was 14.11 million, i.e., only one child out of every three was at school. In middle schools (Class VI-VIII or age group eleven to fourteen) the total enrolment was 2.04 million, i.e., only one child out of eleven was enrolled. The rate of stagnation and wastage was very high. The curriculum, largely unrelated to the immediate environment, merely prepared the child for admission to the secondary school.

The enrolment at the secondary stage was only 3 per cent of the age group fourteen to seventeen. What was worse, the curriculum of the secondary education did not prepare the majority of students, through vocational courses, for a career in life. Instead, it merely fitted them for entrance into a college and unfitted them for almost everything else. The total enrolment at the university stage was also very low. There was very little progress in the field of professional education. On the other hand, there was a large output of sub-standard generalists (Dube, 241, Verma 2014).
We also began with very high hopes. That primary education should be universal and compulsory was one of the earliest demands of the nationalist leadership. During the British rule in India little was done to give effect to provide basic education to all. The framer of the Constitution, therefore, emphasized in Article 45 to provide free and compulsory basic education by 1960, to all the children till they reach the age fourteen years. But scope of this was not restricted to primary and middle school alone.

In the post independence period, several commissions and committees reviewed problems of educational reconstruction, expansion, qualitative improvements and financial implications. The important commissions and committees were the ‘Scientific Management Committee’ (1947), the ‘University Education Commission’ (1948-49) and the ‘Secondary Education Commission’ (1952-53). The recommendations of these commission/committees together with the constitutional provisions became the basis for priority determination in the first three Five Year Plans.

The main objective of the State Government was to make education purposeful. The correct planning of education forms the cornerstone of the entire fabric of planning. Boys and girls were to be trained so that each may enjoy a full life and also make a helpful contribution to social life. This was to be in consonance with the requirement of the country to advance in the area of science and technology. Special care was, therefore, given to the institutions catering to these needs.

The Government of Uttar Pradesh planned a comprehensive plan to open technical Schools, technological institutes, well-equipped laboratories and colleges for study and research in various branches of abstract and applied sciences. It was also planned to open agricultural, engineering, medical colleges and veterinary colleges in as large numbers as may be possible in different parts of the State. Special effort was made to impart education to the underprivileged sections of the society. About 300 to 400 seats were reserved for them in the polytechnics with a monthly scholarship of Rs. 25 (Report, Vol. 92, 172).

The State Government planned to provide compulsory primary education to children in the urban areas. The Plan also included removal of adult illiteracy, reorganization of secondary education and facilities for giving military training and social service training to graduates. It also planned to set up institutions for conducting research in psychology and pedagogy, and train teachers in new methods of education.

The Government prepared a five-year programme for universal primary education. Under the programme, it was proposed to open, over a period of five years, 22,000 schools, at the rate of 4400 schools a year, 6740 schools were opened under the Plan by 1949–50 (Report Vol. 54, 110). The primary education was made compulsory in 86 out of 87 municipality towns. Poor and talented students were provided scholarship to carry on their studies. Special schools were set up to provide practical training to students who were unable to pursue higher studies in science or literature in universities but have inclination for manual
work. In eleven selected cities military training was provided for the students of class XI, Government planned to implement this scheme in more districts. Apart from this, the National Cadet Corps scheme of the Central government was carried on in eight centers. It had 16 companies of senior division cadets and 24 groups of junior division cadets (Nanda, 305).

The State Government earmarked Rs. 19.57 crores for the promotion of education during the First Plan period out of the total outlay for the Social Services of Rs. 44.74 crores (Report 1957, 28). The total expenditure on education was about 11.8 per cent of the total Plan expenditure (Muzammil, 101). The financial resources during the Plan period were available to a limited extent. It was considered desirable to give more emphasis on consolidation and reorganization than to the expansion of the education. The different stages of education, viz. Primary, Secondary and University received adequate attention during the Plan period.

The Second Plan laid stress on basic education, expansion of elementary education and diversification of secondary education. It also emphasized on improvement in the standards of colleges and university education and extension of facilities for technical and vocational education. With the passing of the resolution on scientific policy under the leadership of Jawahar Lal Nehru, the development of science, technology and scientific research received special emphasis.

The expenditure during the Second Plan Period was Rs. 17.09 crores (Muzammil, 114). This was less than the expenditure of the First Plan period and constituted only 7.49 per cent of the total Plan expenditure. In the Second Five Year Plan the Planning Commission observed, “The system of education has a determining influence on the rate at which economic progress is achieved and the benefit which can be derived from it” (Planning Commission, 500). Out of the total expenditure on education about 65 per cent was spent on the expansion of Primary Education in the State. The Basic Primary Education was given the highest priority in the matter of educational reforms. Two hundred Basic Primary schools for boys and girls were opened in the rural areas (Report, 1957, 28). The number of Primary schools increased from 19,017 in 1945-46 to 31,989 by 1955-56, which further increased to 39,668 by the end of the Second Five Year Plan (Report 1962, 80-81).

Next in importance was the scheme of opening 22,000 basic primary schools in rural areas. This was started in 1947 with a view to provide educational facilities. It was planned to start the school within a walking distance of one and a half miles for the children of the age group of 6-11 years. The percentage of boys and girls students taken together was 43.22 in 1960-61, showing an increase of 42.9 from the last year of the First Plan. The qualitative improvement in the education imparted in the primary schools was also given attention. All the existing basic schools were given recurring grant of Rs.100 per annum. This was for the purchase of craft materials, charts, books etc. A sum of Rs.31.38 lakhs was given as grant-in-aid to 2,338 basic schools in the rural areas and 80 primary schools in the urban areas for the improvement of school buildings. Tuition fees were abolished for classes I to VI
in the year 1957-58 (Report 1962, 81). The next important stage in education that received attention of the Government was Secondary Education. This group comprises mostly of students of the age group of 11-14 and 14-17 of the Junior High Schools and Higher secondary schools, respectively. Some of the notable improvements carried out under this stage were opening of the 50 junior high schools under the control of the District Boards. These schools were opened in the year 1951-52, one in each district. The Government provided the cost of maintenance of these institutions. They were given grant-in-aid of about Rs. 1.92 lakhs annually (Report 1957, 28). Provision for the opening of Girls’ High Schools and four Junior High Schools for Girls and opening of continuation in Higher Secondary Schools were also made. By the end of the Plan period the number of the higher secondary schools were 1474. At the higher secondary stage, the number of schools increased to 1739 by the end of the Second Plan period. The percentage of school going children at the end of the Second Plan period also increased to 15.48 for boys and 2.11 for girls. This was higher against the corresponding figures of 12.38 and 1.26 at the end of the First Plan (Report 1962, 82).

Other notable achievements in the field of secondary education were bringing of 310 new schools on the regular grants-in-aid list. A special grant was released for the improvement of the buildings and libraries of 575 institutions and provision of playgrounds in 25 schools under the Second Plan Schemes. During the Plan period, 3 non-government Higher Secondary Schools and 4 Junior High School situated in the backward areas were taken over by the government. Six High Schools for girls and two High Schools for boys were upgraded to Higher Secondary Standard. A realistic view was also taken in the reorganization of the Higher Secondary schools. Greater emphasis was laid on the opening of scientific and constructive subjects, like agriculture, commerce, book craft, metal craft, etc. In order to develop educational services, five regional psychological centers were established at Varanasi, Lucknow, Kanpur, Bareilly and Meerut. In selected Government Higher Secondary Schools, 25 psychologists were appointed. In the field of higher education, grants were made to the Universities and new colleges were also opened. Due to the financial inadequacy a non-recurring provisions totaling Rs. 13.43 lakhs were made from time to time to the Universities of Allahabad and Lucknow on the recommendations of the University Grant Committee (Report 1957, 29). A most redeeming feature in the Plan was the establishment of a University at Gorakhpur. It was aimed at providing higher education to the rural youths in the eastern districts with an outlay of Rs. 4.50 lakhs. Two degree colleges were also opened one at Nainital and the other at Gyanpur in Varanasi district.

During the Second Plan period the Government Degree Colleges at Nainital, Gyanpur and Rampur were reorganised. They were given additional staff, equipment and building etc. Additional grants were also made to degree colleges for extension of libraries, laboratories and hostels. Grants were also given to the Universities of Lucknow, Allahabad, Agra, Gorakhpur and Varanasi Sanskrit Vishwa Vidyalaya, Varanasi from time to time for improving their infrastructure. Steps were also taken to improve the administration of the
universities. The government realized that a number of poor students who were otherwise meritorious had to discontinue their studies due to monetary circumstances. A scheme was, therefore, started in the year 1952-53 by the government. This was done with a view to assist such deserving students financially in the Universities at Allahabad and Lucknow and also in the colleges affiliated to the Agra University. The scholarships given under this scheme was called Bursaries and was payable for ten months in the year. The University Education Commission under the chairmanship of Dr. S. Radhakrishnan, in its report urged that education for women should be increased. It pointed out that proper guidance should be available to women to give them a clearer vision of their own educational purpose, both as citizen and mothers. The emphasis on women's was a complete reversal of the earlier policy, when in times of financial stringency; it was always girls education that was first thrown overboard. Consequent to his new orientation, it was reasonably expected that priority would be given to women’s education in all schemes of educational reconstruction.

The State Government also tried to improve the standard of technical institutions of the State. During the First Plan period reorganization of industrial and technical education received special attention. Under this scheme the State Government gave financial assistance to deserving industrial and technical institutions of the State. Harcourt Butler Technological Institute, Kanpur was upgraded. Thomson Engineering College, Roorkee was raised to the status of a University (Rastogi, 112). Medical College at Agra and Lucknow were expanded. A Dental College and Post Graduate courses in ear, nose and throat diseases were started at Lucknow, while post graduate courses in children’s diseases and paediatrics were started at Agra. The State Government realized that the handicaps in the past in scientific research were due to the lack of funds among individuals. Even the industrialist of the State did not maintain their own research laboratories in applied subjects. To abridge this gap, a Scientific Research Committee was established in the State in 1947. It was established with a view to encourage research in the subjects of Science both fundamental and applied. Under this scheme the government provided funds to subsidize research by individuals either in the university or in non-University bodies. In order to reform the secondary education in the State, a committee under the chairmanship of Acharya Narendra Deva was constituted. The committee recommended the reorganization of the secondary education. The Government planned to implement the recommendations of the committee. The expenditure on education steadily rose from Rs. 257 lakhs in 1946 to Rs. 737 lakhs by 1951 i.e. before the start of the Five Year Plans. It was doubled to Rs. 1431.22 lakhs by the end of the Second Five Year Plan. (Report 1962, 20). The increasing intensification of efforts of the State for educational development was thus reflected in the progressive increase in budgetary allocations. Next to Maharashtra, Uttar Pradesh made the largest allocation for education in 1960-61 amongst all the States. The per capita expenditure on education in 1960-61 was Rs. 2.42, as compared to Rs. 1.17 in the year 1951-52 (Report 1962, 83). The per Capita expenditure was, however, much less when compared with the National expenditure of Rs. 12 at the start of the Third Five Year Plan (Baljeet Singh, 191).
The future planning for education can be summed up in the words of the Radha Kamal Mukerjee, “to my mind planning in India has proceeded from crisis to crisis largely because of the low priority given to education from the very start. Education not only for liquidation of illiteracy but more essentially for the dissemination of general and applied science and technology and the technical knowhow and skills of modern living must now be seriously taken up by the present plan”. He further said, “Any investment for a type and method of education that causes or aggravates unemployment is, however, wasteful from the viewpoint of human resource developments. Thus, the aims and methods of education are of paramount importance. But he further says that, beyond and above economic returns, education creates and disseminates values and ideals of life that are intangible and imponderable, non-economic and non-measurable. The right type of education creates the proper social and intellectual climate of arousal not merely of intellectual curiosity, inventiveness and adventure but also of new social aspirations in a progressive community”. (Baljeet Singh, 1-2). In the light of above statement we should not invest in development of education with a view of economic returns but it should be promoted for the overall development of the society and also as a tool to raise the social status of the marginalised section of society.

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[8] Progress Review of the Uttar Pradesh (1962), Second Five Year Plan 1956-61, Planning Department, U.P.
Age Composition of Population in India During Twelfth Five Year Plan Period

Nandita Kaushal

Abstract—India is a great and one of the oldest civilizations of the world. Demographically, India is the second most populous country. The population of the country is distributed in broad age groups (0–14, 15–59 and 60+ years) by sex and residence. The purpose of the research paper is to explore whether age composition of population in India is undergoing change and of what type, and to what extent the state of human development is influencing it. The proportion of population in the age group 0–14 years has gradually decreased whereas in the age groups 15–59 and 60+ years have gradually increased. India is in the intermediate transition stage of high birth rate–low death rate which has led to high rates of population growth. Age composition of population in India in recent times is in tune with the demographic transition through which country is undergoing.

Keywords: India, Population, Demography, Age Groups, Human Development

INTRODUCTION

India is a great and one of the oldest civilizations of the world having distinct geographical topography and a rich cultural heritage. Area-wise India is seventh largest country in the world having an area of 32,87,263 square kilometers. Economically the country is a fast developing one. According to the World Bank India was seventh largest economy in the world in 2015 in terms of gross domestic product.

Demographically, India is the second most populous country in the world. The population of the country is almost equal to the combined population of the United States of America, Indonesia, Brazil, Pakistan, Bangladesh and Japan put together. The country is having 17.84% of the total world population. Census 2011 data put India’s population at 1,21,05,69,573 (rural population: 83,34,63,448 (68.85%); urban population: 37,71,06,125 (31.15%); male population: 62,31,21,843 (51.47%); female population: 58,74,47,730 (48.53%)). As per Worldometers’ India Population (Live), the country’s population was 1,33,32,71,221 on November 30, 2016. In absolute terms the most populous state of the country is Uttar Pradesh followed by Maharashtra, Bihar, West Bengal, Andhra Pradesh, Madhya Pradesh, Tamil Nadu, Rajasthan, Karnataka and Gujarat (Verma 2014).

The research paper intends to explore whether age composition of population in India is undergoing change and of what type, and to what extent the state of human development is influencing it. These are important to know as these would enable to have a more meaningful view of the country’s demography.

RESEARCH APPROACH

A systematic, scientific as well as controlled research approach has been followed to understand and investigate the issue of age composition of population in India. The reason is to gain familiarity with the issue and try to get insights into it.

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RESEARCH DATA AND METHODOLOGY

Secondary data have been utilized in the present research study. The information given in official documents and reports has been mostly made use of. Official documents and reports of Government of India have been primarily considered but to some extent documents related to state and international levels have also been taken up. Besides web links have been accessed and newspaper material has been assessed. As the issue is empirical in nature, therefore, an attempt has been made to adopt descriptive way of studying the issue at hand.

AGE COMPOSITION OF POPULATION

The population of the country is distributed in broad age groups (0–14, 15–59 and 60+ years) by sex and residence. The data available from Sample Registration System of the Government of India for several years indicate a gradual decline in the proportion of population in the age group 0–14 years (1971: 41.2%, 1981: 38.1%, 1991: 36.3%, 2014: 27.6%). On the other hand, the proportion of population in the economically active age group 15–59 years has gradually increased (1971: 53.4%, 1981: 56.3%, 1991: 57.7%, 2014: 64.1%). According to an appendix on demographic profile of National Commission on Population, “India is following the demographic transition pattern of all developing countries from initial levels of high birth rate–high death rate to the current intermediate transition stage of high birth rate–low death rate which leads to high rates of population growth, before graduating to levels of low birth rate–low death rate….The age distribution of the population of India is projected to change by 2016….The population below 15 years of age is projected to decline to 28% by 2016. The population in the age group 15–59 years is projected to increase to nearly 64% by 2016. The age group of 60 plus years is projected to increase to nearly 9% by 2016”.

India is a country with remarkable diversities, both intra-state and inter-state, in her demographic profile. The following tables exhibit percentage distribution of population by broad age groups to total population by sex and residence at all-India and bigger states levels from 2011 to 2014. Table 1 presents percentage distribution of total population in age group 0–14 years (an age group of dependent populations) to total population by sex at all-India level from 2011 to 2014.

Table 1: Percentage Distribution of Total Population in Age Group 0–14 Years to Total Population by Sex (All-India Level), (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage Distribution of Total Population in Age Group 0–14 Years to Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>2011</td>
<td>29.5</td>
</tr>
<tr>
<td>2012</td>
<td>29.1</td>
</tr>
<tr>
<td>2013</td>
<td>28.4</td>
</tr>
<tr>
<td>2014</td>
<td>27.6</td>
</tr>
</tbody>
</table>

Table 1 indicates a very gradual decline in the percentage distribution of population in the age group 0–14 years at all-India level. From 2011 to 2014 the declining rate in total population was 1.9%; male population 1.8% and female population also 1.8%.

Percentage distribution of total population in age group 0–14 years to total population by sex among bigger states in five top positions from 2011 to 2014 is presented in Table 2.

Table 2: Bigger States in 5 Top Positions in Terms of Percentage Distribution of Total Population in Age Group 0–14 Years to Total Population by Sex (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bigger States in 5 Top Positions in terms of Percentage Distribution of Total Population in Age Group 0–14 Years to Total Population</th>
</tr>
</thead>
</table>
| 2011 | Bihar (37.3)  
Utter Pradesh (33.7)  
Jharkhand (33.5)  
Rajasthan (32.5)  
Madhya Pradesh (32.1)  |
|      | Bihar (37.4)  
Utter Pradesh (34.1)  
Jharkhand (33.7)  
Rajasthan (33.2)  
Madhya Pradesh (32.2)  |
|      | Bihar (37.1)  
Utter Pradesh (33.2) and Jharkhand (33.2)  
Madhya Pradesh (31.9)  
Rajasthan (31.8) Assam (31.0) and Chhattisgarh (31.0)  |
| 2012 | Bihar (37.0)  
Jharkhand (33.3)  
Utter Pradesh (33.0)  
Rajasthan (31.9)  
Madhya Pradesh (31.5)  |
|      | Bihar (37.2)  
Jharkhand (33.8)  
Utter Pradesh (33.5)  
Rajasthan (32.6)  
Madhya Pradesh (31.7)  |
|      | Bihar (36.7)  
Jharkhand (32.8)  
Utter Pradesh (32.5)  
Madhya Pradesh (31.3)  
Rajasthan (31.1)  |
| 2013 | Bihar (36.0)  
Jharkhand (32.0)  
Utter Pradesh (31.7)  
Rajasthan (31.3)  
Madhya Pradesh (31.2)  |
|      | Bihar (36.5)  
Jharkhand (32.5)  
Rajasthan (32.3) and Utter Pradesh (32.3)  
Madhya Pradesh (31.3)  
Chhattisgarh (30.4)  |
|      | Bihar (35.6)  
Jharkhand (31.4)  
Utter Pradesh (31.1)  
Madhya Pradesh (31.0)  
Rajasthan (30.3)  |
| 2014 | Bihar (35.0)  
Jharkhand (31.0)  
Madhya Pradesh (30.9)  
and Utter Pradesh (30.9)  
Uttarakhand (30.6)  
Rajasthan (30.5)  |
|      | Bihar (35.3)  
Uttarakhand (31.6)  
Jharkhand (31.5), Rajasthan (31.5) and Utter Pradesh (31.5)  
Madhya Pradesh (31.1)  
Chhattisgarh (29.7)  |
|      | Bihar (34.6)  
Madhya Pradesh (30.6)  
Jharkhand (30.5)  
Uttar Pradesh (30.2)  
Rajasthan (29.5) and Uttarakhand (29.5)  |

Table 2 shows that all bigger states in five top positions in terms of percentage distribution of total population in age group 0–14 years to total population by sex belong to the category of Empowered Action Group states except for Assam. A point to be noted is that Bihar has continuously remained in the top most position in all three categories (total, male and female).

Table 3 presents percentage distribution of total population in age group 0–14 years to total population by residence at all-India level from 2011 to 2014.

Table 3 shows that the percentage distribution of total population in age group 0–14 years to total population by residence at all-India level has gradually decreased from 2011 to 2014. The decreasing rate was higher in the rural areas where the decline was of 1.7% whereas in urban areas it was of 1.2%. In all categories decreasing rate was highest in rural males and lowest in urban males (rural males: 1.8%, rural females: 1.7%, urban males: 1.2%, urban females: 1.3%).

Table 4 shows bigger states in five top positions in terms of percentage distribution of total rural population in age group 0–14 years to total rural population.
Table 4: Bigger States in 5 Top Positions in Terms of Percentage Distribution of Total Rural Population in Age Group 0–14 Years to Total Rural Population (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bigger States in 5 Top Positions in terms of Percentage Distribution of Total Rural Population in Age Group 0–14 Years to Total Rural Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
<td>Bihar (37.9)</td>
</tr>
<tr>
<td></td>
<td>Uttar Pradesh (34.7) and Jharkhand (34.7)</td>
</tr>
<tr>
<td></td>
<td>Rajasthan (33.9)</td>
</tr>
<tr>
<td></td>
<td>Madhya Pradesh (33.1)</td>
</tr>
<tr>
<td></td>
<td>Assam (32.3)</td>
</tr>
<tr>
<td></td>
<td>Bihar (38.0)</td>
</tr>
<tr>
<td></td>
<td>Uttar Pradesh (35.2)</td>
</tr>
<tr>
<td></td>
<td>Jharkhand (35.0)</td>
</tr>
<tr>
<td></td>
<td>Rajasthan (34.5)</td>
</tr>
<tr>
<td></td>
<td>Madhya Pradesh (33.2)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
<td>Bihar (37.9)</td>
</tr>
<tr>
<td></td>
<td>Jharkhand (34.5)</td>
</tr>
<tr>
<td></td>
<td>Uttar Pradesh (34.1)</td>
</tr>
<tr>
<td></td>
<td>Rajasthan (33.1)</td>
</tr>
<tr>
<td></td>
<td>Madhya Pradesh (32.5)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
<td>Bihar (37.0)</td>
</tr>
<tr>
<td></td>
<td>Jharkhand (33.7)</td>
</tr>
<tr>
<td></td>
<td>Uttar Pradesh (32.7)</td>
</tr>
<tr>
<td></td>
<td>Rajasthan (32.5)</td>
</tr>
<tr>
<td></td>
<td>Madhya Pradesh (32.2)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
<td>Bihar (36.1)</td>
</tr>
<tr>
<td></td>
<td>Jharkhand (33.1)</td>
</tr>
<tr>
<td></td>
<td>Uttar Pradesh (32.8)</td>
</tr>
<tr>
<td></td>
<td>Rajasthan (32.2)</td>
</tr>
<tr>
<td></td>
<td>Uttar Pradesh (32.6)</td>
</tr>
<tr>
<td></td>
<td>Rajasthan (31.3)</td>
</tr>
<tr>
<td></td>
<td>Uttarakhand (31.3)</td>
</tr>
</tbody>
</table>


Table 4 indicates that all bigger states in five top positions in terms of percentage distribution of total rural population in age group 0–14 years to total rural population belong to the category of Empowered Action Group states except for Assam. Bihar is in top most position all categories (total, male and female).

