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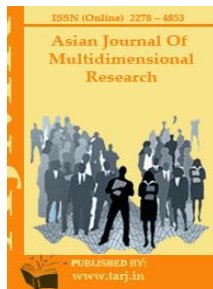
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VISION

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CYCLICAL THEORY OF RETAILING IN INDIA

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ABSTRACT

There are mainly three types of theories to explain the evolution of retailing. Environmental theory Cyclical theory and Conflict theories. The retail life cycle theory suggests that retail development passes through different stages. Here we would like to test the pattern of development of retailing conforms to cyclical theory in an emerging market like India. Retail developments takes place in different countries in tune with their stages of development as such the consumer characteristics, legal restrictions and technological developments are differed in emerging, mature and developing nations.

KEYWORDS: Retail formats, Emerging country.

INTRODUCTION

Retailing goes back to centuries. It started as a very primitive business, but today has grown tremendously. The first people were doing businesses with their neighbors. Goods were exchanged between them. Gradually people began to collect themselves to a given neighborhood, which provides a geographical place to do the exchange. This not only increases the exposure of a given good, but also helps a lot towards the development of a more formalized system. Gradually, a few more start to get together to a place that in turn creates a need for a common place. Later this common place was called a fair. With the passing of time the number of people doing businesses in a given fair increased, issues like security, transportation becomes a matter of concern. This semi-formalized system, then gave birth to small-scale groceries, where people start to provide more combinations in their own neighborhoods.

Then came the issue of choice in giving grocery, the choices the customer had was limited, this was the beginning of the concept of everything under one roof. As time passes, joint family changes in a nuclear family and both members started earning which resulted into a new way of lifestyle. From then instead of mom-and-pop type of stores organized retail stores came into existence.

From an industry wide perspective the retail life cycle theory states that the retail institutions pass through identifiable life cycle stages: Innovation, Accelerated development, Maturity and Decline.

These are usually occurring according to the stages of development of the country in which the retailing industry exists, the Indian retailing industry is at its accelerated development stage.

We can trace the different stages of developments of retail markets in India from the starting point of Barter till today's all in one roof concept of Malls.

INITIAL RETAIL ERA

In fact, it is difficult to state when and where retailing emerged. It is as old as human civilization. It has been in existence since many centuries in one or other form. While Barter would be considered to be the oldest form of trade. Most merchandise was sold in market places or by peddler (hawkers).

Vendors or producers themselves used to come to market to sell their goods. During the time, local markets were dependent on sources of supplies of perishable items because of difficult and slow journey. Markets were seasonal due to lack of storage facilities.

However, some customers prefer to travel considerable distances for specialty items. Handicraft items, grocery, fruits and vegetables, and other edible items were main merchandise during the period. At the end of the 17th century, in major cities retailing started being more systematic.

During this stage money was made when the goods were sold. Stores located in the inner city. Market reach was limited and local. Advertising was mostly by word of mouth or in local media.

Retailing is heavily influenced by some factors such as consumer related, legal related and industry related matters. The developments in these factors will lead to retail development.

The real nature of these factors in the initial era can be portrayed as.

CONSUMER RELATED FACTORS

Low domestic production and high inflationary pressure lead to low per capita income. Unequal distribution of wealth among the people had created the small affluent segment and relatively large poorer segment.

Banking sector tends to be comparatively elementary. Many consumers do not have bank accounts or credit cards. Consumers were purchased only with the current cash on hand, this will reduce the purchasing power of consumers.

INDUSTRY BASED FACTORS

Poor infrastructure and lack of basic amenities force the retailers to be located close to where consumers' lives. So many small retailers operate close to the consumer's residence as a consequence a large share of the competition in retail markets in these areas is relatively unorganized. Limitations of transport and communication facilities requires the retailers to stock a large inventory in warehouses.

LEGAL/REGULATORY BASED FACTORS

During the initial period the government the restrictions on international trade were strong, the political system at that time was less conducive to making investment in infrastructure.

INDUSTRIAL REVOLUTION STAGE

Initial steps towards liberalization were taken place in the period from 1985-90. It was at this time that many restrictions on private companies were lifted and in the 1990s the Indian economy slowly progressed from being state led to becoming market friendly. This was in a sense the beginning of a new era for retailing in India.

CONSUMER RELATED FACTORS

The economy had opened up and a new large middle class with spending power had emerged, helped to shape this sector the vast middle class market demanded value for money products. The emergence of modern Indian housewife's who managed her home and work led to demand for more products, a better shopping ambience, more convenience and one stop shopping.

Despite the economic advances the average consumer tends to be price sensitive. Wide income disparities among consumers creates retailers need to satisfy different customer groups. Tiered pricing structure that caters various markets is suitable. Consumer preference in this emerging market is highly influenced by changing trends in other developed countries.

INDUSTRY BASED FACTORS

Development of retail can be attributed to social development over the time. The development of railways and telegraph contributed positively to the growth of retail trade. Retail traders started using telegraph to book orders from distance places and railways to receive or send goods to distance destinations.

Due to improved transportation and telecommunication, and advent of traveling salesman, wholesale business came into existence. At the end of the 18th century, retail business becomes more systematized. Improved communication and transportation supported the growth of retail trade.

Beginning of the 19th century led to the systematic growth of retail trade across the world. Industrial revolution resulted in mass production, and necessitated mass distribution. It brought dramatic changes in distribution and retailing. Due to urbanization, consumers clustered in smaller geographical areas that phenomenon led to the emergence of a number of shops in market places. Middlemen (retailer and wholesalers) were responsible to sell products manufactured by big companies.

20th century experienced the boom in retailing both in term of retailing modes and volumes of business. Self-service stores started in the first couple of decades of the 20th century in developed and some developing countries. At present, most department stores and retail shopping malls do practice self-service retailing. The primary purpose of self-service stores was/is to permit customers to see and choose the brand they like. Moreover, this type of stores can reduce costs as fewer sales people are required to serve the customers.

Supermarkets started in the 1930s. This retailing system attempted to serve different types of customers. In supermarkets, well-packed products were displayed in an attractive way. Necessary details such as price, weight, manufacturers, manufacturing and expiry dates, contents, and other relevant details are printed on the package.

On the other hand, convenience stores functioned on customer request. The stores were established at the place where customers could access merchandise conveniently. These stores worked from early morning to the late night and sold ice, cold drinks, groceries, drugs, bread, milk, etc. Invention

of cold storage facilities and automobiles further helped grow retail activities. Most supermarkets and stores were working in leading cities of Europe and America.

After 1970, in many big cities of the world, new modes of retailing started. Increased population and hence demand, rapid means of transportation and telecommunication, development of latest cold storage facilities, introduction of barcodes on packages, improved banking and insurance, etc. further contributed to retail boom.

Several retail malls were established in the last two decades of the 20th century and continued growing till today. Spacious retail malls sell all products of different brands in a single area. Many companies started a retail chain in big cities to grab the retail opportunity.

A Full-fledged shopping mall with museum, swimming pools, arcades, well-trained and humble staff, refreshing facilities, parking, and so forth make the shopping an exciting experience. Malls become visiting destinations. Now, people are habituated to buy from shopping malls. After metro-cities, retail giants are extending their operations to small cities. India and other developing countries actively joined in the booming stage of retailing.

The internet brought further revolution in retailing. The growth of World Wide Web, customers as well as retailers can access suppliers and products from anywhere in the world. Most companies have their websites. Systematic linkage of one web with others and with search engines helps retailers sell products globally.

Cyber Marketing facilitates selection of products, placing orders of specific description, and paying bills. Not only durables, consumables like ice-cream, cold drinks, fast food items can be purchased through online. Internet marketing contributed significantly to service sector, retail trade. Online availability of all services changed shopping pattern. Online shopping and online trading become the part of today's life.

We must note that along with modern shopping malls and online retailing, small traditional retailers have successfully maintained their place, significance, and existence. Though they are small in size, they are capable to compete with retail giants. In the same way, wholesalers do work without threat from retail shopping malls.

LEGAL / REGULATORY FACTORS

Trade liberalisation reforms in India have proven to be a boon to large scale retailers. The country has unprecedented growth in the field of retailing. In 2006 the government of India opened the retail industry to the world by allowing 51% FDI in single brand retail. Following this FDI in single brand retail stood at 194.69 million according to DIPP (Department of Industrial Policy) Government of India.

A major challenge that retailers face when investing in emerging economies is a change in policy in the outcome of changes in the country's political leadership.

The existing FDI regulations that have passed by the UPA government in 2013 allowed FDI in multi brand retail with certain restrictions. The foreign retailers need to follow the mandatory regulations such as 30% local sourcing and retailers should make their establishment in an area having 1 million population etc. This has made difficulties for foreign retailers' entry. Joint ventures are the only one way for this retailers to enter this market. Walmart's joint venture with Bharati is such an

example. This will enable them to leverage the capabilities of domestic alliance partner and to manage relationships with local government as well as product suited to local markets.