Table 5 presents bigger states in five top positions in terms of percentage distribution of total urban population in age group 0–14 years to total urban population.
Table 5: Bigger States in 5 Top Positions in Terms of Percentage Distribution of Total Urban Population in Age Group 0–14 Years To Total Urban Population (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bigger States in 5 Top Positions in terms of Percentage Distribution of Total Urban Population in Age Group 0–14 Years to Total Urban Population</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Bihar (31.7) Uttarakhand (29.1) Madhya Pradesh (29.1) and Rajasthan (29.0)</td>
<td>Bihar (31.7)</td>
<td>Bihar (31.7)</td>
</tr>
<tr>
<td></td>
<td>Uttar Pradesh (29.2) Jharkhand (29.2) and Haryana (29.1)</td>
<td>Uttar Pradesh (29.2)</td>
<td>Uttar Pradesh (29.2)</td>
</tr>
<tr>
<td></td>
<td>Madhya Pradesh (28.3) and Rajasthan (28.3)</td>
<td>Haryana (29.1)</td>
<td>Haryana (29.1)</td>
</tr>
<tr>
<td></td>
<td>Jharkhand (28.2)</td>
<td>Rajasthan (28.9)</td>
<td>Rajasthan (28.9)</td>
</tr>
<tr>
<td></td>
<td>Haryana (27.9)</td>
<td>Madhya Pradesh (28.8)</td>
<td>Madhya Pradesh (28.8)</td>
</tr>
<tr>
<td>2012</td>
<td>Bihar (31.3) Uttarakhand (29.1) Madhya Pradesh (29.1) and Rajasthan (29.0)</td>
<td>Bihar (31.7)</td>
<td>Bihar (31.0)</td>
</tr>
<tr>
<td></td>
<td>Uttar Pradesh (28.5) Jharkhand (28.1) and Haryana (28.4)</td>
<td>Uttar Pradesh (29.0)</td>
<td>Haryana (27.9)</td>
</tr>
<tr>
<td></td>
<td>Rajasthan (29.3)</td>
<td>Rajasthan (28.7)</td>
<td>Rajasthan (28.7)</td>
</tr>
<tr>
<td></td>
<td>Madhya Pradesh (27.7)</td>
<td>Haryana (28.4)</td>
<td>Haryana (28.4)</td>
</tr>
<tr>
<td></td>
<td>Bihar (29.3)</td>
<td>Madhya Pradesh (28.0)</td>
<td>Madhya Pradesh (28.0)</td>
</tr>
<tr>
<td></td>
<td>Jharkhand (27.0)</td>
<td>Haryana (27.8)</td>
<td>Haryana (27.8)</td>
</tr>
<tr>
<td></td>
<td>Haryana (26.0)</td>
<td>Uttar Pradesh (28.1)</td>
<td>Uttar Pradesh (28.1)</td>
</tr>
<tr>
<td>2013</td>
<td>Bihar (30.1) Uttarakhand (29.1) Madhya Pradesh (29.1) and Rajasthan (29.0)</td>
<td>Bihar (31.6)</td>
<td>Bihar (30.7)</td>
</tr>
<tr>
<td></td>
<td>Uttar Pradesh (29.2) Jharkhand (28.1) and Haryana (27.8)</td>
<td>Rajasthan (29.3)</td>
<td>Haryana (27.9)</td>
</tr>
<tr>
<td></td>
<td>Rajasthan (28.5)</td>
<td>Rajasthan (28.7)</td>
<td>Rajasthan (28.7)</td>
</tr>
<tr>
<td></td>
<td>Madhya Pradesh (27.3) and Uttar Pradesh (28.1)</td>
<td>Madhya Pradesh (28.0)</td>
<td>Madhya Pradesh (26.6)</td>
</tr>
<tr>
<td></td>
<td>Jharkhand (27.0)</td>
<td>Haryana (27.8)</td>
<td>Haryana (27.8)</td>
</tr>
<tr>
<td></td>
<td>Haryana (26.0)</td>
<td>Uttar Pradesh (27.6)</td>
<td>Uttar Pradesh (27.6)</td>
</tr>
<tr>
<td>2014</td>
<td>Bihar (30.1) Uttarakhand (29.1) Madhya Pradesh (29.1) and Rajasthan (29.0)</td>
<td>Bihar (30.6)</td>
<td>Bihar (29.7)</td>
</tr>
<tr>
<td></td>
<td>Uttar Pradesh (29.2) Jharkhand (28.1) and Haryana (27.8)</td>
<td>Rajasthan (27.8)</td>
<td>Haryana (27.9)</td>
</tr>
<tr>
<td></td>
<td>Rajasthan (28.5)</td>
<td>Rajasthan (28.7)</td>
<td>Rajasthan (28.7)</td>
</tr>
<tr>
<td></td>
<td>Madhya Pradesh (27.3) and Uttar Pradesh (28.1)</td>
<td>Madhya Pradesh (28.0)</td>
<td>Madhya Pradesh (26.6)</td>
</tr>
<tr>
<td></td>
<td>Jharkhand (27.0)</td>
<td>Haryana (27.8)</td>
<td>Haryana (27.8)</td>
</tr>
<tr>
<td></td>
<td>Haryana (26.0)</td>
<td>Uttar Pradesh (27.6)</td>
<td>Uttar Pradesh (27.6)</td>
</tr>
</tbody>
</table>


Table 5 shows that majority of bigger states in five top positions in terms of percentage distribution of total urban population in age group 0–14 years to total urban population belong to the category of Empowered Action Group states. Haryana and Delhi are only two states in the above table which are not part of Empowered Action Group states. Bihar is in top most position all categories (total, male and female).
Percentage distribution of total population in age group 15–59 years (working age group consisting of economically active population) to total population by sex at all-India level from 2011 to 2014 is depicted in Table 6.

Table 6: Percentage Distribution of Total Population in Age Group 15–59 Years to Total Population by Sex (All-India Level), (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage Distribution of Total Population in Age Group 15–59 Years to Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>2011</td>
<td>62.5</td>
</tr>
<tr>
<td>2012</td>
<td>62.6</td>
</tr>
<tr>
<td>2013</td>
<td>63.3</td>
</tr>
<tr>
<td>2014</td>
<td>64.1</td>
</tr>
</tbody>
</table>


Table 6 shows that the percentage distribution of total population in age group 15–59 years to total population by sex at all-India level has gradually increased from 2011 to 2014. The increasing rate in total population during the period was 1.6%; male population 1.6% and female population also 1.6%.

Bigger states in five top positions in terms of percentage distribution of total population in age group 15–59 years to total population by sex are depicted in Table 7.

Table 7: Bigger States in 5 Top Positions In Terms of Percentage Distribution of Total Population in Age Group 15–59 Years to Total Population by Sex (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bigger States in 5 Top Positions In terms of Percentage Distribution of Total Population in Age Group 15–59 Years to Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>2011</td>
<td>Andhra Pradesh (66.6)</td>
</tr>
<tr>
<td></td>
<td>West Bengal (66.3)</td>
</tr>
<tr>
<td></td>
<td>Delhi (66.2)</td>
</tr>
<tr>
<td></td>
<td>Tamil Nadu (66.1)</td>
</tr>
<tr>
<td></td>
<td>Jammu and Kashmir (65.9) and Karnataka (65.9)</td>
</tr>
</tbody>
</table>

Table 7 (Contd.)
### Table 7 (Contd.)

<table>
<thead>
<tr>
<th>Year</th>
<th>1. Delhi (66.6)</th>
<th>Jammu and Kashmir (66.4)</th>
<th>Punjab (66.3) and West Bengal (66.3)</th>
<th>Tamil Nadu (66.2)</th>
<th>Karnataka (65.9)</th>
<th>2. Delhi (67.0)</th>
<th>West Bengal (66.4)</th>
<th>Tamil Nadu (66.0)</th>
<th>Punjab (65.8)</th>
<th>Jammu and Kashmir (65.7) and Karnataka (65.7)</th>
<th>3. Jammu and Kashmir (67.1)</th>
<th>Punjab (66.9)</th>
<th>Tamil Nadu (66.5)</th>
<th>Delhi (66.1) and Karnataka (66.1)</th>
<th>Himachal Pradesh (65.6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Delhi (67.0)</td>
<td>West Bengal (66.4)</td>
<td>Tamil Nadu (66.0)</td>
<td>Punjab (65.8)</td>
<td>Jammu and Kashmir (65.7) and Karnataka (65.7)</td>
<td>Jammu and Kashmir (67.1)</td>
<td>Punjab (66.9)</td>
<td>Tamil Nadu (66.5)</td>
<td>Delhi (66.1)</td>
<td>Jammu and Kashmir (66.1) and Himachal Pradesh (65.6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>Delhi (67.5)</td>
<td>West Bengal (66.9)</td>
<td>Andhra Pradesh (66.6)</td>
<td>Karnataka (66.1)</td>
<td>Punjab (66.0)</td>
<td>Delhi (67.0)</td>
<td>West Bengal (66.6)</td>
<td>Jammu and Kashmir (66.5)</td>
<td>Punjab (66.4)</td>
<td>Andhra Pradesh (66.3) and Tamil Nadu (66.3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>Telangana (69.1)</td>
<td>Andhra Pradesh (68.8)</td>
<td>Jammu and Kashmir (67.4) and West Bengal (67.4)</td>
<td>Tamil Nadu (66.2)</td>
<td>Punjab (67.1)</td>
<td>Telangana (68.5)</td>
<td>Andhra Pradesh (68.2)</td>
<td>West Bengal (67.5)</td>
<td>Delhi (67.0)</td>
<td>Jammu and Kashmir (66.9), Punjab (66.9) and Tamil Nadu (66.9)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:**

Table 7 shows that the states included in five top positions in terms of percentage distribution of total population in age group 15–59 years to total population by sex are those which are having either higher or middle level rank as per the value of their human development index. These are those states which are faring better on income, health and education dimensions. Therefore, socio-economic status of population in these states is comparatively higher with regard to per capita income, life expectancy at birth, mean years of schooling and school life expectancy.

Table 8 presents percentage distribution of total population in age group 15–59 years to total population by residence at all-India level from 2011 to 2014.
Table 8: Percentage Distribution of Total Population in Age Group 15–59 Years to Total Population By Residence (All-India Level), (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage Distribution of Population in Age Group 15–59 Years to Total Population</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td>61.0</td>
<td>60.7</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td>61.2</td>
<td>60.9</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>61.9</td>
<td>61.7</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>62.5</td>
<td>62.3</td>
</tr>
</tbody>
</table>


Table 8 shows that the percentage distribution of total population in age group 15–59 years to total population by residence at all-India level has gradually increased from 2011 to 2014. As compared to rural areas there was higher proportion of population in age group 15–59 years in urban areas. The increasing rate was higher in rural areas where the upsurge was of 1.5% whereas in urban areas it was of 0.8%. In all categories increasing rate was highest in rural males and lowest in urban males (rural males: 1.6%, rural females: 1.5%, urban males: 0.8%, urban females: 0.9%).

Table 9 presents bigger states in five top positions in terms of percentage distribution of total rural population in age group 15–59 years to total rural population.

Table 9: Bigger States in 5 Top Positions in Terms of Percentage Distribution of Total Rural Population in Age Group 15–59 Years to Total Rural Population (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bigger States in 5 Top Positions in terms of Percentage Distribution of Total Rural Population in Age Group 15–59 Years to Total Rural Population</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Andhra Pradesh (65.6)</td>
<td>Andhra Pradesh (65.5)</td>
<td>Jammu and Kashmir (65.8)</td>
</tr>
<tr>
<td></td>
<td>Karnataka (65.0), Tamil Nadu (65.0) and West Bengal (65.0)</td>
<td>West Bengal (65.2)</td>
<td>Andhra Pradesh (65.6)</td>
</tr>
<tr>
<td></td>
<td>Jammu and Kashmir (64.9)</td>
<td>Karnataka (64.7)</td>
<td>Tamil Nadu (65.4)</td>
</tr>
<tr>
<td></td>
<td>Punjab (64.5)</td>
<td>Tamil Nadu (64.6)</td>
<td>Himachal Pradesh (65.3) and</td>
</tr>
<tr>
<td></td>
<td>Kerala (64.1)</td>
<td>Jammu and Kashmir (64.0)</td>
<td>Punjab (65.3) and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Karnataka (65.2)</td>
</tr>
</tbody>
</table>

Table 9 (Contd.)...
Table 9 (Contd.)

<table>
<thead>
<tr>
<th>Year</th>
<th>States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Jammu and Kashmir (65.4) and Punjab (65.4)</td>
</tr>
<tr>
<td></td>
<td>West Bengal (65.3)</td>
</tr>
<tr>
<td></td>
<td>Tamil Nadu (65.2)</td>
</tr>
<tr>
<td></td>
<td>Karnataka (65.0)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (64.9)</td>
</tr>
<tr>
<td></td>
<td>West Bengal (65.5)</td>
</tr>
<tr>
<td></td>
<td>Karnataka (65.0)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (64.9) and Tamil Nadu (64.9)</td>
</tr>
<tr>
<td></td>
<td>Jammu and Kashmir (64.8)</td>
</tr>
<tr>
<td></td>
<td>Punjab (64.7)</td>
</tr>
<tr>
<td></td>
<td>Jammu and Kashmir (66.1) and Punjab (66.1)</td>
</tr>
<tr>
<td></td>
<td>Tamil Nadu (65.6)</td>
</tr>
<tr>
<td></td>
<td>Himachal Pradesh (65.1)</td>
</tr>
<tr>
<td></td>
<td>Karnataka (65.1) and West Bengal (65.1)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (64.9)</td>
</tr>
<tr>
<td></td>
<td>Kerala (64.7)</td>
</tr>
<tr>
<td>2013</td>
<td>West Bengal (65.8)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (65.7)</td>
</tr>
<tr>
<td></td>
<td>Karnataka (65.4) and Punjab (65.4)</td>
</tr>
<tr>
<td></td>
<td>Jammu and Kashmir (65.1) and Tamil Nadu (65.1)</td>
</tr>
<tr>
<td></td>
<td>Delhi (64.5)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (66.1) and West Bengal (66.1)</td>
</tr>
<tr>
<td></td>
<td>Karnataka (65.6)</td>
</tr>
<tr>
<td></td>
<td>Punjab (65.1)</td>
</tr>
<tr>
<td></td>
<td>Tamil Nadu (65.0)</td>
</tr>
<tr>
<td></td>
<td>Jammu and Kashmir (64.7)</td>
</tr>
<tr>
<td></td>
<td>Jammu and Kashmir (65.6) and Punjab (65.6)</td>
</tr>
<tr>
<td></td>
<td>West Bengal (65.6)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (65.6)</td>
</tr>
<tr>
<td></td>
<td>Karnataka (65.3)</td>
</tr>
<tr>
<td></td>
<td>Punjab (65.3)</td>
</tr>
<tr>
<td></td>
<td>Tamil Nadu (65.3)</td>
</tr>
<tr>
<td></td>
<td>Karnataka (65.2)</td>
</tr>
<tr>
<td>2014</td>
<td>Telangana (68.6)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (68.0)</td>
</tr>
<tr>
<td></td>
<td>Delhi (67.7)</td>
</tr>
<tr>
<td></td>
<td>West Bengal (66.5)</td>
</tr>
<tr>
<td></td>
<td>Punjab (66.1)</td>
</tr>
<tr>
<td></td>
<td>Delhi (68.6)</td>
</tr>
<tr>
<td></td>
<td>Telangana (68.2)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (67.4)</td>
</tr>
<tr>
<td></td>
<td>West Bengal (66.8)</td>
</tr>
<tr>
<td></td>
<td>Karnataka (65.9) and Punjab (65.9)</td>
</tr>
<tr>
<td></td>
<td>Telangana (69.0)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (68.7)</td>
</tr>
<tr>
<td></td>
<td>Delhi (66.6)</td>
</tr>
<tr>
<td></td>
<td>Jammu and Kashmir (66.5)</td>
</tr>
<tr>
<td></td>
<td>Punjab (66.4)</td>
</tr>
</tbody>
</table>


Table 9 shows that those bigger states are there in five top positions in terms of percentage distribution of total rural population in age group 15–59 years to total rural population which are having relatively better state of human development.

Table 10 presents bigger states in five top positions in terms of percentage distribution of total urban population in age group 15–59 years to total urban population.

<table>
<thead>
<tr>
<th>Year</th>
<th>Bigger States in 5 Top Positions in terms of Percentage Distribution of Total Urban Population in Age Group 15–59 Years to Total Urban Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Himachal Pradesh (70.0) and Jammu and Kashmir (70.0), West Bengal (69.6), Assam (69.5), Andhra Pradesh (69.0), Karnataka (67.6) and Odisha (67.6)</td>
</tr>
<tr>
<td></td>
<td>Himachal Pradesh (69.4), Assam (69.3) and West Bengal (69.3), Jammu and Kashmir (69.2), Andhra Pradesh (68.5), Odisha (67.5)</td>
</tr>
<tr>
<td></td>
<td>Jammu and Kashmir (70.8), Himachal Pradesh (70.7), West Bengal (70.0), Assam (69.7), Andhra Pradesh (69.6)</td>
</tr>
</tbody>
</table>

| 2012 | Himachal Pradesh (70.0) and Jammu and Kashmir (70.0), Assam (69.6), West Bengal (69.0), Punjab (67.9), Odisha (67.8) |
|      | Assam (69.5), Himachal Pradesh (69.3), Jammu and Kashmir (69.2), West Bengal (68.7), Odisha (67.6) and Punjab (67.6) |
|      | Jammu and Kashmir (70.9), Himachal Pradesh (70.7), Assam (69.7), West Bengal (69.3), Punjab (68.2) |

| 2013 | Assam (70.1), Himachal Pradesh (69.9), Jammu and Kashmir (69.5), West Bengal (69.4), Andhra Pradesh (68.3) |
|      | Assam (70.0), Himachal Pradesh (69.4), Jammu and Kashmir (69.0) and West Bengal (69.0), Andhra Pradesh (68.0) and Delhi (68.0), Odisha (67.9) |
|      | Himachal Pradesh (70.6), Assam (70.3), Jammu and Kashmir (69.9), West Bengal (69.7), Andhra Pradesh (68.6) |

| 2014 | Andhra Pradesh (70.7), Jammu and Kashmir (70.4), Assam (70.0), Telangana (69.8), West Bengal (69.5) |
|      | Andhra Pradesh (70.2), Assam (69.9) and Jammu and Kashmir (69.9), Himachal Pradesh (69.2), Telangana (69.0) and West Bengal (69.0), Tamil Nadu (68.5) |
|      | Andhra Pradesh (71.1), Jammu and Kashmir (70.8), Telangana (70.6), Assam (70.1) and West Bengal (70.1), Himachal Pradesh (69.6) |

Table 10 brings out that bigger state in five top positions in terms of percentage distribution of total urban population in age group 15–59 years to total urban population are those which are performing relatively better on human development indices.

The global demographic trend is towards rising number of elderly population. With the passage of time the proportion of elderly population in total population has increased in all countries. This trend points to the need for having improved health care and social security system to take care of the needs of elderly people. A noteworthy development in the Indian context is that as compared to decadal change rate in general population the decadal change rate in elderly population remained higher. According to “Elderly in India, 2016” report of Ministry of Statistics and Programme Implementation of Government of India from 2001 to 2011 decadal change rate in general population was 17.7% whereas in elderly population it was 35.5%. During ten year period from 2001 to 2011 decadal change rate in elderly population increased from 25.2% to 35.5%, a rise of 10.3% which was considerable. Percentage distribution of total population in age group 60+ years to total population by sex is exhibited in Table 11.

Table 11 shows that the percentage distribution of total population in age group 60+ years to total population by sex at all-India level was 08.8% in 2011 and it marginally declined by 0.5% to 08.3% in 2012 and thereafter it remained constant till 2014. However, from 2011 to 2014 percentage distribution of total male population in age group 60+ years to total male population increased by 0.3% whereas that of total female population in age group 60+ years to total female population increased by 0.2%.
Table 12 presents bigger states in five top positions in terms of percentage distribution of total population in age group 60+ years to total population by sex.

### Table 12: Bigger States in 5 Top Positions in Terms of Percentage Distribution of Total Population in Age Group 60+ Years to Total Population By Sex (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bigger States in 5 Top Positions in terms of Percentage Distribution of Total Population in Age Group 60+ Years to Total Population</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>Kerala (12.6)</td>
<td>Kerala (11.8)</td>
<td>Kerala (13.3)</td>
</tr>
<tr>
<td></td>
<td>Tamil Nadu (10.5)</td>
<td>Himachal Pradesh (10.4)</td>
<td>Tamil Nadu (10.9)</td>
</tr>
<tr>
<td></td>
<td>Himachal Pradesh (10.4)</td>
<td>Tamil Nadu (10.2)</td>
<td>Himachal Pradesh (10.3)</td>
</tr>
<tr>
<td></td>
<td>Punjab (09.5)</td>
<td>Odisha (09.1) and Punjab (09.1)</td>
<td>Punjab (10.0)</td>
</tr>
<tr>
<td></td>
<td>Maharashtra (09.3)</td>
<td>Maharashtra (08.8)</td>
<td>Maharashtra (09.7)</td>
</tr>
<tr>
<td>2012</td>
<td>Kerala (12.9)</td>
<td>Kerala (12.2)</td>
<td>Kerala (13.6)</td>
</tr>
<tr>
<td></td>
<td>Tamil Nadu (10.7)</td>
<td>Himachal Pradesh (10.5)</td>
<td>Tamil Nadu (11.1)</td>
</tr>
<tr>
<td></td>
<td>Himachal Pradesh (10.6)</td>
<td>Tamil Nadu (10.2)</td>
<td>Himachal Pradesh (10.6)</td>
</tr>
<tr>
<td></td>
<td>Punjab (09.9)</td>
<td>Punjab (09.4)</td>
<td>Punjab (10.5)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (09.6)</td>
<td>Odisha (09.1)</td>
<td>Andhra Pradesh (10.3)</td>
</tr>
<tr>
<td>2013</td>
<td>Kerala (13.5)</td>
<td>Kerala (12.6)</td>
<td>Kerala (14.2)</td>
</tr>
<tr>
<td></td>
<td>Himachal Pradesh (11.0)</td>
<td>Himachal Pradesh (10.7)</td>
<td>Punjab (11.5) and Tamil Nadu (11.5)</td>
</tr>
<tr>
<td></td>
<td>Tamil Nadu (10.9)</td>
<td>Tamil Nadu (10.4)</td>
<td>Andhra Pradesh (10.4)</td>
</tr>
<tr>
<td></td>
<td>Punjab (10.6)</td>
<td>Punjab (09.8)</td>
<td>Maharshatra (10.4)</td>
</tr>
<tr>
<td></td>
<td>Maharashtra (09.8)</td>
<td>Jammu and Kashmir (09.3)</td>
<td>Jammu and Kashmir (09.8)</td>
</tr>
<tr>
<td>2014</td>
<td>Kerala (13.3)</td>
<td>Kerala (12.5)</td>
<td>Kerala (14.0)</td>
</tr>
<tr>
<td></td>
<td>Himachal Pradesh (11.2)</td>
<td>Himachal Pradesh (10.9)</td>
<td>Himachal Pradesh (11.5)</td>
</tr>
<tr>
<td></td>
<td>Tamil Nadu (10.6)</td>
<td>Tamil Nadu (10.4)</td>
<td>Punjab (11.2)</td>
</tr>
<tr>
<td></td>
<td>Punjab (10.3)</td>
<td>Andhra Pradesh (10.3)</td>
<td>Tamil Nadu (10.8)</td>
</tr>
<tr>
<td></td>
<td>Andhra Pradesh (09.9) and Odisha (09.9)</td>
<td>Punjab (09.6)</td>
<td>Jammu and Kashmir (10.0)</td>
</tr>
</tbody>
</table>

**Source:**
Table 12 shows that majority of bigger states in five top positions in terms of percentage distribution of total population in age group 60+ years to total population by sex are in the state of high or medium level of human development. The only exception is Odisha which has low human development level. A significant point is that Kerala has highest proportion of 60+ age group population among bigger states in all categories (total, male and female).

Percentage distribution of total population in age group 60+ years to total population by residence is presented in table 13.

Table 13: Percentage Distribution of Total Population in Age Group 60+ Years to Total Population by Residence (All-India Level), (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage Distribution of Population in Age Group 60+ Years to Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>2011</td>
<td>08.1</td>
</tr>
<tr>
<td>2012</td>
<td>08.3</td>
</tr>
<tr>
<td>2013</td>
<td>08.3</td>
</tr>
<tr>
<td>2014</td>
<td>08.3</td>
</tr>
</tbody>
</table>


Table 13 shows that the percentage distribution of total population in age group 60+ years to total population by residence at all-India level has gradually increased from 2011 to 2014. In 2011 and 2012 there was higher proportion of population in age group 60+ years in rural areas, in 2013 in urban areas and in 2014 the proportion in rural and urban areas was equal. The increasing rate was higher in the urban areas where the rise was of 0.4% whereas in rural areas it was of 0.2%. In all categories increasing rate was highest in urban males and lowest in rural males (rural males: 0.2%, rural females: 0.3%, urban males: 0.5%, urban females: 0.3%).

Table 14 exhibits bigger states in five top positions in terms of percentage distribution of total rural population in age group 60+ years to total rural population.
Table 14: Bigger States in 5 Top Positions in Terms of Percentage Distribution of Total Rural Population in Age Group 60+ Years to Total Rural Population (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bigger States in 5 Top Positions in Terms of Percentage Distribution of Total Rural Population in Age Group 60+ Years to Total Rural Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>2011</td>
<td>Kerala (12.6) Tamil Nadu (10.9) Himachal Pradesh (10.5) Maharashtra (10.3) Punjab (09.9)</td>
</tr>
<tr>
<td>2012</td>
<td>Kerala (13.0) Tamil Nadu (10.9) Himachal Pradesh (10.7) Maharashtra (10.3) and Punjab (10.3) Andhra Pradesh (10.2)</td>
</tr>
<tr>
<td>2013</td>
<td>Kerala (13.5) Punjab (11.2) Himachal Pradesh (11.1) and Tamil Nadu (11.1) Maharashtra (10.5) Andhra Pradesh (10.3)</td>
</tr>
<tr>
<td>2014</td>
<td>Kerala (13.5) Himachal Pradesh (11.4) Punjab (10.9) and Tamil Nadu (10.9) Andhra Pradesh (10.6) Maharashtra (10.3)</td>
</tr>
</tbody>
</table>


Table 14 shows that those bigger states are there in five top positions in terms of percentage distribution of total rural population in age group 60+ years to total rural population which are relatively better on human development front. Odisha is only exception.

Table 15 displays bigger states in five top positions in terms of percentage distribution of total urban population in age group 60+ years to total urban population.
Table 15: Bigger States in 5 Top Positions in Terms of Percentage Distribution of Total Urban Population in Age Group 60+ Years to Total Urban Population (2011–2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bigger States in 5 Top Positions in Terms of Percentage Distribution of Total Urban Population in Age Group 60+ Years to Total Urban Population</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Kerala (12.4) Tamil Nadu (10.1) and West Bengal (10.1) Jammu and Kashmir (09.9) Punjab (08.8) Himachal Pradesh (08.7)</td>
<td>Kerala (11.8) West Bengal (10.3) Jammu and Kashmir (09.8) Tamil Nadu (09.7) Himachal Pradesh (08.8)</td>
<td>Kerala (13.0) Tamil Nadu (10.5) West Bengal (10.0) Jammu and Kashmir (09.9) Punjab (09.2)</td>
</tr>
<tr>
<td>2012</td>
<td>Kerala (12.8) West Bengal (10.4) Tamil Nadu (10.3) Jammu and Kashmir (10.0) Punjab (09.3)</td>
<td>Kerala (12.1) West Bengal (10.6) Jammu and Kashmir (10.1) Tamil Nadu (09.9) Himachal Pradesh (09.2)</td>
<td>Kerala (13.5) Tamil Nadu (10.8) West Bengal (10.2) Jammu and Kashmir (10.0) Punjab (09.8)</td>
</tr>
<tr>
<td>2013</td>
<td>Kerala (13.3) Jammu and Kashmir (11.1) Tamil Nadu (10.7) West Bengal (10.5) Punjab (09.7)</td>
<td>Kerala (12.6) Jammu and Kashmir (10.8) West Bengal (10.7) Tamil Nadu (10.2) Himachal Pradesh (09.7)</td>
<td>Kerala (13.9) Jammu and Kashmir (11.4) Tamil Nadu (11.2) West Bengal (10.4) Punjab (10.3)</td>
</tr>
<tr>
<td>2014</td>
<td>Kerala (13.0) Jammu and Kashmir (11.1) West Bengal (10.9) Tamil Nadu (10.2) Punjab (09.4)</td>
<td>Kerala (12.3) West Bengal (11.2) Jammu and Kashmir (10.8) Tamil Nadu (10.2) Himachal Pradesh (08.9) and Punjab (08.9)</td>
<td>Kerala (13.7) Jammu and Kashmir (11.4) West Bengal (10.5) Tamil Nadu (10.3) Punjab (10.1)</td>
</tr>
</tbody>
</table>


Table 15 shows that those bigger states which have made strides on human development aspect are there in five top positions in terms of percentage distribution of total urban population in age group 60+ years to total urban population.
The age-wise distribution of male and female population in India in the year 2016 is shown in the following population pyramid.

The above population pyramid shows that in the year 2016 total population of the country was 1,326,801,576 and population of males and females in various age groups from 0 years to 29 years ranged from 4.1% to 5.1%. Apart from this, population in various age groups from 30 years to 49 years ranged from 2.7% to 4.1% and population in various age groups from 50 years to 89 years ranged from 0.1% to 2.4%. The broad base of the pyramid indicates the higher proportion of population in the younger or youth age groups while its tapering end at the top indicates the lower proportion of population in the elderly age groups.

**Population: 1,326,801,576**


**CONCLUSION AND POLICY FOCUS**

Age composition of population in India in recent times is in tune with the demographic transition through which country is undergoing. Due to high birth rate there is considerable proportion of population in the age group 0–14 years. Due to low death rate and an improvement in the state of human development over the years the proportion of
population in the age groups 15–59 years and 60+ years is rising. The analysis of trends of last several decades indicate that in the coming years the proportion of population below 15 years is expected to decline further whereas the proportion of population in the age group 15–59 years (this age group has significantly larger proportion as compared to other age groups) and age group 60+ years is expected to rise. The projections are in accordance with the state of key human development indicators in the country. These have policy implications in the sense that measures have to be taken up to enhance and maintain the productivity of the rising population so that additional hands are prolifically utilized for socio-economic development of the country.

REFERENCES
A Study of Impact of Stock Split Announcement on Stock Prices

Suchita Shukla¹ and Vishal Mehrotra²

Abstract—A stock split is a division of a share into shares with a lower face value. The division takes place in a way that the total market capitalization of the stock post-split remains the same. There have been various empirical studies covering different aspects of a stock split. The splitting company’s share price has been seen to respond differently through the different stages of the share split life-cycle, beginning from the event announcement date to the record date, and even beyond.

Therefore, the present paper is an attempt to contribute to the understanding of the behavior of Indian share prices in relation to stock split announcements. An event study methodology is taken up in this paper to investigate the impact and price reactions of ten CNX Nifty companies of NSE from January 20016 to December 2016 surrounding ten days of the announcement dates. Abnormal returns are calculated and paired sample t-tests are conducted to test the significance. From this study, it can be concluded that stock split announcement have no significant impact on stock prices around announcement dates.

Keywords: Stock Split, Abnormal Return, Liquidity, Cumulative Average Abnormal Return

INTRODUCTION

A stock split is a corporate action in which a company divides its existing share into shares with a lower face value. Conceptually, a stock split is not expected to materially affect a splitting company’s financials. The splitting company’s existing shareholders continue to hold the same percentage holding in the company as before a stock split. After a split, new investors may be interested in buying the stock because it becomes available at a lower price, in the hope that they would stand to gain later. The point to be pondered is; do such investors actually end up gaining? The share price performance depends on the state of the market in addition to the fundamentals of the company. A stock split should have no effect on the value of the investment if the financial fundamentals of the company remain the same. But here the liquidity increases as more floating shares become available after the split and one expects the market forces of demand and supply to determine the true price for the share. However, would it be right to argue that if the company fundamentals are strong, the stock will go up and vice versa? While some researchers believe that stock split announcements are a signal of the management’s optimism about the company’s future earnings, others argue that the firms use the positive reaction to the split announcement to raise more funds at a higher price after the split. Yet others believe that a split is meant to boost liquidity.

In any case, it is extremely important for investors to understand the objectives and the intentions of a firm that goes for a split. This paper examines these questions in the Indian context.

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LITERATURE REVIEW

The liquidity hypothesis states that splits give better liquidity and reduce trading costs. The helpful positive valuation effects of split announcements that have been reported in the literature can be elucidated using the liquidity hypothesis (Fama et al., 1969; Asquith et al., 1989; Grinblatt et al., 1984; Malony and Mulhering, 1992; Conard and Conroy, 1994).

Baker and Gallagher’s (1980) survey of chief financial officers (CFOs) established that for companies with a stock split, over 98% of the CFOs feel the split helps—makes it easier for small stockholders to purchase round lots; 94% of the group found that stock splits allowed them to keep the stock price in an optimal range.

In related study, Lin et al. (2009) examined split factor choices and the rationale for companies not to prefer a high split factor. In the sample set of our study, about 41% of the firms had a split factor of 5, 30% had a split factor of 10, 20% had a split factor of 2, and 9% of the firms came under other split categories.

According to the trading range hypothesis, split helps firm create an optimal ticket size for the stock. The trading range has been examined to be associated with illiquidity. Illiquidity is increases if the firm’s stock prices trade below their optimal price level. The hypothesis states that keeping the stock within a lower price range would attract a larger ownership base, provide better liquidity and thereby reducing the cost of trading in the stock. This paper analyses the pre- and the post-announcement drift in stock volume and price to verify the trading range hypothesis.

Ikenberry et al. (1996) and Desai and Jain (1997) recorded a positive shift during the one-year period after the announcement of stock splits from 1975 to 1991 and from 1976 to 1992, respectively.

Later, Daniel et al. (1998) based their model on behavioral or psychological biases supporting the semi-strong efficient markets paradigm.

Fama (1970) proposed three types of efficiency: strong-form; semi-strong form; and weak efficiency. In the weak form, the information included only historical prices, which were predicted from the historical price trend, while in the semi-strong form, all company announcements and public information would already be reflected in share prices. The strong form would be one where all information sets including private information are incorporated in the share price trend.

Fama (1998) argued that the long-term inconsistency reported in the previous literature were not sufficient to contradict the efficient markets theorem, which holds that market efficiency will depend on how information is factored into the share price.

The findings revealed in Byun and Rozeff (2003) supported the long-run positive performance of two-for-one stock splits specifically.

Byun and Rozeff (2003) stated that the markets are efficient with respect to such splits.

The signaling hypothesis states that stock splits are used by firms to signal the firm’s favorable future and growth prospects in its earnings.

Gupta and Kumar (2007) analyzed split events from 1999 to 2004 for a sample of 60 Indian stocks. They reported significant favorable abnormal returns on the day following the announcement, but unfavorable returns during subsequent periods.
Dyl and Elliot (2006) concluded that share prices are being managed by firms—to reflect the expectations of the firm's owners.

Menendez and Anson (2003) pointed out that in addition to signaling, firms that go for a split focus on an optimal trading range and on improved liquidity.

Another aspect that is discussed usually within the ambit of the signaling hypothesis is whether splits involve the decrease of informational asymmetries. The rationale behind this is the argument that a split spreads signals that were previously only privately known to the markets. (Easley et al., 2001).

Past evidence on how splits reduce informational asymmetries have been mixed. If the split is assumed to send signals to the market and to contribute to any lessening of informational asymmetries, the price after the split should be reflective of these signals captured by the market. This study examines whether the firms that used stock splits to signal positive growth reported an increase in earnings/growth attributes post the split announcement. This is analyzed by using fundamental ratio variables such as price-to-book (P/B) ratio, earnings per share (EPS), price-to-earnings (P/E) ratio, and sales growth in percentage to understand whether the firm has moved from being a growth stock to a value stock, or vice versa.

In the Indian context, Joshipura (2008) studied the liquidity effect and the price associated with the split around the time of the announcement and on the effective day; the study concluded that the stock split event does not impact shareholder wealth but does improve the liquidity of the stock significantly.

Banerjee’s and Nagar (2010) contributed additional insights into existing theories about abnormal returns; they analyzed the impact of factors such as market capitalisation, book-to-market ratio, average trading volume, promoter holdings, and institutional stock holdings.

Mehndiratta and Gupta (2010) in their study focused on understanding of the behavior of Indian share prices in relation to the dividend announcements. It said that dividend announcements are usually considered as the positive signal to its shareholders and positive impact on share prices is also expected. A standard even study methodology was used to examine the price reactions on stock prices. This study found the occurrence of average abnormal returns.

Banerjee et al. (2012) focused on the implications of the expectations of future profitability signaled by the splits on the ownership pattern of individual and institutional investors such as foreign investors (FIs) and foreign institutional investors (FIIs).

Deborah A. Ford, et al (2012) investigated the influence of the number of financial analysts following a firm on market reaction around the announcement of stock splits. Results showed that at the announcement of stock split, the raw as well as abnormal returns were negatively related to the level of analyst coverage. The results of this study suggest that information asymmetry is an important factor influencing market reaction to stock split announcements.

Pooja (2013) analyzed using event study methodology by taking 27 companies as sample, and studied market reaction around stock split announcement. The study found that there is no announcement effect associated with stock splits in India, further it revealed improvement in trading volume of shares but not increase in daily turnover. Stock Splits
were also found to improve the average number of trades and thus affected the liquidity of stocks in India.

Singh and Supna (2013) studied the efficiency of Indian stock market around stock splits announcement in India during the period 2006-07 to 2009-10. The event study methodology conducted on 219 observations for calculating the abnormal returns. The study found significant CAAR and mixed results regarding liquidity aspect. From percentile method it was found that number of transactions had increased in only few companies but the results of the paired t-test was contradictory to the results.

**OBJECTIVES AND HYPOTHESIS**

**OBJECTIVES**

To examine the stock market reaction to stock split announcement on share prices of sample of selected CNX Nifty companies.

To examine whether there is any abnormal returns around the announcement date of the stock splits.

To study the Average Abnormal Return (AAR) and Cumulative Average Abnormal Return (CAAR)

**HYPOTHESIS**

Hypothesis 1: H0 There is no significant difference in stock prices around the announcements of stock splits.

Hypothesis 2: H0 There is no significant difference in abnormal returns, post-announcement of stock split, when compared to abnormal returns of pre-announcement of the respective companies.

Hypothesis 3 H0 Average Abnormal Returns (AAR) is equal to zero.

Hypothesis 4 H0 Cumulative Average Abnormal Returns (CAAR) is equal to zero.

**METHODOLOGY**

The study is descriptive in nature and is based on secondary data. In this study, two stage approach is used. The first stage consists of estimation of parameters like beta based on the returns on stocks and market index and expected returns on each of the stocks based on the market model. In the second stage, the estimated parameters are used to calculate abnormal returns around the source date. In this study, the date of stock split announcement is defined as day 0 or source day. If source day is a non-trading day then the immediately following trading day is considered as source day. It can also be mentioned as event day. Pre-announcement period includes 10 trading days prior to the stock split announcement i.e. days -10 to -1. Post-announcement period includes 10 trading days after the stock split announcement i.e. days +1 to +10. Thus, the event window comprises of 21 trading days (including day 0 as the source day). The estimated ARs are averaged across securities to calculate Average Abnormal Returns (AARs) and AARs are cumulated to ascertain Cumulative Average Abnormal Returns (CAARs).

The companies that announced stock split among CNX Nifty listed companies of NSE during January 2016 to December 2016 have been considered as the sample. The CNX Nifty is a well...
diversified 50 stock index accounting for 22 sectors of the economy from where using random sampling method 10 companies have been selected which have announced stock splits. Companies that have any price sensitive or lack of information during the event window (-10 days to +10 days) are eliminated.

The Profit after tax (PAT) figures of the selected companies going for share split, were also observed for pre (quarter) and post (quarter) period, to find evidence as to whether there is change in profitability reported that can be attributed to share split.

Data consists of stock split announcement made by the sample companies with their respective dates. Companies with their company name, NSE symbol and date of stock split announcement during the selected range are clearly listed below (Table 1.)

Table 1: Companies with Stock Split Announcements

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Company Name</th>
<th>NSE Symbol</th>
<th>Source Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gulshan Polyols</td>
<td>Gulpoly</td>
<td>27-12-2016</td>
</tr>
<tr>
<td>2</td>
<td>Alankit</td>
<td>Alankit</td>
<td>15-12-2016</td>
</tr>
<tr>
<td>3</td>
<td>KNR Constructions</td>
<td>Kncron</td>
<td>13-12-2016</td>
</tr>
<tr>
<td>4</td>
<td>KPR Mill</td>
<td>Kprmill</td>
<td>29-11-2016</td>
</tr>
<tr>
<td>5</td>
<td>Capri Global Capital</td>
<td>CGCL</td>
<td>23-11-2016</td>
</tr>
<tr>
<td>6</td>
<td>Karur Vysya Bank</td>
<td>Karurvysya</td>
<td>17-11-2016</td>
</tr>
<tr>
<td>7</td>
<td>Bhagaria Industries</td>
<td>Bhagaria</td>
<td>26-10-2016</td>
</tr>
<tr>
<td>8</td>
<td>Kajaraj Ceramics</td>
<td>Kajaracer</td>
<td>4/10/2016</td>
</tr>
<tr>
<td>9</td>
<td>Caplin Point Laboratories</td>
<td>Caplpoint</td>
<td>19-10-2016</td>
</tr>
<tr>
<td>10</td>
<td>Gysoal Alloys</td>
<td>Gal</td>
<td>13-10-2016</td>
</tr>
</tbody>
</table>

DATA ANALYSIS AND DISCUSSION

Hypothesis 1

$H_0$: There is no significant difference in abnormal returns, post-announcement of stock split, when compared to abnormal returns of pre-announcement of the respective companies.

$H_1$: There is significant difference in abnormal returns, post-announcement of stock split, when compared to abnormal returns of pre-announcement of the respective companies.

Table 2: Abnormal Returns Pre & Post Announcement of Stock-Split

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Company Name</th>
<th>NSE Symbol</th>
<th>Source Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gulshan Polyols</td>
<td>Gulpoly</td>
<td>27-12-2016</td>
</tr>
<tr>
<td>2</td>
<td>Alankit</td>
<td>Alankit</td>
<td>15-12-2016</td>
</tr>
<tr>
<td>3</td>
<td>KNR Constructions</td>
<td>Kncron</td>
<td>13-12-2016</td>
</tr>
<tr>
<td>4</td>
<td>KPR Mill</td>
<td>Kprmill</td>
<td>29-11-2016</td>
</tr>
<tr>
<td>5</td>
<td>Capri Global Capital</td>
<td>CGCL</td>
<td>23-11-2016</td>
</tr>
<tr>
<td>6</td>
<td>Karur Vysya Bank</td>
<td>Karurvysya</td>
<td>17-11-2016</td>
</tr>
<tr>
<td>7</td>
<td>Bhagaria Industries</td>
<td>Bhagaria</td>
<td>26-10-2016</td>
</tr>
<tr>
<td>8</td>
<td>Kajaraj Ceramics</td>
<td>Kajaracer</td>
<td>4/10/2016</td>
</tr>
<tr>
<td>9</td>
<td>Caplin Point Laboratories</td>
<td>Caplpoint</td>
<td>19-10-2016</td>
</tr>
<tr>
<td>10</td>
<td>Gysoal Alloys</td>
<td>Gal</td>
<td>13-10-2016</td>
</tr>
</tbody>
</table>
From the table above it can be seen that the abnormal return on share post the announcement of stock split is very evident on +1 day in most of the sample of ten companies selected, even sustains these abnormal returns for the +2 day but gradually reduces over the following days in the same week, showing no significant abnormal return post stock split announcement.

**Hypothesis 2**

$H_0$: There is no significant difference in stock prices around the announcements of stock splits.

$H_1$: There is significant difference in stock prices around the announcements of stock splits.

<table>
<thead>
<tr>
<th>Company</th>
<th>Sig. (2-tailed)</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gulshan Ploy</td>
<td>0.010</td>
<td>There is significant difference in stock price returns, pre and post announcement of split.</td>
</tr>
<tr>
<td>Alankit</td>
<td>0.198</td>
<td>There is no significant difference in stock price returns, pre and post announcement of split.</td>
</tr>
<tr>
<td>KNR Construct</td>
<td>0.125</td>
<td>There is no significant difference in stock price returns, pre and post announcement of split.</td>
</tr>
<tr>
<td>KPR Mill</td>
<td>0.611</td>
<td>There is no significant difference in stock price returns, pre and post announcement of split.</td>
</tr>
<tr>
<td>Capri Global Capital</td>
<td>0.612</td>
<td>There is no significant difference in stock price returns, pre and post announcement of split.</td>
</tr>
<tr>
<td>Karur Vysya Bank</td>
<td>0.266</td>
<td>There is no significant difference in stock price returns, pre and post announcement of split.</td>
</tr>
<tr>
<td>Bhageria Industries</td>
<td>0.799</td>
<td>There is no significant difference in stock price returns, pre and post announcement of split.</td>
</tr>
<tr>
<td>Kajaria Ceramics</td>
<td>0.290</td>
<td>There is no significant difference in stock price returns, pre and post announcement of split.</td>
</tr>
<tr>
<td>Caplin Point Laboratories</td>
<td>0.347</td>
<td>There is no significant difference in stock price returns, pre and post announcement of split.</td>
</tr>
<tr>
<td>Gyscoal Alloys</td>
<td>0.596</td>
<td>There is no significant difference in stock price returns, pre and post announcement of split.</td>
</tr>
</tbody>
</table>

As a result of conducting paired sample T test, it was found that in 9 out of 10, sample of selected companies the p-value is more than 0.05 at 95% confidence interval, therefore null hypothesis is accepted. From the above table (Table 2.) shows the p-value of the sample of 10 selected companies, it can be concluded that since in 9 out of 10 companies selected as sample there is no significant difference in share prices pre and post share-split announcement by the company.

<table>
<thead>
<tr>
<th>Days</th>
<th>AAR</th>
<th>CAAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>-10</td>
<td>3.71978</td>
<td>3.71978</td>
</tr>
<tr>
<td>-9</td>
<td>2.732969</td>
<td>6.452749</td>
</tr>
<tr>
<td>-8</td>
<td>4.881082</td>
<td>11.33383</td>
</tr>
<tr>
<td>-7</td>
<td>4.078948</td>
<td>15.41278</td>
</tr>
<tr>
<td>-6</td>
<td>-1.08364</td>
<td>14.32914</td>
</tr>
<tr>
<td>-5</td>
<td>2.420597</td>
<td>16.74973</td>
</tr>
<tr>
<td>-4</td>
<td>3.197965</td>
<td>19.9477</td>
</tr>
</tbody>
</table>

*Table 4 (Contd.)*
From the above table of Average Abnormal Return it can be clearly seen that, on the next day (+1) of announcement of stock split the AAR increases at 5.82% maintains at 4.15% on +2 day as well, but gets gradually diluted over the proceeding days.