LITERATURE REVIEW

Based on an analysis of retail developments in countries such as Thailand, Brazil and Greece, and some experience in India, it is possible to conclude that modernization of retailing in India would be influenced by some important factors. These factors include economic development; improvements in the civic situation; changes in Consumer needs, attitudes and behaviour; changes in government policies; increased investment in retailing and the rise in the organized retail. (Nargundkar, 2003.)

According to (Sinha, 2003) Based on their shopping orientation consumers are segregated as those who take it as an activity and would like to avoid it and those who find it entertaining and are highly involved. The two segments of the Indian shoppers were found to be different in terms of the SEC, gender, and the value of the product bought. We found that the fun shoppers tended to visit the new format stores.

(Dellart, 2011) Have examined the environmental conditions of different market according to their stages of development as - Matu, emerging and developing- markets and explore the retailers challenges along consumer, industry and legal dimensions.

(Mahajan, 2003) Opined that, what might be viewed as retailing innovations by customers in emerging markets may or may not be treated as such by the consumers in the developed markets.

(Mathur, 2011) Has shown that compared to countries like United Kingdom, United States, Australia, Canada and others, India is still in its nascent stage of e-shopping. But the real growth that online retailers are betting on in India is an increase in buying in smaller towns and cities that have no access to modern retailers.

CONCLUSION

The origin of retail is as old as trade itself, barter was the oldest form of trade. The development of retail greatly depends up on the stages of economic development of the country factors like consumer characteristics, industry and legal related factors will be different in different economic conditions. In the initial period when the economy was not developed the retail industry is also not well developed, the consumer credit availability is less and the legal environment is not conducive to the growth of retail industry. the consumers have less format choices.

Now India faces the typical developing economy situation of burgeoning consuming class, and a change in values towards more material. the usage of credit for purchases itself is an area of great change. the very idea of lifestyles, replete with their expanded product category usage in households with sufficient means, though they may not be wealthy in true sense, has taken root in India. the early 1990s saw the nation move away from the value of being economy to that of enjoying the plenty in material terms. With the youth playing a dominant role in embracing change, with only some degree of retention of the tradition.

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ACHIEVEMENT MOTIVATION: WHO IS BETTER SPORTSMEN OR NON-SPORTSMEN?

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ABSTRACT

The present investigation was designed to determine the Achievement Motivation of sports and non-sports students. The independent variable in the present investigation is achievement motivation. For this study, sample of 100 students of Chandigarh i.e. 50 of sports students and 50 of non-sports students were taken. The result significantly indicates that there is positive relationship between achievement motivations of sports students and there is a significant difference between achievement motivation of sports and non-sports students.

KEYWORDS: Achievement Motivation, Sports & Non-Sport students.

INTRODUCTION

Sports not only provides us platform to remain physically and physiologically fit but at the same time it is a multi dimensional phenomenon which also leads to alertness as well as relaxation of mind, provide options to make people more social and interactive, emotionally balanced and last but not the least develops neuromuscular co-ordination. Hence it upgrades the overall personality of an individual and helps in making him a completely well developed citizen.

Achievement motivation is the degree to which a player is willing to approach a competitive situation. Health is generally defined as not only freedom from diseases but also that state of body and mind in which an individual "lives most and serves best." Achievement motivation governs behavior relevant to achievement and learning. Achievement motivation "the degree to which a player is willing to approach a competitive situation." The desire to "select and persist in an activity, to take high risks, to attempt quality performance is all that comprises achievement motive". Murray gave the concept of achievement motivation, but it is through the Lud Lebour of Mc Clelland and his co-workers that this topic was assumed practical importance in the field of education. Murray (1938) defined achievement motivation as follows," to accomplish something difficult, to master, to

manipulate or organize physical objects, human beings or ideas, to do this rapidly and as independently as possible; to overcome obstacle and attain a high standard; to excel oneself and to rival and surpass others and to increase self regard by the successful exercise of talent.”

Grandall, Solman and Kallaway (1955) “Achievement behavior is any behavior which is directed towards the attainment of approval or the avoidance of disapproval for competence of performance in situations where standards of excellence are applied.” Atkinson (1964) Achievement motivation defined as the inner force, desire for need. Experimentally it is a conscious experience of desire, emotions, feeling of determination and inclination of fact, where as persistence of observed behavior in relation to observable and experimental condition Heckausen (1967) defines achievement motivation as the striving to increase or keep as possible one’s own capacity in all activities in which standard of excellence is thought to apply and where execution of such activities can therefore either succeed or fail. Briet, S. (1968) suggested that meditation of cognitive process involved in achievement motivation depends upon the nature of person’s belief regarding casually. He states that achievement motivation comes into play when success and failure are seen to be contingent upon one’s behavior. De Charms, R. (1968) adds, a motive is the disposition to strive for something and have satisfaction. The A-motive is the disposition to strive for satisfaction derives from success in competition with some standards of excellence. Davidoff (1976) has summarized the achievement motivation that:

- The achieve motive, commonly considered a growth and social motive is measured by having subjects construct stories about TAT pictures which are later scored for achievement related imaginary.
- The achievement motive appears to be learning factor. An innate need for competence may also underline this motive.
- Men with high n-ach generally persist in the laboratory and in real life. They also tend to prefer taking moderate risks as opposed to very high or very low ones to achieve success.
- To predict how specific individuals will perform in particular achievement situations it is necessary to consider their achievement motives, expectations of success and achievement related fears of failure.

Women tend to perform differently than men on TAT measures of the Achievement Motive and in achievement motivation situations one explanation is that they are frequently more anxious than men in such settings because both failure and success have negative consequences. Taj, Haseen (1977) pointed out that every parent wants their child to excel over other students in schools in his achievement and this striving to excel appears to be an essential element in effective class-room learning. The striving to excel is usually referred to as need-achievement or achievement. It exist both as motivational disposition and as an around motive. Hawes (1982) the achievement motivation is a psychological need and energetic drive that prompts an individual to strive for and work toward mastering his or her environment by the successful accomplishment by a sense of satisfaction and self worth, also called achievement need. Decharms (1986) concluded that achievement motivation, was disposition to strive for something and had satisfaction derived from success in competition in some standard of excellence. Mc William (1991) defines that achievement motivation is a drive to succeed or to master difficulties. Achievement motivation has come to be regarded as one of the

major domains of psychology and education. It constitutes an integral part of the scientific endeavor to interpret human and inter human behavior. Bhagi and Sharma (1992) have defined achievement motivation as the motivation to accomplish valued goals and to avoid failure. The concept became important, as motivation there have become less dominated by psychological drives. Colman (2001) Achievement motivation as social form of motivation involving a competitive drive to meet standard of excellence.

Coaches, exercise leaders and teachers have an interest in achievement motivation these are the precise characteristics that allow athletes to achieve excellence, exercise to gain high levels of fitness and motivate students to maximize learning. Studies conducted by Mc Clelland (1955) indicate that achievement motivation is developed in early relationship between a child and parents. In the early stage of life, if the growing child receives good amount of recognition, praise and reward for his accomplishments, he develops some feeling of worth and sense of achievement. It is important for the development of achievement motivation that the child is exposed to a high standard of excellence and is encouraged for his performance and independent efforts.

When desire for achievement becomes a dominance concern for a person, it is expressed in restless driving energy aimed at attaining excellence, getting ahead, improving on past records, beating competitors, doing things better and finding unique solutions to difficult problems. Achievement motivation aims at developing among student's motivation, curiosity and adaptability.

OBJECTIVES OF THE STUDY

1. To compare the achievement motivation of sports and non-sports students of senior secondary school level.
2. To compare the achievement motivation of boys and girls sports students of senior secondary school level.
3. To compare the achievement motivation of boys and girls non-sports students of senior secondary school level.
4. To compare the achievement motivation of sports and non-sports boy's students of senior secondary school level.
5. To compare the achievement motivation of sports and non-sports girl's students of senior secondary school level.

HYPOTHESES OF THE STUDY

1. There will be a significant difference between achievement motivation of sports and non-sports students of senior secondary school level.
2. There will be a significant difference between achievement motivation of boys and girls students of sports senior secondary school level.
3. There will be a significant difference between achievement motivation of boys and girls non-sports students of senior secondary school level.
4. There will be a significant difference between achievement motivation of sports and non-sports boys students of senior secondary school level.

5. There will be a significant difference between achievement motivation of sports and non-sports girls students of senior secondary school level.

SAMPLE

In the present study sample of total 100 senior secondary school students i.e. 50 of sports students and 50 of non-sports students will be taken. Further out of these 25 boys and 25 girls of both the streams will be taken.