CAAR provides information about the average price behavior of securities during the event window. CAAR is calculated by cumulating average abnormal returns.

**Hypothesis 3**

\[ H_0: \text{Average Abnormal Returns (AAR) are equal to zero.} \]
\[ H_1: \text{Average Abnormal Returns (AAR) are not equal zero.} \]

To test whether the Average Abnormal Return (AAR) are equal to zero, we have applied one sample t-test. As shown in the table above, it is found that AAR was -1.90% with t-value of 0.000. The results of one sample t-test of average abnormal returns (AAR) revealed a p-value of 1.0 at 95% confidence interval as per table above implying that the null hypothesis of the average abnormal returns being statistically equal to zero may be accepted. The p-value of the test is 1.0 which is greater than the level of significance 0.05. It indicates that the ARR is not significantly different from zero. Therefore there is insufficient information to conclude that the percentage of ARR from split announcement

\[ \beta \] is not zero.

**Hypothesis 4**

\[ H_0: \text{Cumulative Average Abnormal Returns (CAAR) are equal to zero.} \]
\[ H_1: \text{Cumulative Average Abnormal Returns (CAAR) are not equal to zero.} \]
One-Sample Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAAR</td>
<td>21</td>
<td>.562689655048</td>
<td>1.8146123406818E1</td>
<td>3.9598087657977E0</td>
</tr>
</tbody>
</table>

One-Sample Test

<table>
<thead>
<tr>
<th></th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAAR</td>
<td>.142</td>
<td>20</td>
<td>.888</td>
<td>.562689655044</td>
<td>-7.69732688569E0 to 8.822705998664E0</td>
</tr>
</tbody>
</table>

To test hypothesis that the Cumulative Average Abnormal Return is equal to zero, one sample t test is applied. As shown in the table above the Cumulative Average Abnormal Return is 0.56% with t-value of 0.142. The results of independent sample t-test of Cumulative Average Abnormal Returns (CAAR) revealed a p-value of 0.888 at 95% confidence interval implying that the null hypothesis of the average abnormal returns being statistically equal to zero should be accepted. The p-value of the test is 0.888 which is greater than the level of significance 0.05. It indicates that the CARR is not significantly different from zero. Therefore there is insufficient information to conclude that the percentage of CARR from split announcement ≠ 0

CONCLUSION

In this paper the impact of share split on the share prices was assessed. For the event study, data from NSE website has been taken of the sample of ten selected companies. The results of paired sample t-test reveal that share split announcement does not show any change or difference in prices of the share of most of the selected sample companies. From the above results and discussions it can be concluded that price effect associated with stock split is not significant and though there is a significant positive abnormal return of 5.82% found on +1 day post announcement, but it did not sustain and got reversed in less than a weeks’ time; hence there is no clear evidence about positive wealth effect associated with stock split available from Indian markets from the sample of ten selected companies.

The Profit after tax (PAT) figures of the selected companies (which were available) going for share split, were also observed for pre (quarter) and post (quarter) period, this also suggested no abnormal change in profitability was reported that can be attributed to share split.

However there may be evidence of significant improvement in traded volume associated with stock split both surrounding announcement and effective day, as the after stock split the shares become more reachable for investors and they may even do bulk purchasing of these shares, thus increasing the volume of trading, which can be further a subject of study and exploration. For now this study concludes that stock split does not carry any positive wealth effect because no significant inflow or outflow of funds, primarily take place and therefore result in no abnormal returns post announcement.

REFERENCES

What Ails Basic Education in Uttar Pradesh: Some Evidence

Monika Srivastava

Abstract—India recognizes education as a fundamental right of a child and makes appropriate provisions in its constitution to impart the same. Our Constitution has recognized the importance of education and is committed to make available free and compulsory education to all children between the ages 6 and 14 years. The Right of Children to Free and Compulsory Education (RTE) Act 2009 ensures that every child in the age group of 6–14 yrs has a right to full time elementary education of satisfactory and standard quality in a formal school that fulfills essential norms and standard as per the requirements. The RTE Act came into effect on 1 April 2010. Accordingly UP Government has also notified The UP Right of Children to Free and Compulsory Education Rules 2011 on 27 July 2011. Literacy rate in Uttar Pradesh has seen upward trend and is 67.68 percent as per Census-2011 of that male literacy rate stands at 77.28 percent while female literacy is at 57.18 percent.

Keywords: Education, Literacy, Net Enrolment Ratio, Drop out, Sensitization

"Just as the whole universe is contained in the shelf, so is India contained in the villages. We must empower the villages through education".

—Mahatma Gandhi

Ever since independence, an educational explosion has taken Place in India. As J.B.G. Tilak put it “Today, the number of pupils in India outnumber the total population of England, France, Canada, and Norway taken together. Every sixth student in the world enrolled at the primary level, every seventh in the secondary level and every eighth in the tertiary level is an Indian”. Education is the most critical element in empowering people with skills and knowledge and giving them access to productive employment in the future. The link between education and the ability of the poor to transform their lives for the better is well established. Access to education can also provide better access to health and sanitation, gender equity, livelihood opportunities and can act as powerful agent of social change.

The literacy is still less than 70% and while the “Sarva Shiksha Abhiyan” has expanded access to primary schools in terms of enrolments, it is yet to provide quality education. Looking ahead, we need to move as rapidly as possible towards universalization of secondary education, which is essential requirement for a knowledge driven world.

India recognizes education as a fundamental right of a child and makes appropriate provisions in its constitution to impart the same. Our Constitution has recognized the importance of education and is committed to make available free and compulsory education to all children between the ages 6 and 14 years. The Right of Children to Free and Compulsory Education (RTE) Act 2009 ensures that every child in the age group of 6-14 yrs has a right to full time elementary education of satisfactory and standard quality in a formal school that fulfills essential norms and standard as per the requirements. The RTE Act came into effect on 1 April 2010. Accordingly UP Government has also notified The UP Right of Children to Free and Compulsory Education Rules 2011 on 27 July 2011.

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E-mail: drmonikasri0312@gmail.com
The 15th official census in India was calculated in the year 2011. In a country like India, literacy is the main foundation for social and economic growth. When the British rule ended in the year 1947 the literacy was just 12 percent. Over the years, India has changed socially, economically and globally. After the 2011 census, literacy rate was found to be 74.04 percent. Compared to the adult literacy rate here the youth literacy rate is about 9 percent higher. Though it looks like a very great accomplishment, it is still a matter of concern that still so many people in India cannot even read and write. The numbers of children who do not get education especially in the rural areas are still high. Though the government has made a law that every child under the age of 14 should get free education, the problem of illiteracy is still at large. Under Education for all schemes almost each and every child has access to primary school within 1 km of his/her habitation. Although, this is a significant achievement, still there is a wide disparity in the literacy rate of different states as well as between male and female literacy. As far as elementary education is concerned, even though access has increased, a large number of children drop out of schools within a year or two, which also raises questions on the quality of education in the schools. The top 7 States in terms of highest number of colleges in India are Uttar Pradesh, Andhra Pradesh, Maharashtra, Karnataka, Rajasthan, Tamil Nadu and Madhya Pradesh.

As per the latest Annual Status of Education Report 2016, 96.5 percent of all rural children between the age of 6-14 were enrolled in schools. This is the eleventh annual survey to report enrollment above 96 percent. Also it is to be noted that 83 percent of all rural 15-16 years olds were enrolled in schools. The survey however also points to decline of education at these government schools with decline in quality of government school education fuelling the rise in private schools enrollment. In Uttar Pradesh the current approach of using the grade level text book is leaving practically everyone far behind. Three quarters of the children cannot even read words. If we really want children to have a real opportunity to learn then we must start from where they are. Without solid foundational skills, no one can move ahead. Barely 7% children (less than one in ten) in Std III in an average government school in Uttar Pradesh can cope with what the teacher is doing in class. Clearly the strategy for teaching in Uttar Pradesh needs to be completely rethought and totally redesigned.

Now if we consider female literacy in India, then it is lower than the male literacy rate as many parents do not allow their female children to go to schools. They get married off at a young age instead. Though child marriage has been lowered to very low levels, it still happens. Many families, especially in rural areas believe that having a male child is better than having a baby girl. So the male child gets all the benefits. Today, the female literacy level according to the 2011 Census is over 80 percent. The literacy rate in India has always been a matter of concern. To improve the education status government mechanism and many NGO's are trying their best through various initiatives. Focus is to spread awareness amongst people about the importance of education as people aren’t aware that they have the right to get free education. Here are some facts about the literacy rate in different states, Kerala is the only state in India to have 100 percent literacy rate, followed by Goa, Tripura, Mizoram, Himachal Pradesh, Maharashtra and Sikkim. The lowest literacy rate in India is seen in the state of Bihar. We also need to think why is the literacy rate lower in certain states thereafter there is a time to ponder on issue why literacy rate is low in India when compared with other nations having similar affinity.
Table 1: Top Literate State

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>State</th>
<th>Literacy Rate (in Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kerala</td>
<td>94.00</td>
</tr>
<tr>
<td>2</td>
<td>Lakshadweep</td>
<td>91.85</td>
</tr>
<tr>
<td>3</td>
<td>Mizoram</td>
<td>91.33</td>
</tr>
<tr>
<td>4</td>
<td>Goa</td>
<td>88.70</td>
</tr>
<tr>
<td>5</td>
<td>Tripura</td>
<td>87.22</td>
</tr>
</tbody>
</table>

Source: Census 2011

In the post-Independent period literacy rate has shown substantial increase in the state from about 12.0 per cent (of population aged 5 and above) in 1951 to 40.7 percent (of population aged seven and above) in 1991 and thereafter to 74.04 percent in 2011. The female literacy has also increased substantially from 4.1 per cent (of population aged 5 and above) in 1951 to 24.4 per cent (of population aged 7 and above) in 1991 and 65.46 percent in year 2011. The decennial census of 1991 had augured well on many accounts. For the first time the number of literate persons was higher than the number of illiterates. During the decade 1991-01 female literacy increased at a faster pace (18.6 per cent) than the male literacy (15.4 per cent).

There is a wide gender disparity in the literacy rate in India: effective literacy rates (age 7 and above) in 2011 were 82.14 percent for men and 65.46 for women. The low female literacy rate has had a dramatically negative impact on family planning and population stabilization efforts in India. Studies have indicated that female literacy is a strong predictor of the use of contraception among married Indian couples, even when women do
not otherwise have economic independence. The Census provided a positive indication that growth in female literacy rates (11.8 percent) was substantially faster than in male literacy rates (6.9 percent) in 2001-2011 decadal period, which means the gender gap appears to be narrowing.

As per the World Development Report 2004, it is essential to educate girls in order to combat many of the most profound challenges in human development. There are studies which reveal that in most developing countries women are less educated than men. But in the recent decade women’s education is considered as of greater importance than that of men's education. In several researches world wide it has been shown that social benefits from investing in female’s education are far greater than those from in men’s education.

Literacy, the basis of all education, is as essential to survival and development in modern society as food is to survival and development of the human body. In the field of education Uttar Pradesh lags far behind many other states of the country. Uttar Pradesh is the most populous state in India with total population of 199.5 million. It is also one of the biggest states in India with a geographical area encompassing 2,40,928 square km and comprising of 75 districts, 820 development blocks and over a lakh inhabited villages (Verma 2005, 2014).

### Table 2: Demographic Scene

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Indicators</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Population (As per Census 2011 data)</td>
<td>199581477</td>
</tr>
<tr>
<td>2</td>
<td>Males</td>
<td>104596415</td>
</tr>
<tr>
<td>3</td>
<td>Females</td>
<td>94985062</td>
</tr>
<tr>
<td>4</td>
<td>Decennial Growth Rate (2001-2011)</td>
<td>20.09 percent</td>
</tr>
<tr>
<td>5</td>
<td>Sex Ratio</td>
<td>908 per thousand</td>
</tr>
<tr>
<td>6</td>
<td>Density</td>
<td>828 per thousand</td>
</tr>
</tbody>
</table>

Source: Census 2011

Literacy rate in Uttar Pradesh has seen upward trend and is 67.68 percent as per Census-2011 of that male literacy rate stands at 77.28 percent while female literacy is at 57.18 percent. In 2011, literacy rate in India 64.8 percent persons are literate, out of which, 53.7 percent females and 75.3 percent males are literate and in UP of total 57.4 percent literate, 70.2 percent are male and 43.0 percent are females. These data clearly reveal that female literacy in UP is less than the national average.

### Table 3: Literacy Rate 1951-2011 (UP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Persons</th>
<th>Male</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>10.8</td>
<td>17.4</td>
<td>3.6</td>
</tr>
<tr>
<td>1961</td>
<td>17.6</td>
<td>27.3</td>
<td>7</td>
</tr>
<tr>
<td>1971</td>
<td>21.7</td>
<td>31.5</td>
<td>10.6</td>
</tr>
<tr>
<td>1981</td>
<td>33.3</td>
<td>47.4</td>
<td>17.2</td>
</tr>
<tr>
<td>1991</td>
<td>41.6</td>
<td>55.7</td>
<td>25.3</td>
</tr>
<tr>
<td>2001</td>
<td>57.4</td>
<td>70.2</td>
<td>43</td>
</tr>
<tr>
<td>2011</td>
<td>67.7</td>
<td>77.28</td>
<td>57.2</td>
</tr>
</tbody>
</table>

Note: Literacy rates for 1951, 1961 and 1971 relate to population aged five years and above. The rates for the years 1981 to 2011 relate to the population aged seven years and above.

Source: Census, Government of India and Plan Document, UP

The table shows that the progress in female literacy is substantial. In absolute terms the story is different because still more than half of the females are illiterates. The number of
female illiterates is increasing not only in absolute terms but also in relation to males. The progress in female literacy has been slow from 1961 to 1981; only in the last two decades that is in 1991 and 2001 remarkable achievement in female literacy was noticed.

Table 4: Growth in Literacy Rate in up and India 1951–2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Females</th>
<th>Total</th>
<th>Gender Gap in Literacy</th>
<th>Male</th>
<th>Females</th>
<th>Total</th>
<th>Gender Gap in Literacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>19.17</td>
<td>4.07</td>
<td>12.02</td>
<td>15.1</td>
<td>27.16</td>
<td>8.86</td>
<td>18.33</td>
<td>18.3</td>
</tr>
<tr>
<td>1961</td>
<td>32.08</td>
<td>8.36</td>
<td>20.87</td>
<td>20.87</td>
<td>40.4</td>
<td>15.35</td>
<td>25.05</td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>35.01</td>
<td>11.23</td>
<td>23.99</td>
<td>23.99</td>
<td>45.96</td>
<td>21.97</td>
<td>23.98</td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>46.65</td>
<td>16.74</td>
<td>32.65</td>
<td>32.65</td>
<td>56.38</td>
<td>29.76</td>
<td>43.57</td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>54.82</td>
<td>24.37</td>
<td>40.71</td>
<td>40.71</td>
<td>64.13</td>
<td>39.29</td>
<td>52.21</td>
<td>24.84</td>
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<tr>
<td>2001</td>
<td>68.82</td>
<td>42.22</td>
<td>56.27</td>
<td>56.27</td>
<td>75.26</td>
<td>53.67</td>
<td>64.83</td>
<td>21.59</td>
</tr>
<tr>
<td>2011</td>
<td>79.24</td>
<td>59.26</td>
<td>69.72</td>
<td>69.72</td>
<td>82.14</td>
<td>65.46</td>
<td>74.04</td>
<td>16.68</td>
</tr>
</tbody>
</table>

Source: Census, RGI, Government of India

During the decade 2001–2011 literacy in Uttar Pradesh has increased by 13.4% which is more than the national average literacy increase of 9.24%. It is more significant in case of female literacy, in Uttar Pradesh during the decade 2001–2011 female literacy has increased by 17.36% which is more than the national Female literacy increase of 11.76%.

Table 5: Literacy Rate in India and other Major States

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male Female Total</td>
</tr>
<tr>
<td>1 Andhra Pradesh</td>
<td>66.64</td>
<td>75.60</td>
<td>70.32 75.56</td>
<td>50.43 59.74</td>
<td>5.24 9.31 8.96</td>
</tr>
<tr>
<td>2 Assam</td>
<td>63.25</td>
<td>73.18</td>
<td>71.28 78.81</td>
<td>54.61 67.27</td>
<td>7.53 12.66 9.93</td>
</tr>
<tr>
<td>3 Bihar</td>
<td>47.00</td>
<td>63.82</td>
<td>59.68 73.39</td>
<td>33.12 53.33</td>
<td>13.71 20.21 16.82</td>
</tr>
<tr>
<td>4 Gujrat</td>
<td>69.14</td>
<td>79.31</td>
<td>79.66 87.23</td>
<td>57.80 70.73</td>
<td>7.57 12.93 10.17</td>
</tr>
<tr>
<td>5 Haryana</td>
<td>67.91</td>
<td>76.64</td>
<td>78.49 85.38</td>
<td>55.73 66.77</td>
<td>6.89 11.04 8.73</td>
</tr>
<tr>
<td>6 Himachal Pradesh</td>
<td>76.48</td>
<td>83.78</td>
<td>85.35 90.83</td>
<td>67.42 76.60</td>
<td>5.48 9.18 7.30</td>
</tr>
<tr>
<td>7 Karnataka</td>
<td>60.47</td>
<td>67.66</td>
<td>76.10 82.85</td>
<td>56.87 68.13</td>
<td>6.75 11.26 7.19</td>
</tr>
<tr>
<td>8 Kerala</td>
<td>90.86</td>
<td>93.91</td>
<td>94.24 96.02</td>
<td>87.72 91.98</td>
<td>1.78 4.26 3.05</td>
</tr>
<tr>
<td>9 Madhya Pradesh</td>
<td>63.74</td>
<td>70.63</td>
<td>76.06 80.53</td>
<td>50.29 60.02</td>
<td>4.47 9.73 6.89</td>
</tr>
<tr>
<td>10 Maharashtra</td>
<td>76.88</td>
<td>82.91</td>
<td>85.97 89.82</td>
<td>67.03 75.48</td>
<td>3.85 8.45 6.03</td>
</tr>
<tr>
<td>11 Orissa</td>
<td>63.08</td>
<td>73.45</td>
<td>75.35 82.40</td>
<td>50.51 64.36</td>
<td>7.05 13.85 10.37</td>
</tr>
<tr>
<td>12 Punjab</td>
<td>69.65</td>
<td>76.68</td>
<td>75.23 81.48</td>
<td>63.36 71.34</td>
<td>6.25 7.98 7.03</td>
</tr>
<tr>
<td>13 Rajasthan</td>
<td>60.41</td>
<td>67.06</td>
<td>75.70 80.51</td>
<td>43.85 52.66</td>
<td>4.81 8.81 6.65</td>
</tr>
<tr>
<td>14 Tamilnadu</td>
<td>73.45</td>
<td>80.33</td>
<td>82.42 86.81</td>
<td>64.43 73.86</td>
<td>4.39 9.43 6.88</td>
</tr>
<tr>
<td>15 Uttar Pradesh</td>
<td>56.27</td>
<td>69.72</td>
<td>68.82 79.24</td>
<td>42.22 59.26</td>
<td>10.42 17.04 13.45</td>
</tr>
<tr>
<td>16 West Bengal</td>
<td>68.64</td>
<td>77.08</td>
<td>77.02 82.67</td>
<td>59.61 71.16</td>
<td>5.65 11.55 8.44</td>
</tr>
<tr>
<td>17 India</td>
<td>64.83</td>
<td>74.04</td>
<td>75.26 82.14</td>
<td>53.67 65.46</td>
<td>6.88 11.79 9.21</td>
</tr>
</tbody>
</table>

Source: Annual Plan, Uttar Pradesh 2016-17

From 1951 the growth in literacy rate improved substantially at All India Level and in Uttar Pradesh. As per the Census 2011, the things have improved remarkably, during the decade 2001–2011 literacy in Uttar Pradesh has increased by 13.4 percent which is more than the national average literacy increase of 9.24 percent. It is more significant in case of female literacy in Uttar Pradesh during the decade 2001–2011 female literacy has increased by 17.36 percent which is more than the national Female literacy increase of 11.76 percent. The gap in respect of male-female enrolment in education has narrowed down since the inception of first five year plan.
However if we look at different level of education their still exists wide gap between male-female enrolment and the gap is ever increasing when we move from lower primary to upper primary and then to secondary level. The gender gap at primary level is lower than that of upper primary and secondary level. The gap between girls and boys enrolment widens at the higher level of education. Reduction in gender gap is mainly because girls enrolment have held up more strongly than boys, so that boys enrolment is decreasing as depicted in the above table.

The gap in respect of male-female enrolment in education has narrowed down since the inception of first five year plan. However if we look at different level of education their still exists wide gap between male-female enrolment and the gap is ever increasing when we move from lower primary to upper primary and then to secondary level. The gender gap at primary level is lower than that of upper primary and secondary level. The gap between girls and boys enrolment widens at the higher level of education. Reduction in gender gap is mainly because girls enrolment have held up more strongly than boys, so that boys enrolment is decreasing as depicted in the above table. Although the gender gap in literacy is smaller in 2001 than it was a decade ago, the state still has the third largest difference between male and female literacy-next only to Jharkhand and Rajasthan.

<table>
<thead>
<tr>
<th>Type of Institutions</th>
<th>Percentage Distribution of Currently Attending Students Aged 5–29 Years Pursuing Various Levels of School Education by Type of Institutions Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td></td>
<td>Female</td>
</tr>
<tr>
<td>Primary</td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>77.6</td>
</tr>
<tr>
<td>Local body</td>
<td>6.3</td>
</tr>
<tr>
<td>Private aided</td>
<td>3.4</td>
</tr>
<tr>
<td>Private unaided</td>
<td>12.4</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
<tr>
<td>Middle</td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>74.3</td>
</tr>
<tr>
<td>Local body</td>
<td>5.9</td>
</tr>
<tr>
<td>Private aided</td>
<td>9.2</td>
</tr>
<tr>
<td>Private unaided</td>
<td>10.2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
<tr>
<td>Secondary &amp; Higher Secondary</td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>62.3</td>
</tr>
<tr>
<td>Local body</td>
<td>3.8</td>
</tr>
<tr>
<td>Private aided</td>
<td>18.9</td>
</tr>
<tr>
<td>Private unaided</td>
<td>14.2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: 'Total' includes 'non-response' and 'not known' cases.

Above table shows percentage distribution of currently attending Students Aged 5–29 Years Pursuing Various Levels of School Education by Type of Institutions Attended. As per the data given in the table it is clear that the things are far better at Primary level, which subsequently gets depreciated at middle and thereafter in Secondary and Higher Secondary. In the government institutions the percentage is still higher when compared with the private and other institutions.
What Ails Basic Education in Uttar Pradesh: Some Evidence

Table 7: Enrolment Percent in Schools

<table>
<thead>
<tr>
<th>Item</th>
<th>Percent of Boys Enrolment in Total Enrolment</th>
<th>Percent of Girls Enrolment in Total Enrolment</th>
<th>Percent of SC Enrolment in Total Enrolment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary School</td>
<td>51.42</td>
<td>48.57</td>
<td>27.75</td>
</tr>
<tr>
<td>Upper Primary School</td>
<td>49.89</td>
<td>50.11</td>
<td>26.54</td>
</tr>
</tbody>
</table>

Source: Annual Plan Document, Uttar Pradesh

Above table shows the enrolment percent at primary and upper primary level for boys and girls. Now if we look at literacy levels across social categories particularly SCs/STs we find significant differences. The Scheduled Caste and Tribe communities have the lowest literacy rate in 2011. Almost two third of ST population and more than half of SC population is still illiterate. However there is one heartening feature: SC literacy has grown at a slightly faster rate in the state, compared to overall literacy, thus gradually narrowing the gap between the two. However, at the national level, the progress in SC literacy was much more rapid. Detailed picture is given in subsequent tables.