TOOL USED

Achievement Motivation Test- M.L. Kamlesh (1990)

STATISTICAL TECHNIQUES

The statistical techniques used in this study include Mean, Standard Deviation, Pearson correlation and t-test.

ANALYSIS AND INTERPRETATION OF DATA

TABLE-1: MEAN DIFFERENCES BETWEEN THE SCORES OF ACHIEVEMENT MOTIVATION OF SPORTS AND NON-SPORTS STUDENTS OF SENIOR SECONDARY SCHOOL LEVEL

Variable	Sports		Non-Sports		MD	SDE _M	t	Df
	M1	SD1	M2	SD2				
Achievement Motivation	27.10	5.580	25.24	5.186	1.86	0.762	2.44*	198

* $P > 0.05 = 1.65$ (df = 198)

Table 1 shows the mean score of sports students was 27.10 and standard deviation was 5.580 whereas the mean score of non-sports students was 25.54 and standard deviation was 5.186. The t-value presented in table shows significant mean difference between sports and non-sports students in their achievement motivation level because the obtained t-value (i.e. 2.44) was found higher than the table 't' value (i.e. 1.65) required to be significant at 0.05 level with 198 degree of freedom. The t-value related to sports and non-sports students of senior secondary school level in their Achievement Motivation level indicate superiority of sports over non-sports students because environment in sports nurture the sports person to strive higher and higher to fulfill their dreams on the other hand non-sports are deprived in these experience. The results of the present study was also supported by Dhillon (1979) he found that sports person has higher achievement motivation level as compared to non-sports person.

TABLE-2: MEAN DIFFERENCES BETWEEN THE SCORES OF ACHIEVEMENT MOTIVATION OF BOYS AND GIRLS SPORTS STUDENTS OF SENIOR SECONDARY SCHOOL LEVEL

Variable	Sports Boys	Sports Girls	MD	SDE _M	t	df
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	M1	SD1	M2	SD2				
Achievement Motivation	27.56	5.515	26.64	5.663	0.92	1.118	0.823	98

* $P > 0.05 = 1.66$ (df=98)

Table 2 shows the mean score of sports boys was 27.56 and standard deviation was 5.515 whereas the mean score of sports girls' students was 26.64 and standard deviation was 5.663. The t-value presented in table 3.3 shows no significant mean difference between boys and girls sports students of senior secondary level in their achievement motivation because the obtained t-value (i.e. 0.823) was found less than the table value (i.e. 1.65) required to be significant at 0.05 level with 98 degree of freedom. The t-value related to sports boys and sports girls in their Achievement Motivation indicate no significant mean difference because both groups are from sports field and consist above achievement motivation level which is pre requisite for any sports performance. The result of the study is also supported by Aarti (2006) she reported that there is no significant mean difference in male and female basket ball players in their achievement level.

TABLE-3: MEAN DIFFERENCES BETWEEN THE SCORES OF ACHIEVEMENT MOTIVATION OF BOYS AND GIRLS NON-SPORTS STUDENTS OF SENIOR SECONDARY SCHOOL LEVEL

Variable	Non-Sports Boys		Non-Sports Girls		MD	SDE _M	t	df
	M1	SD1	M2	SD2				
Achievement Motivation	26.04	5.649	24.44	4.594	1.60	1.030	1.554	98

* $p > 0.05 = 1.66$ (df= 98)

Table 3 shows the mean score of non-sports boys was 26.04 and standard deviation was 5.649 whereas the mean score of non-sports girls' students was 24.44 and standard deviation was 4.594. The t-value presented in table 3.4 shows no significant mean difference between non-sports boys and girls students of senior secondary level in their achievement motivation because the obtained t-value i.e. 1.554 was less than the table value (1.65) required to be significant at 0.05 level with 98 degree of freedom. The t-value related to non-sports boys and non-sports girls' students of senior secondary school level in their achievement motivation indicate no significance difference. The results of the present study is also supported by Pandey, B.B. (1979) who found in his studies that there is no significant difference between non-sports boys and girls students of senior secondary school level in their achievement motivation level.

TABLE-4: MEAN DIFFERENCES BETWEEN THE SCORES OF ACHIEVEMENT MOTIVATION OF SPORTS AND NON-SPORTS BOYS STUDENTS OF SENIOR SECONDARY SCHOOL LEVEL

Variable	Sports Boys	Non-Sports Boys	MD	SDE _M	t	df
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	M1	SD1	M2	SD2				
Achievement	27.56	5.515	26.04	5.649	1.52	1.117	1.361	98
Motivation								

* $p > 0.05 = 1.66$ (df= 98)

Table 4 shows the mean score of sports boys with regard to Achievement Motivation was 27.56 and standard deviation was 5.515 whereas the mean score of non-sports boys with regard to Achievement Motivation was 26.04 and standard deviation was 5.649. The t-value presented in table 3.7 shows no significant mean difference because the obtained t-value i.e. 1.361 is lesser than the table 't' value i.e. 1.65 required to be significant at 0.05 level with 98 degree of freedom. The t-value related to sports boys and non-sports boys indicate no significance difference in their Achievement Motivation. However, sports boys obtained higher mean score in their Achievement Motivation than their counterpart non-sports boys. In Achievement Motivation this high value does not carry a significant importance. Insignificant mean differences may be attributed to the smaller sample.

TABLE-5: MEAN DIFFERENCES BETWEEN THE SCORES OF ACHIEVEMENT MOTIVATION OF SPORTS AND NON-SPORTS GIRLS STUDENTS OF SENIOR SECONDARY SCHOOL LEVEL

Variable	Sports Girls		Non-Sports Girls		MD	SDE _M	t	df
	M1	SD1	M2	SD2				
Achievement Motivation	26.64	5.663	24.44	4.594	2.20	1.031	2.133*	98

* $P > 0.05 = 1.66$ (df=98)

Table 5 shows the mean score of sports girls with regard to Achievement Motivation was 26.64 and standard deviation was 5.663 whereas the mean score of non-sports boys with regard to Achievement Motivation was 24.44 and standard deviation was 4.594. The t-value presented in table shows significant mean difference because the obtained t-value i.e. 2.133 is higher than the table 't' value i.e. 1.65 required to be significant at 0.05 level with 98 degree of freedom. The t-value related to sports girls and non-sports girls indicate superiority of sports girls over non-sports girls in their Achievement Motivation. The result might be attribute to the fact that the environment present in sports scenario inculcate continuously stimulate an athletes for higher and higher goal in their life and increase the degree of willingness to achieve their motive. It is also supported by Nachhatter Paul Singh (1992) he found that level of aspiration of females' players was more than that level of female non-players.

CONCLUSION

1. Significance difference was observed between sports and non-sports students of senior secondary school level in their Achievement Motivation. Hence, hypothesis 1 stating that "There will be a

significant difference between achievement motivation of sports and non-sports students of senior secondary school level” is accepted.

2. No significance difference was observed between boys and girls sports students of senior secondary school level in their Achievement Motivation. Hence, hypothesis 2 stating that “There will be a significant difference between achievement motivation of boys and girls sports students of senior secondary school level” is rejected.
3. No significance difference was observed between boys and girls non-sports students of senior secondary school level in their Achievement Motivation. Hence, hypothesis 3 stating that “There will be a significant difference between achievement motivation of boys and girls non-sports students of senior secondary school level” is rejected.
4. No significance difference was found in Achievement Motivation of sports boys and non-sports boys. Hence, hypothesis 4 stating that “There will be a significant difference between achievement motivation of sports and non-sports boys students of senior secondary school level” is partially rejected.
5. Sports girls were found significantly better in Achievement Motivation than non-sports girls. Hence, hypothesis 5 stating that “There will be a significant difference between achievement motivation of sports and non-sports girls students of senior secondary school level” is accepted.

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INDUSTRIAL DEVELOPMENT OF TELANGANA

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ABSTRACT

The newly formed Telangana State consisting of ten districts, with capital as Hyderabad has a forward looking economy, with many positive aspects of growth, and many areas where attention needs to be devoted in future for improving the standard of living of people. The article analyses (1) the demographic features of the State and districts, (2) macro aspects of the State economy in comparison with the all India picture, (3) infrastructure for export promotion, including software development through IT and ITES enterprises, and (4) the development and dispersal of large industries, and micro, small and medium enterprises, district-wise up to end-March 2015. Comparative picture of compound annual growth rate (CAGR) of key parameters of large industries and MSMEs – namely, number of enterprises, fixed investment, and employment is presented from 2005 to 2015. Share of the three regions and the districts has also been depicted. The Hyderabad region consisting of Medak, Hyderabad and Ranga Reddy districts has taken the lion's share of industrialization, as a historical development right from 1970s. The Southern region consisting of four districts stands next, and the Northern region consisting of three districts is at the lowest level of industrial growth. Districts and pockets of the districts influenced by proximity to the metropolis of Hyderabad have benefited to a large extent. This is followed by growth centres where infrastructure development and incentives were made available as a package. Many directions in which the State needs to focus in future periods for accelerating industrialization are highlighted for balanced regional development and improvement of human development

index. Backward Regions Grant Fund of the Centre is currently applicable to nine districts, excluding Hyderabad from 2009-10. Many of the viewpoints and observations presented in the article are based on the involvement of the authors in the implementation of various programmes in the State right from 1960s.