Table 8: Literacy Rate of SC/ST Population in UP

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SC Total</td>
<td></td>
<td>7.1</td>
<td>10.2</td>
<td>15</td>
<td>26.9</td>
<td>46.3</td>
<td>60.9</td>
</tr>
<tr>
<td>Rural</td>
<td></td>
<td>6.3</td>
<td>9.1</td>
<td>13.5</td>
<td>24.8</td>
<td>44.5</td>
<td>59.8</td>
</tr>
<tr>
<td>Urban</td>
<td></td>
<td>19</td>
<td>23.4</td>
<td>27.4</td>
<td>42.3</td>
<td>58.2</td>
<td>67.5</td>
</tr>
<tr>
<td>ST Total</td>
<td>-</td>
<td>14.6</td>
<td>20.5</td>
<td>35.7</td>
<td>35.1</td>
<td>55.7</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>-</td>
<td>13.3</td>
<td>19</td>
<td>33.8</td>
<td>33</td>
<td>54.5</td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>-</td>
<td>29.1</td>
<td>50.7</td>
<td>64.3</td>
<td>51.1</td>
<td>67</td>
<td></td>
</tr>
</tbody>
</table>

Source: Census of India

Table 9: Literacy Rate of SC and ST from 1961 to 2011

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SC</td>
<td></td>
<td>12.8</td>
<td>17.1</td>
<td>24.8</td>
<td>40.8</td>
<td>60.3</td>
<td>71.8</td>
<td>1.1</td>
<td>2.5</td>
<td>3.9</td>
<td>10.7</td>
<td>30.5</td>
<td>48.9</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td></td>
<td>11.6</td>
<td>15.8</td>
<td>23.2</td>
<td>38.9</td>
<td>59</td>
<td>71.1</td>
<td>0.7</td>
<td>1.7</td>
<td>2.7</td>
<td>8.5</td>
<td>28.3</td>
<td>47.3</td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td></td>
<td>28.5</td>
<td>33</td>
<td>38.5</td>
<td>54.8</td>
<td>69.1</td>
<td>75.6</td>
<td>7.7</td>
<td>11.8</td>
<td>14.3</td>
<td>27.4</td>
<td>45.5</td>
<td>58.2</td>
<td></td>
</tr>
<tr>
<td>ST</td>
<td></td>
<td>-</td>
<td>22.5</td>
<td>31.2</td>
<td>50</td>
<td>48.4</td>
<td>67.1</td>
<td>-</td>
<td>5.6</td>
<td>8.7</td>
<td>19.9</td>
<td>20.7</td>
<td>43.7</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td></td>
<td>-</td>
<td>21.4</td>
<td>29.7</td>
<td>48.2</td>
<td>46.7</td>
<td>66.2</td>
<td>-</td>
<td>4.3</td>
<td>7.3</td>
<td>17.9</td>
<td>18.3</td>
<td>42.3</td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td></td>
<td>-</td>
<td>35.1</td>
<td>60.9</td>
<td>77.9</td>
<td>60.6</td>
<td>74.8</td>
<td>-</td>
<td>21.1</td>
<td>38.1</td>
<td>51</td>
<td>39.5</td>
<td>58.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Census of India

Table 10: Sex-wise Literacy Rate of Scheduled Castes in Uttar Pradesh Compared with India

<table>
<thead>
<tr>
<th>State</th>
<th>Rural</th>
<th></th>
<th></th>
<th>Urban</th>
<th></th>
<th></th>
<th>Total</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Person</td>
<td>Male</td>
<td>Female</td>
<td>Person</td>
<td>Male</td>
<td>Female</td>
<td>Person</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Census 2001</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>44.52</td>
<td>59.03</td>
<td>28.33</td>
<td>58.17</td>
<td>69.08</td>
<td>45.51</td>
<td>46.27</td>
<td>60.34</td>
<td>30.5</td>
</tr>
<tr>
<td>India</td>
<td>51.16</td>
<td>63.66</td>
<td>37.84</td>
<td>68.12</td>
<td>77.93</td>
<td>57.49</td>
<td>54.69</td>
<td>66.64</td>
<td>41.9</td>
</tr>
<tr>
<td>Census 2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>59.8</td>
<td>71.1</td>
<td>47.3</td>
<td>67.5</td>
<td>75.6</td>
<td>58.2</td>
<td>60.9</td>
<td>71.8</td>
<td>48.9</td>
</tr>
<tr>
<td>India</td>
<td>62.8</td>
<td>72.6</td>
<td>52.6</td>
<td>76.2</td>
<td>83.3</td>
<td>68.6</td>
<td>73</td>
<td>75.2</td>
<td>56.5</td>
</tr>
</tbody>
</table>

Source: Census of India
From the above table it is very clear that according to Census 2011 the literacy rate of SC has improved. Performance of UP is almost at par with India’s literacy rate. Position of gender gap is also not satisfactory in these two communities. Sign of improvement is there at lower primary level and upper primary level but gender gap reduction is at snail’s pace. At secondary level situation is worse. Conventionally reason given for low enrolment is the poverty of SC /ST households. Due to poverty of parents these children have to work either to earn a living or to take care of kids while their mothers are at work. In other words the parents are not in position to afford the cost of schooling because even in government schools some cost is involved. Another perceived reason is the low education of parents so the influence of their education is not there on their children. Besides cultural inappropriateness of the curricula and school timings, social discrimination, and the school learning environment with its joylessness and emphasis on maintaining order.

The Net Enrolment Ratio (NER) in primary education (age 6-10 years) was estimated at 78.2 per cent in 1999-2000 (PSMS-II) and the NER has increased to 84.0 per cent in 2009-10 (PSMS_IV). The U DISE data shows that NER has reached to 97.74 per cent in 2005-06 (U-DISE). However, the NER has decreased to 95.64 per cent in 2014-15. Hence State is unlikely to meet the target of universal achievement. The results from DISE report 2011-12, shows a steady increasing trend over the years in the estimate of the indicator ‘ratio of enrolment of Grade V to Grade I (Survival Rate) from 54.09 in 2003-04 to 87.0 in 2014-15. The youth (15-24 years) literacy rate has increased from 67% to 81.57 per cent during the period 1991-2011 and the trend shows U.P is likely to reach 91.68 % youth literacy by 2015. The male and female youth literacy rate is likely to be at 92.51% and 93.31% respectively.

The total number of schools imparting elementary education in Uttar Pradesh (As per DISE 2011) is 2, 21, 653 with a large percentage 69.78 percentage of it being government schools.

**DROP OUT RATE**

A student is identified as a dropout if the individual is absent without an approved excuse or documented transfer and does not return to school by the fall of the following school year, or if he or she completes the school year but fails to re enroll the following school year.

Students in the following categories are identified as dropouts:

- Students who drop out as defined above
- Students who enter the military before graduation
- Students from special education, un graded, or alternative education programs who leave school
Students who leave school and enter a program not qualifying as an elementary/secondary school (e.g., cosmetology school)

Students enrolled as migrants and whose whereabouts are unknown Students in the following categories are not included in the dropout count.

Students who die

Students who drop out as defined above, before the seventh grade

Students who are out of school for temporary periods with an approved excuse

Students showing regular attendance at a state-approved alternative program

Students enrolled as migrants who have a subsequent school enrollment record (i.e., a Migrant Student Record Transfer System Education Record is available)

Students known to have transferred to another public school, adult or alternative education program, or home schooling

Students who move to another grade level

Students who enroll in college early

Students transferred or assigned to another public institution or state-approved educational program.

Dropout is a universal phenomenon in Indian educational system which results in considerable wastage.

### Table 12: Drop-out Rate at Different Stages of School Education in the Year 2014–15

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>State/India</th>
<th>Primary</th>
<th>Upper Primary</th>
<th>Elementary</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Boys</td>
<td>Girls</td>
<td>Total</td>
<td>Boys</td>
</tr>
<tr>
<td>1</td>
<td>UP</td>
<td>9.08</td>
<td>8.04</td>
<td>8.58</td>
<td>0.78</td>
</tr>
<tr>
<td>2</td>
<td>India</td>
<td>4.36</td>
<td>3.88</td>
<td>4.13</td>
<td>3.49</td>
</tr>
</tbody>
</table>

Source: U-DISE 2015-16

As per the data shown in above table it is clear that the things are far better in UP at certain stages. Economic reason appeared to be the most important cause for dropout. Generally the students took up a job and in most cases a low paid one as soon as it was available, otherwise there was lack of concentration on studies or absenteeism due to poor economic background. Even academic failure largely resulted from poor background. High dropout rates are result of a combination of factors.

A school that is far away, one that does not function regularly, a teacher that is engaged in non-teaching work or is just not there, a method of teaching that fails to hold attention of the child and fear of teacher are factors that contribute heavily to drop-out. Often the need for children of poorer families and work also drives children to become workers. However, work of many societies around the country in the rural and urban areas has shown that child workers can be mainstreamed into education through camps that hook them on to good education after withdrawing them from work. In extreme cases, well run residential schools in regions of extreme poverty succeed in keeping the children from living on the streets or railway platforms of joining the work force prematurely. Drop out has to be reduced sharply, if not eliminated altogether, for both genders of all social groups.
Economic reason appeared to be the most important cause for dropout. Generally the students took up a job and in most cases a low paid one as soon as it was available, otherwise there was lack of concentration on studies or absenteeism due to poor economic background. School are too far away, Transport not available.

Further education not considered necessary, Required for household work, Required for work on farm/family business, Required for outside work for payment in cash or kind, Costs too much, No proper school facilities for girls, Required for care of siblings, Not interested in studies are some of the most prominent causes for dropout rate as reported by NSSO Data of 64\textsuperscript{th} round. Even academic failure largely resulted from poor background.

A high dropout rate is result of a combination of factors. A school that is far away, one that does not function regularly, a teacher that is engaged in non-teaching work or is just not there, a method of teaching that fails to hold attention of the child and fear of teacher are factors that contribute heavily to drop-out. Often the need for children of poorer families and work also drives children to become workers. However, work of many societies around the country in the rural and urban areas has shown that child workers can be mainstreamed into education through camps that hook them on to good education after withdrawing them from work. In extreme cases, well run residential schools in regions of extreme poverty succeed in keeping the children from living on the streets or railway platforms of joining the work force prematurely. Drop out has to be reduced sharply, if not eliminated altogether, for both genders of all social groups.

**INCLUSIVE EDUCATION FOR CHILD WITH SPECIAL NEED (CWSN)**

Under SSA, Inclusive Education is being implemented in all the districts for education of children with special needs. Household survey is conducted to identify the disabled children. These children are integrated in normal schools. Medical assessment of these children is carried out by team of doctors to find out the degree of disability. The children are given aids/appliances. Besides, 2551 Itinerant and resource teachers have been recruited to provide special support to children in schools.

In the year 2015-16, 294190 CWSN were identified through household survey and as per DISE DATA 2015-16 262879 CWSN have been enrolled in schools. 86 pre-integration camps with residential facilities have been made operational. 782 medical assessment camps have been organized. 26822 aids/appliances have been given to CWSN during 2015-16.

The targeted provision for girls under Sarva Shiksha Abhiyan includes:

- Free textbooks to all girls up to class VIII
- Separate toilets for girls
- Back to school camps for out-of-school girls
- Bridge courses for older girls
- Recruitment of 50% women teachers
- Early childhood care and Education centers in/near schools/convergence with ICDS programme etc.
- Teachers’ sensitation programmes to promote equitable learning opportunities
- Gender-sensitive teaching-learning materials including textbooks
- Intensive community mobilization efforts
- ‘Innovation fund’ per district for need-based interventions for ensuring girls’ attendance and retention.

Efforts are being made to generate a community demand for girls’ education and enabling conditions for people’s and women’s participation, to create the push factors necessary to guarantee girls’ education. Motivation and mobilization of parents and the community at large, enhancing the role of women and mothers in school-related activities and participation in school committees, and strengthening the linkages between the school, teachers and communities are some of the ways in which the enabling conditions are being created.

**UNIFORM**

Under “Right of Children to Free and Compulsory Education Act, 2009” and state RTE rules 2011 each child studying in class 1-8 is to be provided two sets of uniforms every year.

During the year 2015-16 as per the provision for free distribution of 2 sets of uniform at the rate of Rs. 200/- per child per uniform, 167 lakh children were benefitted, covering all girls, SC and ST and boys of BPL category.

The National Programme for Education of Girls at Elementary Level, launched in September 2003, is an integral but distinct component of the Sarva Shiksha Abhiyan. It provides additional provisions for enhancing the education of underprivileged/disadvantaged girls at elementary level through more intense community mobilization, the development of model schools in clusters, gender sensitisation of teachers, development of gender-sensitive learning materials, early child care and education facilities and provision of need-based incentives like escorts, stationery, workbooks and uniforms etc. for girls.

**KASTURBA GANDHI BALIKA VIDYALAYA (KGBV)**

Kasturba Gandhi Balika Vidyalaya Yojna was launched in 2004-05 on the pattern of SSA. The scheme provides residential schools for out of school girls of age group 11-14 years of deprived sections for education of class 6-8. The idea is for setting up residential schools at upper primary level for girls belonging predominantly to the SC, ST, OBC and minority communities. The scheme is being implemented in educationally backward blocks of the country where the female rural literacy is below the national average and gender gap in literacy is above the national average. The scheme provides for a minimum reservation of 75% of the seats for girls belonging to SC, ST, OBC or minority communities and priority for the remaining 25%, is accorded to girls from families below poverty line. At present all 746 KGBVs sanctioned in UP by Govt of India are operational. In these schools 734 are of Model I and 12 are of Model II.

**MID-DAY MEAL SCHEME**

Scheme of hot cooked mid-day meal was introduced in September, 2004 in compliance of Hon’ble Supreme Court’s order in writ petition no. 196/2001, for the children studying in Govt./Parishadiya/ Govt. Aided/ EGS & AIE Centres in class I-V. In Upper Primary schools, this
scheme was introduced in October, 2007. Govt. of India provides 100 grams food grain (Rice/Wheat) per child per day for primary classes & 150 grams food grain (Rice/Wheat) per child per day for upper primary classes.

Govt. provides conversion cost Rs. 3.34 per child per day for primary classes & Rs. 5.00 per child per day for upper primary classes for preparing hot cooked mid-day meal. In this Central Share is 75% whereas State Share is 25%. The weekly menu of mid-day meal is 2 days wheat based & 4 days rice based.

<table>
<thead>
<tr>
<th>Days</th>
<th>Food Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>Roti, Sabji with Soyabean chunks</td>
</tr>
<tr>
<td>Tuesday</td>
<td>Rice + Sabji mixed Daal/Rice Sambhar</td>
</tr>
<tr>
<td>Wednesday</td>
<td>Kadhi Chawal/Kheer</td>
</tr>
<tr>
<td>Thursday</td>
<td>Roti + Sabji mixed Daal</td>
</tr>
<tr>
<td>Friday</td>
<td>Tahri</td>
</tr>
<tr>
<td>Saturday</td>
<td>Sabji, Chawal, Soyabean/Kheer</td>
</tr>
</tbody>
</table>

The calorific value of this meal includes 450 calories and 12 gms. protein for primary classes and 700 calories and 20 gms. protein for upper primary classes. Mid-Day Meal scheme is monitored and supervised by Mid-day Meal Authority at state level & District Magistrate at district level.

In Mid-day meal scheme, the unit cost of kitchen cum store has been 85,000/- per unit. In revised unit cost, Central Share is 75% whereas State Share is 25%. In mid-day meal scheme, Govt. of India provides @ Rs. 5000/- per school for kitchen devices. At present, 1,10,245 schools have kitchen sheds built under this scheme and 1,74,433 schools have purchased kitchen utensils. Web based Online Monthly Information System (MIS) established at MDM Authority level to ensure quick & timely receipt of monthly information from districts. IVRS system introduced to ensure daily monitoring of the implementation status of scheme. In this system, the information of children availing MDM is received on daily basis through IVR calls.

**MEENA MANCH**

- **Meena Manch**- Forum for adolescent girls to discuss their own issues and motivate girls to attend school. Meena is a cartoon character from South Asia. She is a spirited, nine-year-old girl who braves the world—whether in her efforts to go to school or in fighting the stigma surrounding HIV/AIDS in her village.

- UNICEF developed the Meena Communication Initiative (MCI) as a mass communication project aimed at changing perceptions and behavior that hamper the survival, protection and development of girls. The stories cover issues such as education, health, gender equity, freedom from exploitation and abuse.

- “Meena Ki Duniya” is being telecasted from Monday to Saturday during the class hours. This programme is very helpful in children teacher communication. Meena radio episodes of 15 minutes each will be broadcast during school hours, on a daily basis (Monday-Saturday). This radio show is a part of the structured school time-table. It ensures a fixed and defined audience, and being done in a classroom. In UP, the State has established Meena manches in all upper primary and KGBVs. Meena Cabinets have also been formed to take up important issues. These groups
are being mobilizing for social action fostered by the radio show. Along with Meena’s initiatives, 83 episodes have been broadcasted in the year of 2015-16. Meena day was celebrated on 24th Septembers with huge enthusiasm. All girls of KGBVs, teachers and administrations were involved in celebration of Meena day.

**GOALS & PRIORITIES FOR LITERACY ENHANCEMENT**

- Teachers-pupil ratio in schools as per RTE Norms.
- Improvement in quality of education.
- Reducing dropout rate.
- Increasing transition from primary to upper primary level.
- Bridging gender gap and social gap.
- Intensive campaign for community mobilization in selected villages.
- 21 days training of instructors.
- Use of TLM.
- Residential arrangement for girls and instructors.
- Arrangements for sports, cultural programmes, life skills.

**VISION AND MISSION FOR LITERACY ENHANCEMENT IN UP**

- Improving regular attendance of teachers and students through strengthening the supervision system as well as using technology.
- Operationalising the Continuous and Comprehensive Evaluation (CCE) System for assessment of learners. The CCE system has already been developed and field trialed in 5 districts and now roll out in all districts in academic session 2014-15.
- Strengthening block level administrative and academic structure so as to enable it to provide support and monitor all activities in the schools of the block.
- Augmenting capacity for teachers’ training- DIET & private training institutes through revised teacher education scheme. The object is to make adequate number of trained candidates available for recruitment of teachers so that vacancies of teachers do not remain unfilled for long time.
- Learning Achievement Survey- State is committed to periodically measure students’ learning achievement levels to promote cross-district comparison and an informed picture of State trends in learning levels. SCERT is proposed to conduct Learning Achievement Survey in all the districts of the State in the year 14-15.
- School Performance--A system of measuring school performance over the academic year has been developed. SCERT will finalize and implement it across the State in the year 2014-15.
- Teacher Performance--A system of measuring teacher performance over the academic year has been developed. Guidelines developed by NCERT were taken into
consideration during the development of the system. SCERT will finalize and implement it across the State in the year 2014-15.

- The State Govt. has revised the norm for opening of new primary and upper primary schools as per The Uttar Pradesh Right of Children to Free and Compulsory Education Rules, 2011. Now, in respect of children in classes 1-V, a school shall be established in habitation which has no school within a distance of 1.0 Km and has population of at least 300 while in respect of children in classes V1-V11, a school shall be established in habitation which has no school within a distance of 3.0 Km and has population of at least 800. In 2013-14 and 2014-15 new primary and upper primary schools were not sanctioned by Project Approval Board. of MHRD New Delhi.

- In 2013-14 new schools and new additional class room were not sanctioned by Project Approval Board. MHRD New Delhi. 6475 additional class rooms are proposed in annual work plan 2014-15.

- In 2013-14, 866 boys toilets, 1319 girls toilets & 107 drinking water facilities were sanctioned out of which 723 boys toilets 1166 girls toilets and 99 drinking water facilities have been completed and remaining are in progress. 3318 toilets and 1271 drinking water facilities are proposed in annual work plan 2014-15.

- During 2013-14, in order to cover the out of school children 1472 special training centers were made operational benefiting 34381 children. Curriculum and subject wise condensed textbooks as well as training modules of Hindi, Math, English and Science have been developed by SCERT and were distributed. Training of teachers identified for special training was conducted in each district. The special training was imparted to children in school premises through retired teacher/working teacher.

- During annual plan 2014-15, 4059 special training centre are proposed wherein age appropriate teaching learning will be provided to 40569 Children.

- RTE Act, 2009 provisions setting up of Special training facility for age appropriate admission of out-of-school children. For Identification of OOSC, household survey (HHS) was conducted by school teachers and shikshamitra’s. Curriculum and subject wise condensed textbooks as well as training modules of Hindi, Math, English and Science have been developed by SCERT and were distributed. Training of teachers identified for Special Training was conducted in each district. The special training was imparted to children in school premises through retired teacher/working teacher.

- Household survey 23934 children were identified as OOSC in which children have been enrolled in formal schools, KGBVs, IED camps. In 2016-17, 1690 Special Training Centers have been proposed for 16789 Out of School children.

- SSA recognizes the critical and central role of teachers and advocates a focus on teacher’s recruitment and their development. In the absence of adequate number of well trained teachers, the challenges related to improving the quality of education will continue to exist.
• As per norms of the Right to free and compulsory Education Act 2009 there should be a primary school for a population of 300 at a distance of one kilometer and three should be an upper primary for a population of 800 at a distance of three kilometers.

• In Uttar Pradesh (75 Districts) there are 113535 Govt. Primary Schools and 45714 upper primary schools run by Basic Shiksha Parishad. The Parishad is competent and responsible for the recruitment of teachers, deployment & promotion. In accordance with the provisions of RTE Act 2009, for upper primary schools with enrollment more than 100, posts of part time instructors one each for Art Education, Physical Education and work Education have been approved by Govt. of India. 32213 Part Time Instructors have been recruited and posted in Upper Primary Schools.

• The academic year 2015-16 was declared as “Quality Enhancement Year” by the State. To improve the quality of education in the state following steps has been taken of Uttar Pradesh.
  o Performance assessment of Teachers and Schools on frequent intervals.
  o Re-starting of school gradation system.
  o Introduction of new examination system for assessment of learning level of children.
  o Focus on Early Grade Reading and Early Numeracy Skills.
  o District wise Students Learning Assessment Survey (SLAS) Findings of the survey will be used to identify the gaps and it will act as a basis to plan the next year in-service teachers training.
  o Preparation of schools report card on the basis of U-DISE data.
  o Focus on intensive supportive supervision mechanism.
  o To improve Quality Science Kit will provide additional opportunities for active learning to children of classes VI-VIII in science learning. It will provide opportunity of self-learning and enhance the basic skills science among children. Class room will become more active, interesting & full of activities.

WAYS TO IMPROVE QUALITY OF EDUCATION IN UP

The following main activities were undertaken for improvement in quality:

• Continuous and comprehensive evaluation of the students.
• Improving early reading and numerical skills of the students.
• Activity based science and mathematics teaching learning in upper primary classes.
• Students learning achievement survey in the 10 districts of the state.
• Rolling out of quality monitoring tolls.
• Distribution of the free text books and workbooks.
Free textbooks have been provided timely at the start of academic session to all girls and boys from classes I to VIII.

Workbooks were distributed in language and mathematics to provide additional opportunities for active learning to children of classes 1-5.

These materials provide opportunity of self-learning and enhance the reading, writing, comprehension and numeric skills of children. It makes classrooms more active, interesting & joyful.

**EARLY LITERACY AND ARITHMETIC SKILLS DEVELOPMENT PROGRAMME**

- To enable each child to acquire the skills of reading and writing with comprehension and numeric skills in Class-1 & 2.
- Capacity building of teachers in reading pedagogy and numeric skills.
- Onsite support at the school level by BRC/ CRC functionaries.
- Monitoring, periodical review & evaluation by block resource group & district resource group.
- Strengthening of Science teaching-learning at Upper Primary Level.
- Up gradation of hands-on activities manual.
- Teachers’ training on science teaching with a view to update knowledge, skills and methodology components.
- Providing science material for hands-on activities.
- Onsite support at the school level by block resource centre(BRCs) / cluster resource centre( CRCs) functionaries.
- Monitoring & evaluation by block resource group & district resource group.
- Review and development of training modules for strengthening Reading pedagogy and Arithmetic Skills at PS level and Science teaching at UPS level.
- Unified training calendar in collaboration with SCERT, SIEMAT and SSA.
- Rationalization of teachers training programme with the help of SCERT for teacher mapping and monitoring the impact of training in classrooms.
- Sharing good practices of teaching and learning assessment.
- Provision of essential teaching learning material to schools.
- Unified Professional Support from SCERT, UNICEF & CARE India for training module development.
- Free textbooks will be provided at the start of academic session to all girls and boys from classes I to VIII in 2014-15.
- Workbooks for language and mathematics for classes 1-5.
• Workbooks will be distributed in language and mathematics to provide additional opportunities for active learning to children of classes 1-5. This material will provide opportunity of self learning and enhance the reading, writing, comprehension and numeric skills of children. Class room will become more active, interesting & joyful environment.

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Persons with Disabilities in Indian Economy: Invisibilities and Concerns

Pooja Singh

Abstract—In recent times, persons with disabilities have been getting consideration of researchers from the sociological, anthropological and political studies but in economic studies persons with disabilities have been considered non productive and non valuable for the market due to disability who do not contribute to the country’s economy. Researches on disability and economics are largely confined around issues of poverty, employment and discrimination only. In contemporary times, disability community is increasing rapidly; fifteen percent of world’s population is having various kinds of disabilities. The paper raise the question that besides having so much disability population how can it possible, that disability community have not been making any kind of contribution to economy. Due to several factors their participation is limited but still growing. But research on their participation is invisible from the mainstream economic discourse. Moreover, the paper is aimed to understand in what ways persons with disabilities have been contributing to economy in the larger perspectives. What kinds of factors are hindering them from making contribution to country’s economy? Arguments which have made in the paper would try to change the notion of ‘non-productive member’ regarding persons with disabilities.

Keywords: Persons with Disabilities, Economy, New Market, Women with Disabilities

INTRODUCTION

Economic inclusion is significant in changing the status of persons with disabilities (PWDs) and participation in society as well. In the year 2007, India has ratified ‘United Nations Convention on Rights of Persons with Disability’. This legislation is first at the global level that makes provisions of equal opportunity and development of disabled people in all the arenas. It has fifty articles on different issues concerning to disability. It’s article number 27th advocates right to work and employment for persons with disabilities as “States Parties recognize the right of persons with disabilities to work, on an equal basis with others; this includes the right to the opportunity to gain a living by work freely chosen or accepted in a labor market and work environment that is open, inclusive and accessible to persons with disabilities. States Parties shall safeguard and promote the realization of the right to work, including for those who acquire a disability during the course of employment, by taking appropriate steps, including through legislation” (UNCRPD 2006: 19). In India, a new legislation ‘Rights of Persons with Disabilities Act’ (RPWD) has passed by parliament in December 2016. In the fourth chapter, article numbers 19th and 20th have provision related to employment of persons with disabilities. According to RPWD (2016: 9), “The appropriate Government shall formulate schemes and programmes including provision of loans at
concessional rates to facilitate and support employment of persons with disabilities especially for their vocational training and self-employment. No Government establishment shall discriminate against any person with disability in any matter relating to employment”. World Health Organization (WHO) estimates 15 percent of global population is having one or different kinds of disabilities. In addition, maximum number of disabled people has been living in India and third world. According to the disability census 2001, only 1.8 percent population is suffering from disability. New census on disability 2011 reveals that only small increase has noticed in the number of persons with disabilities with 2.21 percent. The reason behind this is that there is major gap in definition of disability that has adopted by Indian state and WHO. The definition adopted by WHO is a broad one as it includes many kinds of disabilities which India did not recognize. Moreover, disabled women have constituted approximately half of the population. India is the largest country with youth population but most of youth are struggling for their livelihood. Poverty is also very high which creates barriers in the way of empowerment of Indian youth especially youth with disabilities.

The paper aims to understand intersection between disability and economy with special reference to women with disabilities in India. Mehrotra (2013) has argued that persons with disabilities have marginal space in Indian economy and their invisible contribution is overlooked due to the negligence of economist. Taking her argument further I have explored existing scholarship but unfortunately there is no literature available in Indian context which informs about invisible contribution of persons with disabilities in economy. Research on economics and disability are mostly confined to the issue of disability and poverty, employment, discrimination in labor market etc. Moreover, role of women with disabilities in economy is almost negligible area of research which economists do not want to research on. Disabled people’s participation in market and economy is limited but it does not mean that they do not make any kind of contribution. Sociological and anthropological researches have clearly revealed that persons with disabilities do participate in work force inside and outside home but their contribution is not recognized by family, community and country at the macro level; also devalued by the state. The paper argues that in contemporary time, persons with disabilities have been making significant contribution to economy which needs to get attention in mainstream economic research.

Sociologists and anthropologists have been arguing that ‘disability is a part of human experience’ (Mehrotra 2013: 26). The concept of disability and its understanding is not uniform. It has several dimensions which vary according to the culture, socio-economic and political constructions. There is an ongoing debate on medical versus social understanding of disability. Within bio-medical discourse, disability is quantifiable and measurable therefore severity of disability has been defined for example; in India a person who has 40 percent impairment would be considered as disabled. Whereas, according to the sociological definition, disability is the construct of society. Disability advocates have taken up the disability issue to the forefront resulted in the emergence of international and national
non-government organizations working for persons with disabilities across world. This collective representation and social consensus have given the rise to jurisprudence on disability across world in the form of ‘United Nations Convention on the Rights of Persons with Disabilities’ (UNCRPD).

In India, cultural understanding of disability is largely derived from the theory of *karma*. Religious norms, values, beliefs and practices have been prevalent in shaping the understanding of disability. Disability has been seen as punishment of God. Psychological disabilities largely attached with demonic activity derived from superstitious beliefs of people. Mehrotra (2004) argues that cultural meaning of disability vary in different societies. Therefore it is important to understand the interpretation of meaning which people give to disability in various societies.

Ozawa and Yeo (2006) argue that low participation of persons with disabilities in labor market could affect economy in overall. They also analyze the role of government policies which has adopted in neo-liberal state. Globalisation of economy has been forcing the state to involve as much persons with disabilities as possible in the country’s economy. Therefore state has emphasized on rehabilitation of disabled people, their skill development and quality education. Harris *et al.* (2012) focus on parity in the participation of people in labor market. There is conflict and gap in implementation of international and national policies. Welfare state has shifted to liberal state in 1991 with the adoption of Liberalization, Privatization and Globalisation (LPG) and Structural Adjustment Programme (SAP). In policy reforms, policies related to disability have also adopted a right based approach within neo-liberal state which emphasis on free trade and market with the aim of highest economic solidarity. In what ways persons with disabilities have been significantly contributing to economy, it could be understood in four themes. These are:

- Persons with disabilities in knowledge based economy.
- Persons with disabilities and sectors of GDP; agriculture, manufacturing-infrastructure and service sector.
- Persons with disabilities and emergence of new market.
- Disabled women’s participation in household chores, child rearing and agricultural work.

**PERSONS WITH DISABILITIES AND KNOWLEDGE BASED ECONOMY**

Relationship between persons with disabilities and economy is one of the ignored issues in research. European Union has recognized the need of investment in human capital for productivity and competitiveness as it is clear that European economy is directly depend on well educated and skilled work force which could be able to bring socio-economic change. Suhrcke *et al.* (2005: 5) define that “In March 2000, the European Union’s Heads of State or Government came together to agree the ambitious goal of making the European Union ‘the
most competitive and dynamic knowledge based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion’. They highlighted the need to: create a knowledge-based economy and society, accelerating the process of structural reform for competitiveness and innovation; modernize the European social model, by investing in people and combating social exclusion; and sustain favorable growth prospects by means of an appropriate macroeconomic policy mix’ (also see Verma, 2015).

With the emergence of global disability rights movement, persons with disabilities have been started showing solidarity, advocating the right to education, accessibility and other issues. Disability activists and other disabled people have started writing their autobiography to tell the world about their needs and problems which were responsible for their less empowered lives. Gradually educated disabled social scientists started researching on the question of disability and explored lives of disabled people on diverse categories of disability such as children, women etc. These researches have given impetus to a kind of production of knowledge on diverse affairs of disability discourse. Gradually disability courses started in some universities of western countries. Disability courses in universities of third world are still in primary phase. In larger context, transfer of knowledge from west to east and across the world is invisibly linked with global economy for example stock of knowledge in the form of books and research is available in the market across world. How knowledge creates opportunity for the market? From developing countries every year several students have been migrating to western universities for quality education so that their knowledge would contribute to the country. This human migration is inevitably related to exchange of culture, money and technology so on and so forth. Disabled people are contributing to the larger society by creating stock of knowledge but their contribution is indirect therefore visibility in knowledge based economy is limited and unseen in most of countries.

PERSONS WITH DISABILITIES AND GDP SECTORS: AGRICULTURE, MANUFACTURING-INFRASTRUCTURE AND SERVICE SECTOR

A United Kingdom report on ‘disability and skills in a changing economy’ (Meager and Higgins 2011:14) focuses on how to create opportunity in labor market through capacity building and development of skills. The report reveals labor force survey data in the year 2010. In the United Kingdom, 33 percent disabled people do work in public sector such as administration, education and health sector, 18 percent in distribution, hotels and restaurants, 13 percent in banking, finance and insurance sector, 9.7 percent in manufacturing, 7.3 percent in construction and 1 percent in agriculture, forest and fishing, 1.7 percent in energy and water, 8.7 percent in transport and communication, 5.5 percent are involved in other services. In 2010, overall 72.7 percent disabled people had worked in private sector and 27.3 percent in public sector.
In Australia, a report on ‘the economic benefits of increasing employment for people with disabilities’ (2011) has revealed the fact that labor participation rate of persons with disabilities has increased from 54 percent to 64 percent, as a result, rate of unemployment has decreased. Other countries such as New Zealand and Nordic countries have already achieved a significant participation in labor market. In developed countries, rate of participation in labor market is more than developing countries. In India as per National Sample Survey Organization (2002) 26 percent disabled people in rural area had employment. According to WHO (2011) 37 percent disabled people are in various kind of employment. Mostly lower caste disabled people work as agricultural labor in rural areas. Like this in other developing countries such as Africa, South America, South-east Asia rate of participation in economic activities is less. But their contribution has been increasing.

In India, mostly in unorganized sector, disabled people are engaged in production of goods such as handicraft articles, woolen handmade clothes, flower garlands, beedi making, running own shop etc. Literature reveals that due to lack of skill development trainings disabled people have not been able to utilize their full capacity. Moreover, unequal distribution of economic resources such as unequal wages, employment, and opportunity to access resources are limiting their contribution in economy but it does not mean they do not make significant presence in country’s economy (Mehrotra 2013; Mitra and Sambamoorthi 2006).

Capability approach is significant in understanding relationship among freedom of choices and economic inequalities faced by persons with disabilities. For example, if any person has the freedom to make choice according to his/her capability they can influence economic structure to great extent. It is responsibility of state to expand and enhance freedom of choices for disabled people so that their capabilities could be increased and maximum outcome could be achieved. Sen (2005) defines poverty as key reason for deprivation in enhancing capabilities that creates inequality. There are few questions which need to get consideration of researchers in Indian context such as how many disabled people do participate in all sectors of GDP. What initiatives have been taken by the state to improve the participation rate? What about those disabled people who wander in trains, buses, streets to sell the products or do boot polish on roads? Are they also contributing to economy? Have economists ever counted their economic participation? Why political will power is limited for economic inclusion of disabled people. Indian Prime Minister Modi has launched a scheme \textit{Jan-Dhan Yojana} for economic inclusion of people who are deprived and marginalised. Would this scheme help to persons with disabilities? Merely opening an account in the bank would not consider as financial inclusion. Many disabled people who have been getting disability pension already have bank accounts.

\textbf{PERSONS WITH DISABILITIES AND EMERGENCE OF NEW MARKET}

Now a days, a new kind of market that focuses only on disabled friendly smart assistive devices and digital technology has been rapidly emerging which sees disabled people as key consumers. In addition, huge opportunities for this kind of market are available in global
south because one third of disabled people live here. The demand for disabled friendly technology, prosthetics, assistive devices, smart phone, kindles, and computers is at the top. Through this disability community indirectly contribute to the economy. Exploring relationship of disability and market, Donovan states "People with disabilities (PWD) are a large global market. With an estimated population of 1.3 billion PWD is an emerging market the size of China. Their Friends and Family add another 2.2 billion potential consumers that act on their emotional connection to PWD. Together, they control over $8 trillion in annual disposable income globally. Companies seeking new ways to create value for stakeholders have a strong interest in attracting the spending of this increasingly powerful cohort. From a public sector perspective, estimated $350 billion currently spent every year on services to PWD in the United States alone, and more than $135 billion is lost in tax revenue annually due to the limited utilization of PWD in the workforce. This represents a GDP impact of 3.35%, ignoring any multiplier effects. It is equivalent to a sum that exceeds that of total US defense spending" (Donovan 2013: 1-3).

In contemporary times, accessible touring is emerging as new phenomena in the digital world. In India, 'planet abled' provides opportunities for accessible tours across the country. There is need to understand and explore how disabled people influence the market and vis-à-vis in south Asian context. Moreover, how does this relationship influence the society?

**DISABLED WOMEN'S PARTICIPATION IN HOUSEHOLD CHORES, CHILD REARING AND AGRICULTURE WORK**

Economic inclusion have significant role in the lives of disabled women. Gendered division of labor has apparently defined the patriarchal role of men and women in society. men are considered breadwinner of family therefore they have to go out for earning livelihood whereas women’s role is confined to the house such as household chores, child rearing and home making. With the changing time this notion has also changed but a larger section of Indian society is following the old concept. According to Mehrotra (2004, 2013), in rural areas of Haryana disabled women are expected to perform all household tasks as other female siblings do. Disabled women also do agriculture work such as cutting of fodder, taking care of animals, and working in farms. In addition, work that has done by disabled women without being paid is not even counted by the men and non-disabled women. Besides it, there are several disabled women who are not allowed to do work by the family as Sutton (1972), Ghai (2003) and Klasing (2007) pointed out that disabled women are not allowed to go outside for work no matter if they are capable to work resulted in exclusion and marginalization and limiting opportunities for their inclusion in society.

Discrimination at work place, differences in wages, do not provide equal opportunity are major forms of suppression of disabled people especially women. Financial self dependency empowers disabled women. In developing countries many educated disabled women do not have full time employment in formal sector. Women who are working have to satisfy
themselves at the low wages. Ghai (2009) argues that women with disabilities who are working and earning money have high self esteem, living life with dignity and not depend on others for the fulfillment of their needs in compared to those women who are not involved in paid work. People are considered disabled when they are not capable to perform expected role given by the society. Mehrotra (2013) pointed out that if a person is doing all the work as other do then they do not consider as non-perfect. The idea of 'role for whom' is contestable because ability to perform any work could be differ from person to person.

Persons with disabilities are engaged in paid or unpaid work. Mostly men are involved in paid work while most of women do unpaid work for example household work like cooking food, cleaning home, fetching water, taking care of young siblings, child rearing, care of pet animals and washing clothes etc. Besides working full time, the contribution of disabled women is negligible. Women with disabilities who are well educated have little or no employment and their placement rate is very less also. In rural areas some disabled men and women also work in MGNREGA (poverty alleviation programme). But to what extent MGNREGA is facilitating work for persons with disabilities is questionable. As per the government data in the year 2016-17, only 0.29 percent disabled people have got employment in MGNREGA. Disabled people need vocational training to set up their own work or business. In rural areas there is no training institution where they can get vocational training. Apart from household work women are engaged in poor wages tasks like basket making, flower garland making, hand weaving, and envelop making (Bagchi 2008). Hans, Patel and Agnihotri (2013) argue that state should combine disability and gender budgeting so that schemes pertaining disabled women could be implement without any financial trouble.

FACTORS THAT PROHIBIT PWDS IN PARTICIPATING WORKFORCE AND ECONOMY

There are several factors which prohibit persons with disabilities from participating in labor workforce. These are issue of accessibility, identification of proper jobs, issue of education, caste, class and gender, poverty, lack of skill development and lack of political willpower in proving employment and proper implementation of policies so on and so forth. Ghai (2003, 2015) explores that gender bias inside the disability community. She points out that mostly, disability rights organizations have been run by men and women with disabilities do not get chance to led such organizations. In addition, disabled women who work in such organisation many times do not get cooperation from their male colleagues. Disabled women face oppression from disabled men and non-disabled women.

According to disability census (2011) dalits are more prone to disability than any other social category. Why dalits are more vulnerable to disability? Mehrotra (2013) broadly presents a clear picture of relationship between disability and dalits. Lower caste people do engaged in hazardous occupation and have limited accessibility to quality health care
services. In upper castes, more men are having disabilities as compared to females but, among dalits this difference is minor thereby, men and women are equally vulnerable to disability.

Very few disabled people get higher education, Singal (2007) and Jameel (2011) argue that numbers of disabled women who are in higher education are very low than the disabled men due to the limited accessibility to education and physically inaccessible infrastructure of education institutions. For example, reading materials in Braille form is not easily available for visually challenged students. This facility is available only in few universities of India. When it comes to availability of reading materials in regional languages it is totally absent. Nowadays, visually challenged students are using computer but it is only helpful for those students who are trained in computer and knew English language. These facilities are not very much useful in rural areas because students are not trained in computer; do not know English language too. Assistive devices for making education and other things accessible are best tools for increasing maximum efficiency of disabled people. But majority of disabled persons have no access to advance devices due to its high costs. Whatever assistive devices supplied by the government that is of low quality often and out of reach of mostly disabled people. World Health Organization report on disability (2011) reveals that in the year 2005-2006, only 0.05 percent finance was released for institutions, NGOs, government for providing services to persons with disabilities.

Poverty is a major cause of disability, associated with lack of accessibility to resources, creates maximum chances of having diseases, malnutrition, less education, unemployment and poor living conditions etc. Agencies that are responsible for the development of persons with disabilities have been paying little attention (Mohapatra 2004; Nagata 2007). Issues related to disability especially gender issues are invisible from the main policies (Sonpal and Kumar 2012). Allotted resources are being enjoyed by men with disabilities, and women are denied the benefit (Hans, Patel and Agnihotri 2013).

CONCLUSION

The present paper is an attempt to show that persons with disabilities have also significant contribution to the economy and factors which are responsible for their limited participation in economy. Four themes have defined to underpin the key argument of the paper. It has clearly established that the contribution of persons with disabilities have been increasing gradually. Disabled people are creating knowledge based society that is also inevitable part of intellectual market. By participating in agriculture, manufacturing, service sector disabled people making significant contribution to the country's gross domestic product. Nevertheless, it is true that maximum persons with disabilities have been working in informal sector therefore it is hard to measure the accurate statistics on the pertaining issue. There are provisions in the UNCRPD and RPWD to provide work and employment to disabled people without any discrimination. But there are factors that curtail the chances to work. Although, state has initiated several programmes for the development of disabled people but these initiatives are insufficient. Moreover, non-government organizations also
work to advocate rights of persons with disabilities but due to limited funds their efforts are also limited.

Social scientists have not much paid adequate attention to this question. Researches on disabled people and economy revolved around discrimination, deprivation, marginalization, and poverty etc. It is not only this issue is ignored but also other issues such as disabled people’s contribution to family, community and society are at side corner. No doubt discrimination and marginalization issues are very much important but at the same time other related aspects are also significant. Why contribution of persons with disabilities especially women are invisible in the mainstream economy, what are factors hindering their contribution, what is the capitalists notion and political wisdom behind the work participation, are disabled people really unproductive member for the market and society. These are some questions that need to be explored in future research.

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Demonetization and Remonetization Coexistence: Theoretical Implications in Recent Indian Context

Deepanjali Das\textsuperscript{1} and N.M.P. Verma\textsuperscript{2}

Abstract—The fight against corruption led recent demonetization cum remonetization drive sent shock waves throughout the economy. In an already low-inflation score, the movement brought about serious short-term economic standstill by December-end post shunning the country with 86\% of high denomination notes. It brought about illiquidity in the economy and reduced the purchasing power of consumers, bringing down the consumption demand. This paper aims to bring in locus the last four quarters macro-economic data ranging 2016-17 and focus over impacts on money supply-oriented factors. Based on the theories, the aim of the study is to sum up the short-term and medium-term ante- and post-effects over inflation as well as the output level.

Keywords: GDP, High Powered Money, Inflation Rate, Direct Tax Coverage, Tax Revenue

INTRODUCTION

After the era of closed economy of planned economic development phased out, India underwent a major 25 years old economic reform process. The realization of the need to ease the control over the economy, though witnessing a lack of fundamental restructuring, growth picked up and India took up a place in the major market economies in the world. Removal of too much state intervention, initiation of tax reforms, growth in FDIs, largely the service sector cleared out government’s micro-management benefiting from the freeing controls on industry and financial sector.

Tax rationalization has been one of the megahits of the reforms process with large number of exceptions and concessions underlying the loopholes increasing the complexity of tax structure. This came with a fillip to some sectors while reducing government’s revenue shifting the burden to other non-exempt group, inspiring lobbying by vested interests. This viable liberal economic environment have provided impetus to people to hold large amount of cash, in response to which the authorities acted by reintroducing high denomination notes like 500 notes in October 1987 and 1000 notes in 2000.

The bold step of demonetization was accounted against the galloping rate at which these notes have been burgeoning in circulation in the last five years; 500 notes rose by 76\% while 1000 notes ballooned by 109\% over the 2011 numbers, as confirmed by Shantikanta Das (Economic Affairs Minister). It was to check the menace of black money inclusive of restricting the use of cash for high value transaction, very likely a new move to ensure that money flowed in formal system towards making India a cashless economy and bringing illicit wealth back in the system. The democracy is expected to be strengthened if such exercise sustains periodically along with other fiscal sector reforms such as GST. The following is the theoretical upshot of the move over the inflation rate as well as the output level.

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LITERATURE REVIEW

Backwash effects of the 1978 exercise were actually erratic. The much-cited Wanchoo Committee Report painted the black economy as a pervasive and growing phenomenon as far back as 1971. Similarly, the Uttar Pradesh Taxation Enquiry Committee (Government of Uttar Pradesh, 1974) had estimated that in 1965–66 and 1969–70 sales tax receipts were only 42 and 60 per cent respectively of the estimated tax potential. National Institute of Public Finance and Policy in their 1983 survey of Estimates of Black Money also led to a report on Aspects of Black Money in 1985. Wealth accounting is notoriously difficult and one is not surprised that CSO does not publish the national estimates of national wealth analogous to the estimate of national income and output.