INTRODUCTION

Telangana State in the present form comprising ten districts with capital as Hyderabad, was bifurcated from the erstwhile Andhra Pradesh on June 2, 2014, and formed the 29th State in the country. Hyderabad will continue to serve as the joint capital city for Andhra Pradesh and Telangana for not more than ten years. It is one of the large States in South India, with an area of 114,840 square Kilometers, and a population of 35.3 million as per 2011 census. It is the 12th largest among the States both in terms of area and population. The State is situated on the Deccan plateau, in the central stretch of the eastern seaboard of the Indian Peninsula. The region is drained by two major rivers, with about 79% of the Godavari river catchment area, and about 69% of the Krishna river catchment area, but most of the land is arid. The State is drained by several minor rivers such as the Bhima, the Manjira and the Musi.

The economy of Telangana is driven by agriculture. Rice is the major food crop. Other important crops are sugarcane, mango, and tobacco. Recently, crops used for vegetable oil production such as sunflower and peanuts have gained favour. Horticulture has also been thriving well. Commercial floriculture has come up well close to Hyderabad. There are many multi-state irrigation projects benefitting the State. These include Godavari Basin irrigation projects and Nagarjuna Sagar Dam, the World's highest masonry dam. The State is rich in minerals, with Singareni Collieries cutting across a few districts. Coal from Singareni Collieries is utilized for the thermal power plants at Ramagundam (Karimnagar district) and Kothagudem (Khammam district) in Telangana, and Vijayawada (Krishna district) in Andhra Pradesh).

Demographic features of the State based on 2011 Census are given district-wise in Table 1. Urbanization of the State is 38.6%, higher than the all India average of 27.8%. This is due to the large metropolitan city of Hyderabad, which has been categorized as A I city from 2007. Density of population is 307 persons per square kilometer, lower compared to the all India average of 368. Literacy is 66.5%, lower compared to the all India figure of 74.0%. Male and female literacy of the State are 75.6% and 58.8% respectively, lower compared to all India picture. Male-female literacy gap is 16.8%, about the same as the all India figure (16.7%). Hyderabad and Ranga Reddy districts are having the highest literacy level in the State, 81.0% and 78.1%, respectively; and Mahabubnagar the lowest level of 56.1%. Compound annual growth rate of population during 2001-11 is lower compared to the all India position (1.3% in relation to 1.7%). Growth rate in Ranga Reddy district is the highest (4%). Human development index (HDI) presented district-wise for 2000-06 indicates that as against 0.537 value for combined Andhra Pradesh, five districts are better placed. These districts in the descending order along with HDI value are: Hyderabad (0.717), Ranga Reddy (0.610), Karimnagar (0.573), Khammam (0.559), and Medak (0.550). Mahabubnagar records the lowest value (0.397). There are significant inter-district disparities in the index values. For purposes of analysis of various features, the ten districts are grouped into three regions - Hyderabad region comprising the districts of Medak, Hyderabad, and Ranga Reddy, all influenced by the metropolis of

Hyderabad, with focus on industrialization; Northern region covering the three districts of Adilabad, Nizamabad and Karimnagar; and the Southern region covering the four districts of Mahabubnagar, Nalgonda, Warangal, and Khammam, all of them having borders with the districts of the present Andhra Pradesh. Urbanization in Hyderabad region is 68.0%, in the Northern region 25.3%, and in the Southern region 21.1%.

**TABLE 1: DISTRICT-WISE DEMOGRAPHIC FEATURES -
TELANGANA STATE (2011)**

	District / Region	Area	Population	Urbanisation (%)	Density of population (persons per sq.km.)	Literacy (%)	Compound annual growth rate of population (%)	Human Development Index (HDI) (2007)	
		(000Kms ²)	(in lakhs)				(2001-11)	Value	Rank
	1	2	3	4	5	6	7	8	9
1	Medak	9.7	30.3	24.0	313	62.5	1.3	0.550	5
2	Hyderabad	0.2	40.1	100	20,051	81.0	0.5	0.717	1
3	Ranga Reddy	7.5	53.0	70.2	706	78.1	4.0	0.610	2
(A)	Hyderabad region	17.4	123.4	68.0	-	-	-	-	-
4	Adilabad	16.1	27.4	27.7	170	61.6	1.8	0.488	8
5	Nizamabad	8.0	25.5	23.1	319	62.3	0.9	0.504	7
6	Karimnagar	11.8	38.1	24.9	323	64.9	1.4	0.573	3
(B)	Northern Region	35.9	91.0	25.3	-	-	-	-	-
7	Mahabubnagar	18.4	40.4	15.1	220	56.1	1.4	0.397	10
8	Nalgonda	14.2	34.8	19.0	245	65.1	1.3	0.481	9
9	Warangal	12.9	35.2	28.1	273	66.2	1.4	0.514	6
10	Khammam	16.0	28.0	23.6	175	65.5	1.5	0.559	4
(C)	Southern Region	61.5	138.4	21.1	-	-	-	-	-
(D)	Telangana State	114.8	352.9	38.6	307	66.5	1.3	0.537	-
	India	-	-	27.8	368	74.0	1.7	(Combined AP)	-

Note: 1. – not relevant

2. Human Development Index (HDI) 2007 presents the index for the years 2000 to 2006, as given in the Human Development Report 2007 – Andhra Pradesh prepared by Centre for Economic and Social Studies, Hyderabad for Government of Andhra Pradesh. The State figure given here refers to combined Andhra Pradesh.

Source: Kishan Rao, S. and Rahul A Shastri (2014), Structure and Development of the Economies of Telangana and Andhra Pradesh, National Academy of Development, Hyderabad.

MACRO PICTURE OF THE STATE ECONOMY

Table 2 presents the share of various sectors in Gross State Domestic Product (GSDP) for the State at 2004-05 prices. In respect of industrial sector, comparison with the all India picture is also indicated. Table 3 furnishes the sectoral growth rates. Data presented in these tables are for the period 2004-05 to 2013-14 at 2004-05 prices. Table 4 presents the all India picture of Growth rate and share of various sectors of Gross Value Added at basic prices at 2011-12 prices for the period 2012-13 to 2014-15, as released by the Central Statistics Office, New Delhi, and presented in the Reserve Bank of India's Annual Report 2014-15. Both at the national level and for the state in the Gross Value Added, and for GSDP, respectively, services sector is the dominant one in respect of share and also high growth rate. At the State level in 2013-14; it accounts for 59.0% of share and growth rate of 7.2%. For all India for 2014-15, the share is 60.6%, and growth rate 9.4%. For all India, industry accounts for 23.3% share, and growth rate 6.6%. In respect of manufacturing, the share is 18.1%, and growth rate 7.1%. In respect of the State, industry recorded 27.1% share compared to the all India picture of 26.1%, and growth rate of 2.7%. Growth rate of industry has been widely fluctuating in recent years. Agriculture accounts for 13.9% share in the State and recorded 4.6% growth rate in 2013-14, which has been fluctuating, recording even minus value in some years. For all India, agriculture's share is 16.1%, with a growth rate of 0.2% in 2014-15, which has been fluctuating. In services sector, Information Technology (IT) played a significant part through software development in Hyderabad and Ranga Reddy districts from early 1990s. Prior to bifurcation in 2013, the Hyderabad and Ranga Reddy districts accounted for 15% of India's, and 98% of Andhra Pradesh exports in IT and IT enabled services (ITES) sectors. With Software Technology Park (STP) and Hitec city as a premier hub, Telangana plans to promote information technology by taking the sector to Tier 2 and Tier 3 cities as the next phase of development.

INFRASTRUCTURE FOR EXPORT PROMOTION

Export promotion being an important direction for the economy of the State, a few major export promotion parks developed, and some planned are as follows:

1. Software Technology Park (STP), Hyderabad
2. Hitec City for software units, Cyberabad and Warangal
3. Export Promotion Park at Pashamylaram (Medak district)
4. Biotechnology Park at Turkapally (Ranga Reddy district)
5. Apparel Export Promotion Park at Gundla Pochampalli (Nalgonda district)
6. Agri-export zones for processing the following produce of a number of districts will cover:

TABLE 2: SHARE OF VARIOUS SECTORS IN GSDP – TELANGANA AND INDIA

(at 2004-05 prices) (in per cent)

Sector	2004-05	2009-10	2010-11	2011-12	2012-13	2013-14
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1	2	3	4	5	6	7
Industry (Telangana)	28.4	29.0	28.7	29.4	27.9	27.1
Industry (India)	27.9	28.3	27.9	28.2	27.3	26.1
Services	53.7	56.3	56.5	56.8	58.1	59.0
Agriculture	17.9	14.7	14.8	13.5	14.0	13.9
Total	100	100	100	100	100	100
Telangana GSDP (in Rs. lakh crore)	0.90	1.48	1.74	1.88	1.96	2.07

Note: GSDP: Gross state domestic product

Source: Socio-economic Outlook 2014, Government of Telangana, Hyderabad.

TABLE 3: SECTORAL GROWTH RATES OF GSDP IN TELANGANA AND INDIA

(at 2004-05 prices) (in per cent)

Sector	2004-05	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7
Industry	13.8	2.3	16.8	10.4	-0.9	2.7
Services	13.9	4.8	18.3	8.5	6.9	7.2
Agriculture	25.2	-12.5	19.4	-0.1	6.3	4.6
GSDP	15.9	12.0	18.0	7.8	4.5	5.6
India	9.5	8.6	8.9	6.7	4.9	6.6

Source: ibid.

TABLE 4: GROSS VALUE ADDED AT BASIC PRICES (SUPPLY SIDE) FOR INDIA

(at 2011-12 prices) (in per cent)

Sector	Growth Rate				Share		
	Average	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	2012-13 to 2014-15						
1	2	3	4	5	6	7	8
Agriculture	1.7	1.2	3.7	0.2	17.7	17.2	16.1
Industry	5.7	5.1	5.3	6.6	23.7	23.4	23.3
Manufacturing	6.2	6.2	5.3	7.1	18.3	18.1	18.1

Services (including construction)	7.8	6.0	8.1	9.4	58.6	59.4	60.6
GVA at Basic Prices	6.2	4.9	6.6	7.2	100	100	100

Source: Reserve Bank of India (2015), Annual Report 2014-15, Mumbai, p.181.

- a) Gherkins – five districts – Mahabubnagar, Ranga Reddy, Medak, Karimnagar, and Warangal
 - b) Mangoes and Grapes – four districts – Hyderabad, Ranga Reddy, Medak, and Mahabubnagar
- Commercial floriculture for export is gaining in importance.
7. Integrated Textile Parks 3: Pochampally (Nalgonda district), Warangal, and Sircilla (Karimnagar district)
 8. Food Parks including Mega Food Parks planned for food based industries in a few locations
 9. Special Economic Zones: There are 69 SEZs formally approved for the State – Districts not covered by SEZs are Khammam, Nizamabad and Adilabad. Out of 69 in seven districts, Ranga Reddy accounts for 41 (with 31 in the IT sector), Hyderabad 11, Medak 7, Mahabubnagar 6, Warangal 2, and Nalgonda and Karimnagar one each.

There are also a number of export oriented units (EOUs) with cent per cent export orientation in the State, many of them in the Hyderabad region of three districts. The State being land locked, an Inland Container Depot (ICD) and a Central Freight Station (CFS) have been established by the Centre near Sanatnagar Railway station in Hyderabad for facilitating exports and imports. Containers from the ICD regularly travel by train to Chennai and Mumbai sea ports.

DEVELOPMENT OF LARGE INDUSTRIES, AND MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs)

(A) METHODOLOGY AND ANALYSIS PATTERN

Review of industrialization of the State is attempted on the following lines. MSME Development Act has become operational from October 2006. In view of this, from 2006-07, the small scale industries sector has been renamed as MSME sector or SME (Small and Medium Enterprises) sector, and includes manufacturing and service enterprises. Up to 2005-06, data on large industries included data in respect of medium industries. From 2006-07, newly established medium industries have become part of MSME sector. Data maintained for large industries, thus, included data on medium industries up to 2005-06, and not beyond that period, and mega industries for which a separate definition has been given by the State Government. From the Commissioner of Industries, Telangana at Hyderabad, data collected on these lines year-wise up to 2014-15 right from early years is presented in Table 5. District-wise and year-wise data have also been collected. This is used to present the cumulative picture for Telangana district-wise and region-wise to analyse the dispersal pattern of large industries up to March 2015. Data covered in the table are in respect of units (number of enterprises), fixed investment in Rs. crore, and employment. For these parameters, percentage distribution has been worked out in respect of the cumulative picture as at the end of March 2015 (Table A). Similar data on percentage distribution of registered Micro, Small and Medium enterprises up to March 2012, cumulative picture, is also presented in Table A for

facilitating comparison between dispersal of large industries and MSMEs, as district-wise cumulative picture was available only up to this period. Tables 7 and 8 also cover district-wise MSME data. Table 7 gives the cumulative picture district-wise for periods ending March 2006 and 2012. Table 8 presents registered MSME picture for 2013-14 and for ten months of 2014-15 (June 2, 2014 to end-March 2015) district-wise from the period of formation of the State. It was not possible to present the cumulative picture for these years as 2012-13 data was not available. In Table 8, based on data available for both the years, region-wise share has been worked out as a percentage. Compound annual growth rate (CAGR) has been worked out in Tables 5 & 6 for the periods, 2005-10 and 2010-15 for the State, and in Table 7 for the period 2006-12 for districts and regions.

(B) DISCUSSION ON GROWTH AND DISPERSAL PATTERN OF ALL CATEGORIES OF INDUSTRIES AND SERVICES

1. Table A reveals the dispersal pattern of large industries and MSMEs. In both categories, Hyderabad region stands dominant, followed by Southern region, and Northern region. In respect of large industries, Hyderabad region accounts for 77.6% of enterprises, 51.8% of fixed investment, and 50.5% of employment. In respect of MSMEs, the region has captured 59.1% of enterprises, 74.3% of investment and 64.3% of employment. The southern region's share in investment is 40.9% for large industries, and 21.3% for MSMEs, in employment 33.8% for large industries, and 24.6% for MSMEs, and in number of enterprises, 19.0% for large industries, and 28.0% for MSMEs. The share of the Northern region, which is the lowest is, for investment 7.3% for large industries, 5.3% for MSMEs; for employment 15.7% for large industries, and 11.1% for MSMEs; and for number of enterprises 3.4% for large industries and 12.9% for MSMEs.
2. District-wise picture as shown in Table A indicated that Ranga Reddy stands number one, followed by Medak; Hyderabad's share is quite small. Large industries are distributed mainly in Ranga Reddy and Medak districts, whereas for MSMEs, Ranga Reddy is quite dominant, and relatively less in Medak; Hyderabad's share is quite small. In the Southern region in respect of large industries, Nalgonda is prominent for share in investment, and Khammam for share in investment and employment; and in respect of MSMEs, there is a greater evenness of distribution among the four districts, and Nalgonda is more prominent.

TABLE A: SHARE OF MSMES AND LARGE INDUSTRIES IN TELANGANA - REGION-WISE AND DISTRICT-WISE

(Data on MSMEs – cumulative picture at end-March 2012; data on Large Industries – cumulative picture at end-March 2015)

(in per cent)

Region /District	MSMEs			Large industries		
	Units	Fixed Investment	Employment	Units	Fixed Investment	Employment
1	2	3	4	5	6	7
Hyderabad region	59.1	74.3	64.3	77.6	51.8	50.0
Northern region	12.9	5.3	11.1	3.4	7.3	15.7

Southern region	28.0	21.3	24.6	19.0	40.9	33.8
State total	100	100	100	100	100	100
District	Hyderabad region					
Medak	7.5	17.2	10.9	29.6	22.5	19.4
Hyderabad	19.4	5.4	16.8	16.5	2.6	6.8
Ranga Reddy	32.3	50.8	36.6	31.5	26.7	24.3
	Northern region					
Adilabad	2.3	0.9	2.2	1.2	3.8	8.5
Nizamabad	4.9	1.9	3.9	1.1	0.5	0.6
Karimnagar	5.7	2.5	5.0	1.0	3.1	6.1
	Southern region					
Mahabubnagar	5.1	5.6	4.7	7.2	7.3	4.0
Nalgonda	9.3	8.7	9.4	8.9	17.8	6.0
Warangal	7.5	2.8	5.4	1.1	0.4	0.5
Khammam	6.1	4.2	5.0	1.8	15.4	22.9

Source for basic data: Commissioner of Industries, Telangana, Hyderabad.