A paper by Allingham and Sandmo (1972) on tax evasion states that compliance depends on its expected cost and benefits. Benefits arise from marginal individual tax rate (which is avoided) and the true individual income (inclusive of the non-declared). Costs arises from the deterrence measure adopted by the state in the forms of fines and penalties, determining probability of detection and adding a psychic costs (bringing the role of individual morality) beyond pure punishment by tax administration in the form of shame. Trade barriers, labor restrictions reduce freedom of choice. Legal and administrative requirement in India, such as registration, compliance cost per worker is often high for small companies. Furthermore, filing of forms, payment of tax, shows complexity and education is the most significant determinant of non-compliance (Chittenden et al., 2002, 2003; Hansford et al., 2003; Hart et al., 2005; Michaelis et al., 2001; OECD, 2000).

The same interaction of tax morale and deterrence was supplemented by Feld and Frey (2007), where if taxpayers sense that the public goods received in exchange of the tax paid and political decisions taken regarding public activities are worth the costs done under fair procedures, tax morale will increase and influence the size of black economy.

Thus, a potential way forward is fundamental overhauls of tax systems, under which, fair political and constitutional system, conducive to efficient market economy will exude advantages. Social amnesty can also be a way to tackle black money which would allow undeclared activities to gradually move towards legitimization over a transition period of, say, two years, without involving any sanctions. Demonetization is a form of deterrence in practice. Andreoni et al (1998), found deterrence matters to a degree for tax evasion but little evidence regarding shadow economy. With the accessible data on fines and penalties of Germany by Feld et al. (2007) conducted a time series analysis on German shadow economy and found no consistent effect in its shadow economy while Pedroni (2003) observed a negative effect of deterrence on Germany for the year 2001 and especially for women in 2004–07. Overall, there seems to be some evidence of importance of deterrence but it is difficult to state the case strongly.

Johnson et al. (1997) reports evidences of larger shadow economy in countries of higher regulations determining burden on firms and individuals and driving them towards shadow economy. Friedman et al. (2000) landed on the same conclusion. Regulation leads to substantial increase in labor cost which is shifted to employees to lower wages which incites people to work illegally. Due to restrictions for immigrants to work will shift to such market. Johnson et al. (1998a, 1998b) in his model found smaller shadow economy occurs in countries with higher tax revenues achieved by lower tax rates, fewer laws and bribes. India is consistent with “bad equilibrium” of relatively high tax rates and regulatory burden, weak law rule, high discretion level, large unofficial economy and high incidence of bribery.
Obtaining insurance, establishing formalized employment relations, and advertising can be difficult when not registered. In which way one looks, level of taxes are drivers of black economy. If government keeps tax rates lower, shadow economy will be smaller and educate people to cultivate ‘tax morale’. Tax morale is the phenomenon by which there is a greater tendency to declare income and pay taxes if taxpayers believe that the tax system is broadly fair, that others are paying their fair share, and so on. It is highly likely, of course, that good governance will increase tax morale. This vicious circle can be reversed and turned righteous if right policies are pursued. Thus, a wider policy agenda of fewer regulations to formalization and lower taxation are policies conducive to smaller black economy.

Black money flows through a separate channel supported by a well-evolved infrastructure to handle it. Tax shelling, tax shelter, tax evasion and such, racks up poverty plumage in the form of shortage of India’s wealth. But money is just analogous to blood and should circulate. As long as the blood spreads sans obstructions, stronger is the body, else paralyzed. In the same way society becomes richer and richer when we allow money to propagate. Rich people of India hoard wealth and we wonder why businessmen of India are not productive. To some people, shadow economy exemplifies free economic activity at work and tax affects labor-leisure choices. Greater is the difference between total labor costs and after tax-earning from work, greater is the instigation to reduce the cram by working in shadow economy. When economic activity enters shadow economy it creates arena of “Laffers effect” whereby tax revenue falls with increase in tax rate. Moreover, it also signals that tax rates are higher for those in legal economy. In a country where a government is habitual in spending and borrowing more and more, the existence of such economy hampers its policies.

1978 AND 2016

Reminiscing the previous experience, when the then Finance Minister H. M. Patel under the approval of President of India, called for the promulgation of High Denomination Bank Notes (Demonetization) Ordinance on 16th January 1978 demonetizing Rs. 1000, Rs. 5000, Rs. 10000 currency notes with the objective of eradicating “the possible use of such currency notes for illegal transactions” (RBI 1977–78: 77).

<table>
<thead>
<tr>
<th>Total Notes as on January 1978 (Crore)</th>
<th>Notes Bid for Conversion to RBI (Crore)</th>
<th>Amount Passed for Exchange in Lower Denomination (Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total value of HD notes</td>
<td>145.42</td>
<td>124.45 (85.6)</td>
</tr>
<tr>
<td>HD notes held: By banks and government treasuries</td>
<td>64.94</td>
<td>64.94 (100)</td>
</tr>
<tr>
<td>By public</td>
<td>80.48</td>
<td>59.51 (73.9)</td>
</tr>
</tbody>
</table>

Source: Reserve Bank of India, Annual Report 1977–78, p 38
Figures in parenthesis are a percentage of total notes in January 1978.

In the 1978 era of demonetization, 45% of the HD notes in circulation were held with the banks and government treasuries and not with the public in stark contrast to the current era when just 5% of total notes in circulation were with banks which brings 95% within the public hold. Disarray between the two demonetizations is the motivation behind the actions undertaken. This time it is the acknowledgment of fake currency growth in higher denominations, however, it should noted counterfeit currency generally constituted less than 0.002% of the notes in circulation.
MONEY SUPPLY THEORY
Reserve money ($M_0$) is the base money which composes of circulating money with the public and deposits with RBI. Broad money ($M_3$) comprises DDs and TDs in the banks along with $M_0$. We have these two monies- one is cash and central bank reserves and the other is one multiplied by Velocity of money and actions of the banking systems. According to Fisher’s quantity theory of money representing relation between quantity of money and price level ($MV=PT$), Velocity of money is the ratio between GDP and money in circulation. RBI estimates this ratio to be 1.3 for India. However by money, it does not mean the cash we exchange for day-to-day transactions (part of something called high powered money), but instead it is Broad Money where you include bank deposits, post office saving deposits and financial savings. As a result of demonetization, we are removing a portion of base money out of system, simply tantamount to the sum vanishes due to the cash scrapping will decrease money supply which is contractionary upon the economy (Verma, 2013, 2017).

MONEY SQUEEZING EFFECT
Short-run effects of monetary contracting demonetization–Keeping Figure 1 into consideration, a decrease in the nominal money pulls money supply to its left, where we get a new equilibrium interest rate. This is reflected in the upward shifted LM curve where money market is in equilibrium in a higher interest rate. In the IS/LM model, taking IS curve constant, the goods and money market will be at equilibrium at a lower output level, reflected in the inward shift of the AD (left) curve below.
Now if we take AD-AS curve at an equilibrium state, output \((Q_1)\) is at natural level and price expectation is at level with actual prices at \((P_1)\). Post demonetization drive, AD shifts left and we come across a lower equilibrium level of output \((Q_2)\) and price expectation \((P_1)\) running above actual prices \((P_2)\) (Fig. 1). But the onset of the supposed money squeezing drive could only be met if monetary authorities do not compensate the withdrawal of cash with apt increase in the reserves with the commercial banks, leading to credit creation. Hence, its an act of remonetization. This would have otherwise created an environment of higher demand.

For the support of the demonetization-oriented objective, the RBI increased the limit of MSS bonds from 300 billion to 6 trillion so that the high denomination notes transferred from the private sector to banks could not go to their excess reserves, for otherwise it could have raised the money supply. In terms of simple functional form

\[
M = \frac{H + l}{C/M + R/D - C/M \times R/D}
\]

Where \(M\) = money supply, \(H\) = High powered money, \(C\) = cash with private sector. \(R\) = reserves with the banks and \(D\) = deposits with banking sector.

Following the demonetization drive, MSS bonds reserves were taken away from banks, thereby reducing both \(H\) and \(R/D\), reducing money supply in the short-run. It is also conjectured by media reporting that transaction cost of money increased in aftermath the demonetization measures as people had to stand in the long lines and had to run around for cash at ATM machines etc. This follows the quantity theorem argument in the form

\[
M_d = f(r, t_c, Y)
\]

Where \(M_d\) = money demand, \(r\) = rate of interest, \(t_c\) = transaction cost and \(Y\) = total income (legal + black income)

As per Quantity Theory, this would lead to increased money demand at the short run but to counteract, the government introduced a rationing scheme so that any individual had to be content with a fraction of his demand for cash.

### Table 2

<table>
<thead>
<tr>
<th>Deposits Aggregates (In Millions)</th>
<th>Region-Wise</th>
<th>2016-17 Q1</th>
<th>2016-17 Q2</th>
<th>2016-17 Q3</th>
<th>2016-17 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>9,330,942</td>
<td>9,920,682</td>
<td>11,460,913</td>
<td>11,290,108</td>
<td></td>
</tr>
<tr>
<td>Semi-Urban</td>
<td>14,567,137</td>
<td>15,386,390</td>
<td>17,455,814</td>
<td>17,377,191</td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>19,554,608</td>
<td>20,771,606</td>
<td>22,466,907</td>
<td>22,667,562</td>
<td></td>
</tr>
<tr>
<td>Metropolitan</td>
<td>52,036,132</td>
<td>54,886,718</td>
<td>54,815,265</td>
<td>56,179,526</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>95,488,819</td>
<td>100,965,396</td>
<td>106,198,899</td>
<td>107,514,387</td>
<td></td>
</tr>
<tr>
<td>Percent change (%)</td>
<td>5.7353071</td>
<td>5.183462</td>
<td>1.2387021</td>
<td>1.2387021</td>
<td></td>
</tr>
</tbody>
</table>

Source: RBI, Database of Indian Economy, Statistical Tables relating to banks.

### Table 3

<table>
<thead>
<tr>
<th>Credit Aggregates (In Millions)</th>
<th>Region - Wise</th>
<th>2016-17 Q1</th>
<th>2016-17 Q2</th>
<th>2016-17 Q3</th>
<th>2016-17 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>6,045,756</td>
<td>6,259,390</td>
<td>6,317,309</td>
<td>6,413,189</td>
<td></td>
</tr>
<tr>
<td>Semi-Urban</td>
<td>8,340,480</td>
<td>8,734,907</td>
<td>8,705,220</td>
<td>9,292,800</td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>10,355,498</td>
<td>10,798,662</td>
<td>10,732,128</td>
<td>11,462,629</td>
<td></td>
</tr>
<tr>
<td>Metropolitan</td>
<td>47,726,482</td>
<td>54,886,718</td>
<td>49,205,075</td>
<td>52,101,410</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>72,468,216</td>
<td>75,178,857</td>
<td>74,959,732</td>
<td>79,270,028</td>
<td></td>
</tr>
<tr>
<td>Percent change (%)</td>
<td>3.7404</td>
<td>-0.291472</td>
<td>5.7501486</td>
<td>5.7501486</td>
<td></td>
</tr>
</tbody>
</table>

Source: RBI, Database of Indian Economy, Statistical Tables relating to banks.
The deposits and credit scenario was somewhat bleak with deposits rates reducing followed by no further upward changes in the credit rates either. The above seems corroborative if we look at the above deposits aggregates proportion (Table 2) to post demonetization. But if we look over the credit aggregates (Table 3), even at a low lending rate, there is a positive change in its volume. There is a 5.75% increase in credit lending.

**Medium and Long Term Effects of Demonetization**

Emphasizing on the diagram below, following the money squeezing which led to a fall in aggregate demand to \( AD_2 \), the productivity level also falls along with the actual prices. As revealed in The Economic Times, RBI articulates that how almost all the currency found its way back to the banking system. The RBI says that out of the value of currency demonetized i.e. 15.44 L Cr, the estimated value of SBNs (Specified Bank Notes) received as on June 30, 2017, is 15.28 L Cr. And moreover with not so potential kick in credit creation if totaled against volume of notes scrapped (rationing by government and lack of investment opportunities), the economy experiences a clear downward shift in \( AS \) to \( AS_2 \).

![Fig. 3](image)

The forthcoming consequences would be fall in prices and increase in output level but not to the natural level of output. The economy will experience decelerated economic growth, albeit a quality growth.

![Fig. 4: Currency in Circulation 2016–17](image)
Table 4

<table>
<thead>
<tr>
<th></th>
<th>Financial Year</th>
<th>Year-on-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015-16</td>
<td>2016-17</td>
</tr>
<tr>
<td>Currency with the public</td>
<td>1310.9 (9.5%)</td>
<td>-684.7 (-4.3%)</td>
</tr>
<tr>
<td>Demand Deposits with the banks</td>
<td>199.8 (2.2%)</td>
<td>1879.7 (19%)</td>
</tr>
<tr>
<td>M3</td>
<td>8701.5 (8.2%)</td>
<td>5384.9 (4.6%)</td>
</tr>
</tbody>
</table>

Figures in brackets are percentage of variation over previous year.
Source: RBI, Press releases

Now if we will look at the same model where by the end, price adjustments will take us back to the initial equilibrium position, with the completion of the full process of remonetization over time, price expectation will decrease and AS will shift downward and we are back where expected prices is equal to actual prices and output is at natural level. The only difference is that now price is lower, as a lower output in the short-run has put downward pressure on the prices through a series of events. When wage workers realize that actual prices are lower to price expectation, bringing down their wage bargain which will be reflected in lower costs of firms and passed on to their setting a lower price for the same amount of output. Figure 2 and Figure 3 compounds the impact on interest rates. Lower prices signify an increase in real money stock, which will bring down the interest rate as well as LM curve where output is at natural level, at the same interest rate. This largely concludes, a lower output, a fall in prices and rise in interest rate in the short run. And a natural level of output, fall in prices and no interest rates in the medium run.

**Upsurge in IT Returns**

As accounted in the statement of Central Board of Direct Tax, the returns files by individuals jumped 25% higher in the corresponding period of 2016-17. The seizing of 18 lakh account occupants whose deposits does not match their income profile bourgeoned the I-T returns by about 55 lakh. The double digit increase in tax collection is an upshot of the formalization of the unorganized sector precipitated post demonetization drive since the wholesome growth is despite the economy pounded by a temporary November’s cash crunch. The Income Disclosure Scheme 2016 forced unscrupulous individual to enter the income tax net evident in the number of ITR filings increase from 43.3 million to 52.9 million between FY2016 and FY2017. Macro projections in the Economic times predicts a higher capital spends of the government, helping bringing down the fiscal deficit to 3% of GDP and lower the revenue deficit to 1.4% of GDP by FY20. Moreover, the medium-term expenditure framework releases data showing a rise of 30 bps in the coming FY19 and FY20 where the major gainers would be the education and health sector. Hence, the GST and surveillance measure encouraged by the government over the following two years will surely boost the tax-to-GDP ratio close to 12% respectively.

**CONCLUSION**

The CBDT has taken punitive action against the tax evaders in favor of the campaign ‘Operation Clean Money’ behind November drive. The consequential money squeezing demonetization drive will bring forward an abatement of prices followed by demand
moderation. Thus a supposed low inflation rate is ascertained. With lesser money in circulation, a high velocity of money brings forward a larger money size in formal banking system through deposits and better credit creation. Such a screenplay will devitalize the corruption cycle and invigorate a larger tax base. Government efforts in this direction was active with the setting up of SIT, enacting foreign black money law, Income Declaration Scheme, Benami Law, Excise duty on gold etc. which came as a determined plea to force individual to report unaccounted income. The action of demonetization proceeded logically. The additionally generated revenue can be directly distributed to people across the country using Aadhaar and JAM trinity whose elements are already falling into place to prevent duplication and leaks, it could happen to be a single poverty eradication measure ever in the country.

Even though unmistakably, there is a quarterly drop in economic growth from 6.1% in January-March 2017 to 5.7% in April-June period in the short run, nonetheless, the growth comes as ‘quality’ growth tampering black economy and proliferating tax revenue.

REFERENCES

Impact of Demonetization on Digitalization and Parallel Economy of India

Madhulika Singh1 and Vimal Shankar Singh2

Abstract—Demonetizing the high value currency notes of Rs. 500 and 1000 has been considered as a crucial step from government of India. The reason given behind this step was to curb corruption, counterfeiting, and to stop the use of high value notes for funding of terrorist activities. This step comes with short term cost such as moderation in economic growth, disruption of trade, reduction in activities in informal sector, and disturbance in supply chain, while long term benefits includes better tax compliance, enhanced transparency and digitalization. Several steps have been taken to minimize the mentioned short term costs and to capitalize on the long term benefits. In this manuscript, we have tried to explain the impact of demonetization on combating parallel economy, and enhancing the digitalization in India. The present work is based on secondary data, is descriptive and analytical in nature. The study suggests that in long term demonetization will be fruitful in reducing corruption, adopting digitalization, and formalization of the economy and making the society better in GDP, with clearer ethics.

Keywords: Demonetization, Parallel Economy, Digitalization, Black Money

INTRODUCTION

Demonetization is an act of stripping a currency unit of its status as legal tender which a bring recession (Verma 2013), and it is performed by replacing old currency with new one. There are lots of causes for a nation to demonetize its currency. It may be fighting against black economy, promoting cash less economy or combating to the inflation. In the process of demonetization a country either replace the old currency with new one or introduce new currency or notes with the same value. On the eve of 8th November 2016, the government of India (GOI) has taken a radical step in economic environment by declaring 500 and 1000 rupees currency as illegal tender and with introduction of new currency value of 2000 and replacement of 500 notes with new one. This news stunned everyone as it was unexpected, unprecedented and unscheduled momentous announcement by the GOI. Citizens were suggested to deposit the existing notes by 30th December 2016, while restrictions on cash withdraw was introduced to insure the availability of cash for everyone. According to GOI1, step of demonetization will help to curb corruption, counterfeiting, and the use of high denomination notes for terror activities and to fight against the black money. This action raised the debate on demonetization’s impact on the economy. Various short and long term cost and benefits is the most discussed topic among the economists. Till now six months of

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Demonetization has passed and the short term panic and discomfort almost disappeared from the economy. Now it's turn to assess the long term advantages in future. The purpose of the paper to assess how demonetization does impact Indian economy particular through two ways promoting cash-less payments, reducing parallel economy through enlarging formal sector. The paper has been divided into three parts. First one gives short introduction about the topic, second one discusses the impact of demonetization on digitalization and on parallel economy of India. Third and final part of the paper presents conclusion.

OBJECTIVES OF THE STUDY

- To review the short term and long term impact of demonetization in India.
- To analyze how demonetization help in digitalization and curbing the parallel economy.

DEMONETIZATION IN INDIAN HISTORY

In India, according to the Reserve Bank of India (RBI) Act 1934, the central bank of India (RBI) is solely responsible for currency management throughout the economy. Demonetization is not unprecedented in Indian economic history. There were two examples one in 1946 and second one in 1978.

- The first move of demonetization was in 1946, in which rupee 1000 and higher denomination currency demonetized.
- According to the RBI data the higher denomination currency of Rupee 1000, 5000 and 10,000 reintroduced in 1954 and again demonetized in January 1978.

DEMONETIZATION’S IMPACT

As stated above demonetization is discontinuing the current currency units and replacing the old currency with new one into circulation. It causes some short term pain with long term gains. They are as

<table>
<thead>
<tr>
<th>Short Term Cost</th>
<th>Long Term Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.D.P growth decline as demonetization reduce the demand &amp; supply and increase uncertainty.</td>
<td>1. G.D.P will increase in long term if corruption decreases and formal sector increases.</td>
</tr>
<tr>
<td>Collection of income taxes rose because of disclosure of money.</td>
<td>2. Tax may increase as formal sector expand and tax compliance increases.</td>
</tr>
<tr>
<td>Uncertainty increased as households and firms were unsecure of the economic impact of demonetization.</td>
<td>3. With remonetization, credibility will be strengthened.</td>
</tr>
<tr>
<td>Digital transaction payment increased</td>
<td>4. Digital revolution will continue greater digitalization of the economy.</td>
</tr>
</tbody>
</table>

DEMONETIZATION AND DIGITALIZATION

One of the main opportunities being offered through the demonetization is to create a less cash economy by enhancing digital payment. This would help channel more saving channeled by improving formal financial systems and tax compliance too.

According to the Watal committee, 68% of consumers in India carry cash. The committee gives four key reasons to adopt digital payments:

- Carrying cash is expensive.
- Advancement in technology that delivers robust, secure, and convenient payment solutions.
- Digital payment provides services at lower cost with greater accessibility that helps in financial inclusion.
- Demonetization created an inducing environment for digital payment.

India’s preference for cash as an instrument for payment is justified with its GDP ratio of 12.04% and is higher than comparable countries. Due to this preference, India suffers a huge cost of bearing cash. The study of the Institute for Business Global Context estimated the cost of imposing cash is almost 21,000 crore INR, which includes various operations of currency such as printing of new currency costs, cost of currency chest, cost of maintaining and supplying ATM networks, and interest rates. Besides, huge cash in the economy causes counterfeiting currency and black economy. It is estimated that bearing cash costs 1.7% of GDP in 2014–15. Digital payments bring down the cost of cash. A report showed that investing 60,000 crore INR in the digital payment ecosystem for five years, India would be able to reduce the cost of cash from the present level of 1.7% to 1.3% of GDP.

But the advantages of digital payments are not well known to everyone. People are not efficiently communicated with the use and benefits of digital payments. It has been found in a field survey that even being aware of the cost of carrying cash, people prefer to use it as they thought; cash offers freedom to negotiate, faster settlement, and ensuring exact payment.

In order to promote facilitations of digital payments, the government of India has taken various steps. They are as:

- Launch of BHIM (Bharat Interface for Mobile) app for smartphones that work on the basis of Unified Payment Interface (UPI), enabling interoperability of digital transactions. Now people can use their smartphone for quick and easy payment.
- Encouraging the adoption of Point of Sales (POS) devices through tariff reductions.
- Tax benefits have been offered for promoting digital transactions.
- Launch of Aadhaar Merchant Pay that links the Aadhaar number and bank account to make merchant payments through his biometric identification. This will enable those people to make digital payment, who do not have a phone.
It has been recorded that digital transaction has been increased after demonetization on 8th Nov 2016. It helps the people to realize that financial activities through electronic payments are not only convenient but also feasible. Now more people and households prefer to use digital payment. A study said that there is about 21 percent increase in digital transactions after 8th November 2016.

DEMONETIZATION AND PARALLEL ECONOMY

As, it is known that parallel economy is an unsanctioned sector in the economy whose objective run parallel and in contradiction with the objective of official or sanctioned or legitimate sector in the same economy (Raja ram 2006, 577). This is not the first time that government of India demonetized the high value currency to combat the parallel economy. In 1946, India demonetized its currency. But the result was not successful as only a small proportion of the total values currencies in circulation were demonetized (1, 235, 93 crore). Second attempt was in 1978, when Rupee 146 crore that was 1.7 % of total circulation currency was demonetized. This was only 0.1% of GDP. Thus the impacts of these efforts were negligible to the economy. However, Economic survey 2016-17 the 2016 demonetization covered about 86% of the total currency, which estimated (17,742 billion) 11% of GDP. High currency value is related to corruption because it is easy to carry and store rather than smaller denomination or other stores of value such as gold (Sands, 2016; Henry, 1980; Summers, 2016; Rogoff, 2016).