**TABLE 5: LARGE AND MEGA INDUSTRIES IN TELANGANA
(UP TO END-MARCH 2015) (INCLUDES MEDIUM INDUSTRIES UP TO 2005-06) –
YEAR-WISE PROGRESS**

Year End-March	Units	Fixed Investment (Rs.crore)	Employment
1	2	3	4
2014-15	30	3067.32	5675
2013-14	11	1074.12	1712
2012-13	23	2149.21	8627
2011-12	23	4190.84	7653
2010-11	33	3619.17	8081
2009-10	29	2700.50	5328
2008-09	46	2691.97	9181
2007-08	68	1878.97	11741
2006-07	92	1683.3	18258

2005-06	32	305.45	4571
2001-05	141	1917.25	19571
1991 to 2001	834	1051.68	176379
Earlier data	729	9860.82	392270
Cumulative Total up to 31-03-2015	2091	45650.45	669047
Cumulative Picture			
2005	1704	22289.75	588220
2010	1971	31549.81	637299
2015	2091	45650.45	669047
CAGR(%)			
2005-10	3.0	7.2	1.6
2010-15	1.2	7.7	1.0

Source: Commissioner of Industries, Telangana, Hyderabad.

TABLE 6: REGISTERED MSMES IN TELANGANA (UP TO END-MARCH 2015) (YEAR-WISE PROGRESS) (MEDIUM INDUSTRIES ARE INCLUDED FROM 2006-07)

Year End-March	Units	Fixed Investment (Rs.crore)	Employment
1	2	3	4
2014-15	5787	2829.40	64604
2013-14	6844	3111.41	83217
2012-13	5125	2674.19	71170
2011-12	5381	2600.61	76673
2010-11	4639	1735.86	51713
2009-10	2792	1272.45	46454
2008-09	2809	1218.00	52598
2007-08	2572	1258.32	43771
2006-07	1319	553.40	18964
2005-06	731	83.87	7522
2001-05	3807	311.07	49920
Up to 2001	26057	2819.29	178053

Cumulative Total up to 31-03-2015	67863	20467.88	744659
Cumulative Picture			
2005	29864	3130.36	227973
2010	40087	7516.40	397282
2015	67863	20467.88	744659
CAGR(%)			
2005-10	6.1	19.2	11.8
2010-15	11.1	22.2	13.4

Source: ibid.

TABLE 7: GROWTH OF MSMES IN TELAGANA – DISTRICT-WISE AND REGION-WISE (2006- AND 2012) (CUMULATIVE PICTURE FOR THE YEAR ENDING MARCH)

Sl. No.	District / Region	No. of enterprises			Fixed investment (Rs. crore)			Employment (persons)		
		2006	2012	CAGR (%)	2006	2012	CAGR (%)	2006	2012	CAGR (%)
1	2	3	4	5	6	7	8	9	10	11
1	Medak	4589	7187	7.8	344.6	2118.6	35.3	51603	116608	14.6
2	Hyderabad	14412	18623	4.4	235.4	659.6	18.7	110484	180076	8.5
3	Rangareddy	18091	31053	9.4	1119.5	6257.8	33.2	169456	392600	15.0
(A)	Hyderabad region	37092	56863	7.4	1609.5	9036.1	32.1	331543	689284	13.0
4	Adilabad	1816	2252	3.7	51.7	113.0	13.9	18943	23484	3.6
	Nizamabad	3899	4701	3.2	75.1	230.4	20.5	35432	42145	2.9
5	Karimnagar	4915	5507	1.9	145.7	309.2	13.4	45612	53447	2.7
(B)	Northern region	10630	12460	2.7	272.5	652.6	15.7	99987	119076	3.0
7	Mahabubnagar	3268	4900	7.0	113.1	688.1	35.1	28915	50306	9.7
8	Nalgonda	7446	8940	3.1	218.1	1067.2	30.3	72390	100180	5.6
9	Warangal	6224	7185	2.4	98.4	347.5	23.4	49809	58371	2.7
10	Khammam	4494	5871	4.6	146.4	519.8	23.5	40706	54034	4.8

(C)	Southern region	21432	26896	3.9	476.0	2622.6	32.9	191820	262891	5.4
(D)	Telangana	69154	96219	5.7	2548.1	12311.1	30.0	623350	1071251	9.4

Note: Data presented in the table relate to registered micro and small enterprises up to 2005-06; from 2006-07, in addition, data regarding the newly registered medium enterprises are also included.

Source: Commissioner of Industries, Combined Andhra Pradesh, Hyderabad.

**TABLE 8: REGISTERED MSMES IN TELANGANA – DISTRICT-WISE & YEAR-WISE
(2013-14 & TEN MONTHS OF 2014-15)**

	District / Region		Units	Fixed Investment (Rs.crore)	Employment
	1	2	3	4	5
1	Medak	a.	112	151.18	2249
		b.	384	429.44	5418
2	Hyderabad	a.	814	264.74	11382
		b.	674	219.84	7584
3	Ranga Reddy	a.	3865	1696.09	51752
		b.	2349	1024.91	28337
(A)	Hyderabad Region	a.	4791	2112.01	65383
		b.	3407	1674.15	41339
4	Adilabad	a.	145	69.72	1180
		b.	87	29.11	603
5	Nizamabad	a.	413	138.07	2072
		b.	240	69.33	2898
6	Karimnagar	a.	101	63.01	1133
		b.	144	52.30	1451
(B)	Northern Region	a.	659	270.80	4385
		b.	471	150.74	4952
7	Mahabubnagar	a.	387	238.07	4665
		b.	315	180.44	2799
8	Nalgonda	a.	332	237.13	4553

		b.	288	187.16	2659
9	Warangal	a.	327	134.07	2163
		b.	247	98.18	1889
10	Khammam	a.	348	119.33	2068
		b.	165	35.73	749
(C)	Southern Region	a.	1394	728.60	13449
		b.	1015	501.51	8096
(D)	Telangana State	a.	6844	3111.44	83217
		b.	4893	2326.43	54387
	Share of Regions (in per cent)				
	Hyderabad region	a.	70.0	67.9	78.5
		b.	69.6	72.0	76.0
	Northern region	a.	9.6	8.7	5.3
		b.	9.6	6.5	9.1
	Southern region	a.	20.4	23.4	16.2
		b.	20.8	21.6	14.9
	State	a.	100	100	100
		b.	100	100	100

Note: a. 2013-14, b. 2014-15 – ten months (from June 2, 2014 to March 31, 2015).

Source: Commissioner of Industries, Telangana, Hyderabad.

In the Northern region, Adilabad is known for large industries, and Karimnagar for both large industries and MSMEs. The influence of the metropolis is reflected in the progress of industrialization in Ranga Reddy and Medak districts as well as in Mahabubnagar and Nalgonda, in view of their proximity.

- The distribution as revealed by the data reflects the infrastructure development, incentives, and concessional finance pattern followed for large industries and MSMEs as a package up to 1988 from early 1970s. The central investment subsidy of 15% in some mandals for a longer period, and 10% in some other mandals for a shorter period, was stopped in 1981. Concessional finance from institutions for small enterprises was continued up to 1988. Infrastructure development through industrial estates and industrial areas, and capital investment subsidy, and concessional finance contributed to the conglomeration and concentration of industries in a few pockets of a few districts in the State. Growth centre strategy adopted by the State in those years is another approach that contributed to dispersal. In the recent 15 years of 21st century. Cluster development programme and National Competiveness measures have been focusing attention on improving

the competitiveness of enterprises. Backward Regions Grant Fund of the Centre is currently applicable to nine districts, with the exception of Hyderabad from 2009-10. Special mention may be made of the impact of the Nucleus complexes programme implemented in Medak district during mid-1980s, and the Rural Industrialization programme, later integrated into the District Industries Centre (DIC) programme in a phased manner all over the State. Role of polytechnology transfer centre in transferring processes / technologies developed in National Laboratories of CSIR (Council of Scientific and Industrial Research) is another major contribution.

ANALYSIS OF CAGR SHOWS THE FOLLOWING RESULTS

In respect of large industries (Table 5) for fixed investment, CAGR was 7.7% during 2010-15, and 7.2% during 2005-10. The cumulative picture for large industries at end-March 2015, shows large industries account for 2091 enterprises, Rs.45,651 crore fixed investment, and employment of 6.69 lakhs. In respect of MSMEs (Table 6) the cumulative picture shows CAGR of 22.2% for fixed investment during 2010-15, and 19.2% during 2005-10. Both in respect of large industries and MSMEs progress in the recent years has been quite good for the State as a whole. Table 7 reveals the MSME cumulative picture CAGR as follows.

For 2006-12, the State recorded CAGR 30.0% growth in investment, 9.4% in employment, and 5.7% in number of enterprises. CAGR in Hyderabad and the Southern region is quite good, and in the Northern region moderate. The growth figures do reveal a healthy trend. At the end of March 2012, the cumulative picture for MSMEs is as follows: 96,219 enterprises, Rs.12,311 crore fixed investment, and employment of 10.71 lakhs. Many problems faced by the enterprises are not reflected in the data presented in the tables. Particular reference is to be made to sickness in enterprises and closure, inadequate flow of institutional finance, and limited progress in respect of export promotion.

A FEW POINTERS FOR FOCUSING ATTENTION IN FUTURE

1. Regional imbalances to be minimized by upgrading the level of industrialization and also of the services sector in tier 2 and tier 3 towns, and particularly in rural areas.
2. For enhancing competitiveness, the National Manufacturing Council has been providing the necessary guidance through implementation of specific action steps in the large scale sector and in MSMEs. Industry associations need to play a significant role in this direction. Collective efforts of entrepreneurs in all the regions can go a long way in availing of the facilities provided by the Centre, as well as what Associations can do on their own. These efforts can raise the contribution of industrial services and industrial output significantly.
3. **INFRASTRUCTURE DEVELOPMENT:** Upgradation of infrastructure in industrial parks and other locations is necessary. Apart from central funds under the cluster development programme, associations on their own need to bear a sizeable burden in their own interest. Under Cluster Development Programme launched by the Union Ministry of MSME, as per the revised guidelines in operation from 2010, infrastructure development is a specific component. Government of India supports existing industrial parks for developing the required facilities. The Gol grant will be restricted to 60% of the cost of the project, and 80% in case of projects of North Eastern and Hill States, as well as industrial parks with more than 50% (a) micro, (b)

women owned, and (c) SC/ST units. Maximum Project cost envisaged in new estates is Rs. 10 crore per location. For existing clusters, in the context of upgradation, and for common facilities to be established, proposals will be considered based on actual requirement. Specialized industrial parks with focus on exports, and those promoted by educational institutions for the benefit of the younger generation involving the expertise and facilities available in the University can also be considered by the Central Government for this pattern of assistance.

4. Review of the implementation of specific thrust areas through research and consultancy studies is necessary. The studies can include common effluent treatment plants, effluent treatment strategies, local authority status of Infrastructure Corporation, setting up of common services centre for upgradation of services to industry to enhance competitiveness, quality improvement and certification, etc.
5. Export promotion and linkages with MSMEs in other countries through technology transfer arrangements - an institution to be promoted at the state level for this purpose. Karnataka has established an institution for this purpose during 1990s.
6. One agency to document all facilities available in the state for manufacturing and services and provide guidance to entrepreneurs – MSMEs & bigger projects. Entrepreneurs do not need to go to various institutions initially. This can be part of the single window service for entrepreneurs. Similar agency is functioning in very few States including Gujarat and Tamil Nadu which have established the institution long back, but it has not yet been planned in Telangana.
7. Strengthening the district industries centres (DICs) through additional manpower for specific additional roles envisaged at the district level, and involving industry associations through various committees. DICs have to play a significant role in revitalizing the decentralized sector and micro enterprises in the implementation of programmes such as cluster development, export orientation, development of common services, strengthening the marketing network, etc.
8. **STATE PACKAGE OF INCENTIVES ON A GRADED PATTERN:** Regarding the implementation of package of incentives offered by the State in Telangana, it is suggested that the districts in full or part may be categorized as A, B and C. A refers to developed area where no incentives are admissible; B fairly developed, and C less developed. Mandals may be identified in each district under these three categories. In B mandals less dosage of incentives, and in C mandals higher dosage of incentives are to be administered. Gradation on these lines will be desirable to attract industries to less developed mandals and rural areas of the State. Infrastructure, business development counseling services, and skill and entrepreneurship training programmes for entrepreneurs, and skill training for workers need to be intensified to accelerate industrialization in less developed parts of the State.
9. **EDUCATIONAL INSTITUTIONS:** University departments and individual colleges to provide entrepreneurial counseling, incubation, and skill development facilities by obtaining assistance from the Centre, from industry, and also from global foundations.
10. Cluster development implementation plan to be made vigorous in more product groups.
11. Increasing the credit flow to MSMEs with the linkage with credit guarantee fund scheme for MSMEs of SIDBI. ALEAP (Association of Lady Entrepreneurs of Andhra Pradesh) has set up a mutual guarantee fund, and stands guarantee to interested bankers for loans given to their

members. ALEAP Credit Guarantee Association has been functioning well in the last few years through agreements with all the nationalized banks. Similar measures can be promoted through other industries associations in the state. Another initiative taken by ALEAP for the benefit of its members is e-commerce, which is also progressing well. Incubation centres and entrepreneurship and skill development programmes, and development of specialized skills through linkages with industry associations and industrial enterprises have also contributed significantly to women entrepreneurship in the State.

12. Stock taking/review of progress of specific programmes, and evolving strategies for effective implementation location-wise is necessary. It is not enough to think of new locations; making the existing locations function effectively is important as the demonstration effect of the success or otherwise of these centres will have considerable impact on the new locations identified under various programmes.

CONCLUSION

Growth and performance of industrial development, export promotion, and information technology (IT) and IT enabled services (ITES), with special reference to software development have historical significance in the way development has taken place in different districts of the State. Hyderabad region consisting of three districts occupies the dominant position in respect of all ranges of industries and services. In a few growth centres in the southern region districts, in particular, development has been rapid. The three Northern districts have recorded only moderate performance. Balanced regional development in different parts of various districts, including well developed Hyderabad region districts needs focused attention. Improving the industrial environment in areas such as environmental preservation through common effluent treatment plants, development of common services, skill development centres, and improving the competitiveness of enterprises are the major thrust areas for focused attention for accelerating industrialization of the State, and for introducing qualitative improvements.



PARADIGM SHIFT IN MONETARY AND EXCHANGE RATE POLICY - PRE & POST REFORM ERA

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ABSTRACT

However, response of the RBI and government to stem the slide by resorting to liquidity squeeze there by spiking the interest cost and other administrative control like import restriction are only going to hurt the revival of growth and further deteriorate the CAD and put pressure on Rupee. Rather the policy mix should be to allow Rupee to find a level on its own while putting greater emphasis on fiscal consolidation and improving productivity in the economy.

KEYWORDS: Monetary, Exchange Rate Policy, LAF, Liquidity Squeeze, GDP, LERMS.

ABSTRACT

Post 1991 economic crisis in India widespread structural reforms were undertaken involving conduct and thrust of monetary policy framework in India. Achievement of macroeconomic price stability, removal of administrative intervention in interest rate and bank credit, market orientation of monetary policy with choice of instrument, adoption of multi indicator approach to draw policy perspective, interest rate deregulation, were some of the paths breaking measures which brought India out of the abysmal mess that the country was in before the reforms. Reduction of automatic monetization of fiscal deficit, legislative changes to empower the RBI to have better control over instrument independence and greater transparency and accountability helped the fiscal consolidation and bringing back the economy to shape. To tide over the BOP crisis two step downward exchange rate adjustment, the adoption of Liberalized Exchange Rate Management System (LERMS) in March 1992 involving the dual exchange rate system in the interim period which was replaced by a unified exchange rate system in March 1993. The Indian foreign exchange market has been widened and deepened with the transition to a market-determined exchange rate system in March 1993 and the subsequent liberalization of restrictions on various external transactions leading up to current

account convertibility under Article VIII of the Articles of Agreement of the International Monetary Fund in 1994. Allowing banks and dealers to fix their trading limits, introduction of different hedging instruments, allowing corporate to book forward cover on past performance basis, steps have also been taken to liberalize the capital account covering foreign direct investment, portfolio investment (both equity and debt), outward investment including direct investment as well as depository receipt and convertible bonds, opening of Indian corporate offices abroad and the like. These reforms are being reflected in vibrancy in activity in various segments of the foreign exchange market with occasional direct intervention by RBI to smoothen out volatility in line with policy objective. Post 2008 financial market meltdown worldwide and subsequent EURO zone sovereign crisis and subsequent accommodative policy adopted by the world wide had posed new challenges to the Indian economy. Slugging growth over consecutive years combined with persistent inflationary pressure had left very hard choices before the policy makers to choose in the perennial debate between Growth vs. Inflation. In line with its stated position of adopting a discretionary and flexible policy approach RBI shifted focus to inflation targeting since 2010 though analysis of data over decades give mixed signal regarding the above stated policy approach. Compounding the above two challenges is the depreciation of Rupee(over 22% since May 2013) due to massive outflow of debt and equity portfolio by FII, triggered by the prospect of tapering of QE by Federal Reserve.

INTRODUCTION

The international financial landscape today is much more complex and volatile than it has been in previous decades. Monetary policy making has become a delicate balancing act between the imperatives of domestic economic, financial and monetary concerns and the evolving international situation that have to be observed closely on a real time basis and to take it as a given challenge in monetary policy making now is to ensure that such a growth path can be preserved, or further accelerated, while providing a macro-economic environment that is characterized by monetary, price and financial stability.