India is cash intensive economy. It shares 12 percent to GDP in 2014-2015. It is assumed that every cash is not for legal transaction purpose. Some of that can be used in other illegal activities. According to the transparency international report there is strong relationship between cash and black activities. Higher the cash in circulation create higher risk of corruption.

The most recent estimate of India’s parallel economy is nearly 26 % of country’s GDP. This means that about one fourth of Indian economy is unaccounted. In its report Mckinscy & Company described that preference for cash use for transaction supports the growth of parallel economy as well as hinders the path of digital economy. According to the PwC report 2015 98% of all transaction by volume happens in cash and 68% of the total values of transaction are conducted in cash. There is large informal sector in economy that constitutes 45% of GDP with 80% of employment generation; this large section of economy works in cash. Demonetization offers various tools to curbs the black money as tax compliance, enlarging formal sector etc.

DEMONETIZATION AND TAX COMPLIANCE

Demonetization helps in tax compliance, due to increase of disclosure. During the period (Nov-Dec 30, 2016) some rules have been announced by the government of India regarding depositing cash into banks. The person with white money easily deposited their money in bank but the black money holder faced three problems while depositing their money. As
They have to pay penalty rate for their unaccounted wealth.

If they did not convert black money, the tax rate penalty would be 100 percent.

And, if they laundered their black they have to pay cost for converting the money into white.

Thus tax evasion will not be tolerated and accepted anyway. There are two sanctions that forced the evaders to disclose their income. First, one is financial penalty and second one is social condemnation. In future they might decide whether to pay regular tax or sudden penalty tax. Thus it would impact the holding of black money.

And the another impact is on tax administration, as moving towards the digital payment system, it would aid to expand the formal sector and tax GDP ratio in economy.

Apart from this, demonetization will help in taxation on informal savings. As due to demonetization the cash deposited in banks has increased and it is expected that in future much of the deposited cash would be taken out but surely there would some deposit be kept. This primary deposit created credit multiplier effects. Further, that enables banks to offer loan at lower interest rate. This will certainly lead the growth of the economy.

Before this, government has made easy to open account. Banks account now can easily be opened. Ru-pay and other cards are easily accessible, enabling payment through mobile, Adhar card now accepted as proof of identity. So there is no excuse for transacting legitimately.


But it should not be forgotten that demonetization is not only solution to fight against black economy because only a small proportion of black money is in cash form. It does not have any impact on the other form such as gold, property investment. Now, people avoid keeping cash for long time, they prefer to convert it into other stores of values. Better implementation of policies and plans are another factor that should be considered seriously. Sukata Sarkar (2010) in his study “The Parallel Economy in India: Causes, Impacts & Government initiatives” described that the main cause of black money in India is the political system i.e. Indian government itself. Because, much of the focus of the government always only on forming the committees rather than implementation of it. The study further suggested that law should be implemented properly to control black money in economy. Thus, demonetizations cover only one part of black money, not all. There is need to focus on plans and polices to abolish it.

CONCLUSION

Though it had caused inconvenience and panic in short term but it is expected that in long term demonetization would be able to enhance the digitalization and reduce the parallel economy in India. That would make India better in Gross Domestic Product (GDP), clearer ethics and
cleaner economy in the world. Even demonetization is highly innovative way against black money and promoting digitalization but it is only one time effort, it is not all time solution. As only a smaller proportion of black economy is stored in cash form and secure e-payment security educating the mass to use of safe digital payment are major challenges in future.

REFERENCES

Impact of Demonetization on People: A Short Run Perspective

Shailendra Kumar Verma¹ and Pashupati Nath Verma²

Abstract—In recent past, decision for demonetization had been taken by Indian Government. Several media reports in news channel suggested that people have been affected hoarsely due to government’s move of demonetization. The idea behind demonetization was to seize black money, fake currency and terror funding. In present paper we are interested in determining the effect of demonetization on people. For this purpose we surveyed and explored a sample of residents of Faizabad district by using questionnaire. It has been found in the study that despite difficulty in routine life people have supported the demonetization.

Keywords: Demonetization, Cashless, Transaction, Primary Data

INTRODUCTION

On the 8th November 2016, people are shocked when prime minister announced that Rs. 500 & Rs. 1000 currency note have no legal tender value with the immediate effect and these currencies can be exchanged or deposited in the bank up to 30th Dec. 2016 and thereafter can be exchanged from RBI up to 31st March 2017.

This announcement leads to immediate adverse effect on daily economic activities and the SENSEX plunged by 1689 points on the next day.

The basic idea behind demonetization was to unearth the hidden black money, to restrain corruption & terrorism and also to control over fake currencies. This was really an appreciable initiative by prime minister.

But unfortunately due to lack of proper planning and mismanagement in the arrangement of sufficient supply of alternative currency makes the situation alarming in the entire country. People with long queues were standing in front of the banks and ATM’s for withdrawing their own money.

The majority of people standing in the queues belong to lower middle class and poor class of the society and they were facing the entire rigor of life? Few of them died in these long waiting queues and few committed suicides as reported by various media houses.

Several media reports in news channels suggest that people have been affected hoarsely due to government’s move of demonetization and creating a bad image of the government on this issue. But researchers have questioning these media reports as they have not found such kind of life threatening worse situation and have doubt that the media has some vested interest in propagating such kind of reports.

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E-mail: ¹pashupatinverma@gmail.com
We have nothing to do with media’s vested interests, if any, but we are interested in determining the effect of demonetization on people. For this purpose we surveyed and explored a population of Faizabad district by using questionnaire. Purpose of the current study is to determine the impact of demonetization on people Faizabad district.

**RESEARCH OBJECTIVES**

- To know people’s perception that why government has done demonetization.
- To know that how much public is supporting government on demonetization.
- To know the level of effect of demonetization on the public.
- To know the ways demonetization has affected the people directly.
- To know people’s perception about achievement of demonetization’s Objective.
- To know and compare number of monthly withdrawals pre and post demonetization period by individuals.
- To check and compare time spent in subsequent withdrawals after demonetization.
- To know that how much cash people keep with them across the various social economic classes.
- To know that if there is any change in withdrawal habit due to demonetization.
- To know the shortage of cash for household expenditure during demonetization.

**RESEARCH METHODOLOGY**

*Type of Research:* Current study is an empirical exploratory study to know the impact of demonetization on people.

*Data Collection Instrument:* Interviewer administered questionnaire

*Sampling Method:* Although we have used convenience sampling but in our sample, no socio economic class has been ignored or over emphasized so that actual population can be fairly represented by sample.

*Sample Unit:* Chief wage earner of the household in Faizabad district.

*Sample Size:* 78 Household.

*Data Analysis Tool:* In our study we have explored the facts from tabulated data as these were very significant, Pearson Product-Moment Correlation Coefficient have been used to find out degree of correlation between correlated variable. Linear regression model has been used for predication of variable.
DATA ANALYSIS AND INTERPRETATION

**People’s Perception about Objective of Demonetization Decision:** To know that how the people perceive that why the government have banned Rs. 500 & Rs. 1000 currency note, the following question has been asked to respondent:

In your opinion why the government has banned Rs. 500 and Rs. 1000 currency?

- To seize black money
- To seize fake currency
- To seize terror funding
- Others

The results suggests 62% respondents perceives that “To seize Black Money” as the main objective of demonetization while 28% perceives “To Seize Fake Currency” as main objective, rest 9% suggests “To Seize terror funding” is the main objective of demonetization.

Further on cross tabulating the “Objective of Demonetization” with few other important socio-economic variables like respondent income group, educational level and occupation class, it has been found that:

- People perceive “To Seize Black money” as main objective of demonetization across all income groups except Rs. 20000 to 30000 income group. In this group people perceive “To seize fake currency” as main objective of demonetization.

- People perceive “To Seize Black Money” as main objective of demonetization across most of the education levels except graduates. One phenomenon is noticeable that the group who did not disclose their income much more strongly believe that “To Seize Black Money” is the main objective of demonetization. Moreover it may be noted that in most of the educational class, people do not believe that “To Seize Terror Funding” is any significant objective of demonetization.

- People perceive “To Seize Black money” as main objective of demonetization across most of the occupational groups.

**Public Support on Demonetization:** Following question has been asked to measure level of public support to the government on demonetization:

Do you support government’s decision of banning Rs. 500 and Rs. 1000 currency?

- Strongly Supporting
- Somewhat Not Supporting
- Not Sure/ Can’t Say
It has been found that:

- 65% people are strongly supporting the decision and 19% are also somewhat supporting the decisions. 11% people are not in the support of government’s demonetization decision. 5% are undecided that whether to support government or not on this move of demonetization. Thus on average we can say demonetization has been strongly supported by people.
- Further it has been found that self employed professionals are divided on the decision of demonetization otherwise it has been supported by people across all Occupation Group.
- Lastly, demonetization has been supported by people across almost all Income Group except Income Group Rs. 20001–30000 as this group have been found to be divided on the decision significantly.

**Effect of Demonetization on the Public:** To measure level of effect of demonetization on the public following question has been asked to respondent:

How much this move has affected your life in its first 50 days?

- Very Badly
- Badly
- Not very much
- Affected a little
- No significant effect
- No effect.

It has been found that 96% population have been affected by demonetization in one way or another and 29% people have been affected “Badly” or “Very Badly” due to demonetization. Further it has been asked that how they have been affected on following criteria as below:

How? (Write rank in Order of response)

- Difficulty in buying Medicines
  - Difficulty in buying Grocery/Vegetables/Milk
  - Difficulty in paying phone bills/recharge
  - Difficulty in paying electricity bills/recharge
  - Difficulty in depositing school Fee
On the basis of above question top 5 factors causing difficulty during demonetization are found to be as follows:

**Table 1: Top 5 Factors Causing Difficulty during Demonetization**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Factors Causing Difficulty</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wastage of time in Bank/ATM Queue</td>
</tr>
<tr>
<td>2</td>
<td>Difficulty in buying Grocery/Vegetables/Milk</td>
</tr>
<tr>
<td>3</td>
<td>Difficulty in buying Medicines</td>
</tr>
<tr>
<td>4</td>
<td>Difficulty in organising Marriage or some other important function/event</td>
</tr>
<tr>
<td>5</td>
<td>Difficulty in routine to and fro</td>
</tr>
</tbody>
</table>

**Any Foregone Potential Opportunity due to Demonetization:** To know that how many people or their acquaintance have foregone any potential opportunity due to demonetization, following two questions has been asked:

Did you have to forego any potential opportunity pertaining to business/ career/personal life due to Demonetization?

Yes  No

If yes Please Specify.______________________________

Do you know any person personally who have to forego any potential opportunity pertaining to business/career/personal life due to Demonetization?

Yes  No

If yes Please Specify.______________________________

The response was as below:

- Only one (Less than1%) respondent responded with yes for foregone opportunity, but could not specify the loss.
- Similarly, 5 (6%) respondents responded with yes for foregone opportunity, by any of his Acquaintance. In 2 of the cases marriage was postponed, 1 faced difficulty in buying medicines and 2 cases could not be specified.

Clearly, there is no business/career/life threatening condition arises due to demonetization as various media houses has reported.

**Is Demonetization Achieving its Objectives:** To know whether demonetization is achieving its objective, following question has been asked.

How much do you agree or disagree with the statement that “Demonetization is achieving its objective”?  

Demonetization is Achieving its Objective in Seizing

<table>
<thead>
<tr>
<th></th>
<th>Black Money</th>
<th>Fake Currency</th>
<th>Terror Funding</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neither Agree nor Disagree/ Can’t Say</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

And, the responses are as under:

- 54% of the respondents strongly agree, 26% agree that demonetization is achieving its objective in seizing black money & 6% more or less disagree with the statement.
- 31% of the respondents strongly agree, 55% agree that demonetization is achieving its objective in seizing fake currency while 6% more or less disagree with the statement.
- 31% of the respondents strongly agree, 41% agree that demonetization is achieving its objective in seizing terror funding while 13% more or less disagree with the statement.

We can say 80% respondent believes that demonetization is achieving its objective in seizing black money; 86% believes demonetization is seizing fake currency, and 72% believes demonetization is seizing terror funding. No objective other than the above three has been reported clearly.

**Money for Routine and Monthly Expenses Kept with:** To know that where the respondent keeps his money for monthly expenses, following question has been asked.

Where do you keep your money for your current/monthly expenses?

- Bank Account
- A/c in Post Office
- Cash in Hand

And the responses shows 64% people uses bank a/c for meeting there recurring expenses meaning thereby during demonetization when cash flow from banks was not normal these people might have faced problem of cash crunch.

**Monthly Withdrawals Pre and Post Demonetization:** To measure the change in cash withdrawal habit before and after demonetization.

How many times do you withdraw money from Bank/ATM in a month?

<table>
<thead>
<tr>
<th>Frequency of Withdrawal</th>
<th>Before Demonetization</th>
<th>After Demonetization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 2 times a month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 to 4 times a month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 to 5 times a month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 or more times a month</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

And the responses recorded does not show any specific trend. Median number of withdrawal in both the cases is found to be 3 to 4 times in a month. Thus we can say there is no evident difference in number of withdrawal pre & post demonetization.
But on analysing cross table between Number of Withdrawal Pre vs. Post Demonetization, it has been found that people who used to withdrawal higher number of times started withdrawing lesser number of times & vice versa.

**Pre & Post Demonetization Waiting Time in Withdrawal**: To know that whether situation at the ATM is improving or not we tried to compare the waiting time pre and post demonetization for this purpose following question has been asked to respondent:

For how long have you stood in the queue before you could withdraw from Bank/ATM?

<table>
<thead>
<tr>
<th>Time Interval</th>
<th>In Your Previous Attempt</th>
<th>In Your 2nd Last Attempt</th>
<th>In Your First Attempt after Demonetization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 15 Minute</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 to 30 Minute</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 to 60 Minute</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 to 2 hour</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 to 3 hour</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3 to 4 hour</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 4 Hour</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

After analysing the data it has been found that:

- The percentage of respondent with higher waiting time (*More Than 1 Hour*) have decreased and percentage of respondent have increased for lower waiting time (*Less than 1 Hour*) so we can say waiting time is decreasing day by day subsequently.

- Median waiting time has also got reduced from 56 minute (in first attempt of withdrawal after demonetization) to 26 minute (in second last attempt of withdrawal) and then to 14 minute (in last attempt of withdrawal).

**Money Deposited/ Exchanged During Demonetization by Various Class of People**: To know that in what pattern various class of people hold and thus exchanged money, following question has been asked to the respondents:

How much banned currencies (Rs. 500 & Rs. 1000 notes) have you exchanged/ deposited?

- Less than 5000
- 5000–10000
- 10001–15000
- 15001–20000
- 20001–25000
- More than 25000

And the results for various occupation group & income group are summarized below:
First two occupation groups i.e. Labor Class/Marginal Farmer and Farmer/Skilled Labor have deposited in the range of Up to Rs.10000. Rest of all other occupation groups have deposited mostly More than Rs.10000.

For Income level Up to Rs. 50000 & Money deposited/exchanged Up to Rs. 25000 the Karl Pearson’s correlation coefficient is found to be +0.713. This means higher the income, higher the Money exchanged/deposited.

**Pre & Post Demonetization Cash Withdrawal Habit:** To know that how demonetization affected monthly withdrawal of people after demonetization as compared to normal days before. For this purpose following two questions has been asked from respondents:

How much money have you withdrawn in last one month after demonetization?

- Less than 200
- 2001–5000
- 5001–10000
- 10001–15000
- 15001–20000
- 20001–25000
- 25001–30000
- 30001–35000
- More than 35000

How much money you used to withdraw in one month before demonetization for your household expenses?

- Less than 200
- 2001–5000
- 5001–10000
- 10001–15000
- 15001–20000
- 20001–25000
- 25001–30000
- 30001–35000
- More than 35000

After analyzing corresponding data we have found that:
Number of people who withdraw up to Rs. 15000 per month has increased after demonetization and people who withdrawing more than Rs. 15000 per month has decreased after demonetization.

The reason may be that during demonetization people have faced cash crunch and this leads them to hoard money for future purpose and as the cash is not available enough thus more people are bound to withdrawing less amount as compared to their requirement.

**Shortage of Cash for Household Expenditure**: If we assume that all household expenditure is met by withdrawing money from bank then difference between money withdrawn in month before demonetization and money withdrawn in month after demonetization will represent a shortage of fund for household expenditure.

**LINEAR REGRESSION LINE**

Linear regression line is showing roughly after Rs. 3344.8, only Rs. 648.5 can be withdrawn as compared to Rs. 1000 of the requirement after demonetization and this shows a shortage of Rs. 351.5 per thousand accordingly for household expenditure.

It must be noted this regression model holds that monthly withdrawals in the range of Rs. 0 to Rs. 35000/- and thus will be applicable to middle and lower income group.

**FINDINGS**

- People perceive “To Seize Black money” as the main objective of Demonetization across entire society irrespective of age, education, income, occupation groups.

- 84% people are supporting government’s decision while 65% of people strongly supporting government’s decision of demonetization across all classes of respondent. Self employed professionals are divided on the decision of demonetization.

- 96% population have been affected by Demonetization and that of 20% people have been affected “Badly” & 9% “Very Badly” due to demonetization.

- Top 5 factors which causes difficulty during demonetization are:
  - Wastage of time in Bank/ATM Queue.
  - Difficulty in buying Grocery/Vegetables/Milk.
  - Difficulty in buying Medicines.
  - Difficulty in organising Marriage or some other important function/event.
  - Difficulty in routine to and fro.

- 80% respondent believes that demonetization is achieving its objective in seizing Black money; 86% believes demonetization is seizing fake currency, and 72% believes Demonetization is seizing terror funding.
• People who used to withdraw higher number of times started withdrawing lesser number of times & vice versa.

• Median waiting time has decreased from 56 Minute to 14 Minute on average. Waiting time is reduced to less than 15 minute for 58% population after 20 Jan 2017.

• First two occupation groups i.e. Labor Class/ Marginal Farmer and Farmer/ Skilled Labor have deposited in the range of Up to Rs. 10000. Rest of all other occupation groups have deposited mostly more than Rs. 10000. Higher the income, higher the Money exchanged deposited. For Income level Up to Rs. 50000 & Money deposited/exchanged Up to Rs. 25000 the Karl Pearson’s correlation coefficient is found to be +0.713.

• People prefer higher withdrawal amount after demonetization as compared to month before demonetization. The reason behind may be due to the fact that during demonetization people have faced cash crunch this leads them to hoard money for future purpose.

• Roughly after withdrawal of Rs. 3344.8, only Rs. 648.5 can be withdrawn as compared to Rs. 1000 of the requirement after demonetization and this shows a shortage of Rs. 351.5 per thousand of requirement for household expenditure.

CONCLUSIONS

Demonetization has affected people’s routine life in a big way but still people have supported this move of government as they believe that this move has seized a lot of black money. This is believed that demonetization is a step toward corruption free society and if the demonetization is supported by cashless transaction system then this will probably seize the formation of black money any further. It has been found in the study that despite difficulty in routine life, people have supported the demonetization and no business/ career/ life threatening condition arises due to demonetization as various media houses has reported.

LIMITATIONS

• Sample size is too small and it may not represent the actual population.

• Because of interviewer’s administered questionnaire, there may be interviewer bias.

REFERENCES


The book is a critical reflection of the Right of children to Free and Compulsory Education Act, 2009 which is also known in popular discourse as Right to Education. The book deals with many issues of the Right to Education relating it in the context of the social position and responsibility of parents, civil society, school, state etc. The present book is divided into seven chapters and each chapter is an investigation towards an interesting question on the right to Education.

The data for this book has been collected after a rigorous engagement by the author with the school teachers, educationists, NGO workers, parents of the children etc. following deep conversation and participant observation in the state of Manipur. One of the significant challenges in the process of data gathering by the author lies in the fact that Manipur being a state suffering from enduring violent conflict often restricted the author in terms of time and space.

Salam takes note on the fact that though the 86th Constitutional amendment has declared elementary education a fundamental right, the failure of the state lies in the lack of proper implementation of the same resulting in the upsurge of many popular movements against the state and also the rise of civil society to assert voices against the failure of the state. The author limits the role of civil society in the field of education in the context of the state of Manipur. The author argues that the contribution of civil society lies in the establishment of different private schools in the region which are often seen as offering the ‘whole package’ to the students which severely attracted majority of the parents, leaving the government schools aside to be attended only by the children of low income earners. The author also discusses in great length the pros and cons of both the type of schools and based on her data she reveals in one of her subsequent chapters that 82% of parents in Manipur send their children to private schools.

Focusing on the value of equality of opportunity, the author presents that differential power relations of different groups in the formulation of educational policies and emphasizes that reforms in India are often determined by the powerful political ideologues which is essentially opposed to educating the disadvantaged social groups such as Scheduled Castes, Scheduled Tribes and female children. Such deprivation of right to education to these children, the author argues, is the absolute denial of equal opportunity. Hence the author suggests that all the sections of the society must play their roles to achieve for the same goal. In other words, the Right to Education should be a shared responsibility of the state and the civil society towards its enforcement, although the role of state in educational services continues to be of crucial significance.

The author discusses in length as to how parents go for choice of school for their children looking at the present scenario of education in schools. After a brief socio-economic history
of the state of Manipur, she summarizes the history of education in Manipur passing through different historical developments and stresses that female education, education to tribal children are parts of such historical developments in the state. She emphasizes as to how after the attainment of statehood in 1972 the spread of education has gradually been taken over by the private bodies and its number has been continuing over period. In this context the author shows serious concerns as to why this shifting trend towards private schools has been enormously internalized by most of the parents. In one of the chapters the author discusses the roots of such school choice by the parents wherein she made very interesting observation on the remarks of the parents. She reveals that the most significant factor behind the successful flourishing of private schools in no time is none but the rapid failing of the performances of the state-run schools especially in late 80s and 90s. At the same time the private schools are seen successful in terms of offering ‘whole package’ which is again seen essential for the ‘future of the children’ in order to successfully establish oneself in the ‘era of fierce competition’.

Looking at the remarks of different parents and other aspects of education the author then poses a question, “has the state failed Inside a Government School? At this time she explores different aspects of problems associated inside the Government schools in the state, be it the physical structure of the school, lack of proper infrastructural facilities in these schools, non-implementation of major schemes and chaotic implementation of other schemes such as mid-day-meal distribution, lack of responsibility on the part of the teachers, lack of transparency, corruption, restrictions posed by random violence and conflict in the region towards educational opportunities of the children so on and so forth.

Towards the end of the book the author examines the civil society interventions in the education sector in the state of Manipur due to state failure in responding to the needs of the time. Here she explores that ‘the legitimate and successful existence of these civil society sector depends on the acceptance of those whose interests are served’ (p.177). The author hence remarks that though a good number of private schools with the intervention of civil society are doing their best towards providing quality education, yet over a period of time these schools have become accessible to only a few well-to-do sections (in terms of its high fee structure and other economic accessibility) and for majority of poor sections it has become none but a distant dream thereby involving a gradual ‘process of exclusion of the marginalized children’. The author hence argues that the educational contribution made by civil society alone is not adequate enough to make right to education accessible for all. In conclusion the author remarks that the Right to Education is yet to deal with and overcome many challenges ahead for which the state along with civil society must counter unwanted elements including threats by insurgents that comes in the way of Education for All.

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