MONETARY POLICY CHANGES POST 1991

Structural reforms over wide areas of the Indian economy were undertaken in the aftermath of a balance of payments crisis in 1991. This dramatic change in context fundamentally altered the manner in which monetary policy began to be formulated. Given the reality of multiple goals assigned to the monetary authority, the achievement of macroeconomic and price stability received greater emphasis with a continuous rebalancing of priority between growth and price stability, depending on underlying macroeconomic and financial conditions. Strong synergies and complementarities are observed between price stability and financial stability in India. The operating framework of monetary policy underwent a transformation during the 1990s. A variety of administered interventions in interest rates and bank credit flow characteristic of the 1970s and 1980s gave way in the early 1990s to a brief period of broad monetary policy rules or 'monetary targeting with feedback'. From the second half of the 1990s, the Reserve Bank of India (RBI) switched to a multiple indicator approach in which high frequency and low frequency indicators are tracked and the information used to draw policy perspectives. The growing market orientation of

monetary policy has tilted the choice of instruments decisively from direct to more indirect and market-based monetary policy measures. Interest rate deregulation was initiated across different segments. At present, banks enjoy the flexibility of pricing loans and advances using market benchmarks and time varying spreads in an objective and transparent manner.

Thus, a carefully calibrated transition from an administered interest rate regime to one of market determined interest rates was done over a period of time, while minimizing disruption and preserving financial stability. Interest rate deregulation is essential to smoothen up the transmission channels of monetary policy and enhance the signaling effects of policy changes. However, some rigidity remains in certain segments hindering the overall efficiency of interest rates in resource allocation. A liquidity adjustment facility (LAF) consisting of repo / reverse repo in government securities has emerged since June 2000 as the main operating instrument of monetary policy. The LAF serves two objectives. First, it has provided greater flexibility in addressing day-to-day liquidity mismatches. Second, it sets a corridor for overnight market interest rates, imparting stability in the market. The LAF rates serve as tools for liquidity management as well as signaling of interest rates. The effectiveness of LAF has perceptibly improved the efficacy of monetary policy transmission.

The evolution of an autonomous monetary policy in the 1990s also depended on the effective removal of fiscal dominance that had existed earlier through the automatic monetization of fiscal deficits. Over the period 1994-97, this subvention was phased out by agreement between the government and the RBI, marking a unique milestone in monetary–fiscal coordination. Legislative amendments have been carried out, first in 2000 and in 2006, to strengthen RBI's regulatory jurisdiction over financial markets in terms of the operations of the forex, money and government securities markets. These legislative changes are to empower the RBI in terms of instrument independence and hence the effectiveness of monetary policy. In terms of process, there are also greater transparency and consultation, while increasing the frequency of policy reviews from semi-annual to quarterly. Going forward, the key issue, given the institutional empowerment, is the speed and quality of the transmission of monetary policy impulses.

In spite of the avowed position by different authorities in RBI over periods of time that Monetary Policy conduct being discretionary and flexible, analysis of data from 1990 to 2013 reveals that the correlation between output and inflation has been rather weak or in other words 'output-inflation' trade-off is not clearly visible. But as explained by many economists the relationship might be masked by a variety of real and financial disturbances to the Indian economy as well as financial market imperfection. Moreover, lower and stable inflation over the last couple of decades has been associated with lower and more stable interest rates further suggesting that money market interest rates in India moved sluggishly in response to swings in inflation rate. This implies that the RBI in setting interest rates has generally been slow to respond to inflation movements. Further it is suggested that the swings in output gap are followed by similar changes in the interest rate – that is when actual output fell below the potential, interest rate declined and vice versa. This is another indication of RBI following a counter-cyclical monetary policy. Investigations have been carried out to find whether RBI is following the Taylor Rule (American Economist John Taylor outlined a policy rule by which US Fed was assumed to adjust base interest rate in response to past inflation and the output gap) suggests that over the last couple of decades neither inflation nor exchange rates were key determinants of RBI's monetary policy, which instead seemed to be mostly dominated by concern for growth. In the context of worldwide inflation targeting approach by central banks, no

evidence of exclusive concentration by the RBI on inflation was suggested. However, this seems to have changed over the last couple of (2/3) years as RBI seems to have abandoned its growth objective and instead has been focused almost obsessively on inflation prompting a series of 13 consecutive interest rates hike between March 2010 to December 2011 before effecting first rate cut in April 2012.

EXCHANGE RATE MARKET AND POLICY FRAMEWORK OF RBI

India's exchange rate policy has evolved over time in line with the gradual opening up of the economy as part of the broader strategy of macroeconomic reforms and liberalization since the early 1990s. In the post independence period, India's exchange rate policy has seen a shift from a par value system to a basket-peg and further to a managed float exchange rate system. With the breakdown of the Bretton Woods System in 1971, the rupee was linked with pound sterling. In order to overcome the weaknesses associated with a single currency peg and to ensure stability of the exchange rate, the rupee, with effect from September 1975, was pegged to a basket of currencies till the early 1990s.

The initiation of economic reforms saw, among other measures, a two step downward exchange rate adjustment by 9 per cent and 11 per cent between July 1 and 3, 1991 to counter the massive draw down in the foreign exchange reserves, to install confidence in the investors and to improve domestic competitiveness. The Liberalized Exchange Rate Management System (LERMS) was put in place in March 1992 involving the dual exchange rate system in the interim period. The dual exchange rate system was replaced by a unified exchange rate system in March 1993. The Indian foreign exchange market has been widened and deepened with the transition to a market-determined exchange rate system in March 1993 and the subsequent liberalization of restrictions on various external transactions leading up to current account convertibility under Article VIII of the Articles of Agreement of the International Monetary Fund in 1994. Since the mid-1990s, banks and other authorized entities have been accorded significant freedom to operate in the market. Banks have been allowed freedom to fix their trading limits and to borrow and invest funds in the overseas markets up to specified limits. They have been allowed to use derivative products for hedging risks and asset-liability management purposes. Similarly, corporate have been given flexibility to book forward cover based on past turnover and are allowed to use a variety of instruments like interest rates and currency swaps, caps/collars and forward rate agreements. The swap market for hedging longer-term exposure has developed substantially in recent years. A number of steps have also been taken to liberalize the capital account covering foreign direct investment, portfolio investment (both equity and debt), outward investment including direct investment as well as depository receipt and convertible bonds, opening of Indian corporate offices abroad and the like. Until recent curbs in August 2013, in recent years, the Reserve Bank has delegated exchange control procedures to banks and authorized dealers to such an extent that there is hardly any need to approach the Reserve Bank for any approval.

Monetary Policy framework saw a paradigm shift and became much more complex which was significantly affected by the regime shift in the conduct of exchange rate management in India that occurred in the early 1990s. For the majority of developing countries, including those in the Asian region, which continue to depend on export performance, appropriate exchange rate determination is of great importance as volatility imposes significant real effects in terms of fluctuations in

employment and output and the distribution of activity between tradable and non-tradable, fluctuations that are difficult to absorb in such economies. The determinants of exchange rate behavior however, seem to have altered dramatically. Earlier, factors related to changes in merchandise trade flows and the behavior of commodity price inflation were well understood and provided guidance for operating monetary policy. In this environment, monetary policy principally targeting low inflation was consistent with exchange rate changes under purchasing power parity. These traditional anchors of understanding have been swept away by the vicissitudes of capital movements, with currencies often moving far out of alignment of the traditional fundamentals. Moreover, it now appears that expectations and even momentary reactions to the day's news are often more important in determining fluctuations in capital flows and hence it serves to amplify exchange rates volatility.

Furthermore, the liquidity impact of capital flows has become an even more important problem for monetary management than it was the case hitherto. The globalization of financial markets, even if imperfect, has now magnified the impact of monetary policy actions taken in one country on others. The policy accommodation pursued recently by the US (0% interest rate since 2008 and 3 phases of Quantitative Easing), EU, JAPAN (Abenomis) had a global impact, affecting the rest of the world with an abundance of liquidity. Low interest rates in the US have encouraged capital to flow into emerging market economies. This has resulted in a large build-up of foreign exchange reserves and excessive domestic liquidity in many countries in Asia, amplifying the Fed's policy stance. Complicating the environment of monetary and exchange rate management further, there is now increasing evidence that exchange rate pass-through to domestic inflation has tended to decline from the 1990s across a number of countries. Inflation has turned out to be much less sensitive to exchange rates.

DEALING WITH THE CHANGES

Recent information suggests that India's integration with the world economy is getting stronger, with implications for the conduct of exchange rate policies in the future. Trade in goods (i.e., exports plus imports) as a proportion of GDP increased from 14.2 per cent in 1990-91 to 43.2 percent in 2011-12. Two way external sector transactions (i.e., gross current account plus gross capital account flows) have risen from 30.6 per cent of GDP in 1990-91 to about 108.0 per cent in 2011-12 reflecting the growth in buoyant Indian trade in services. Correspondingly, in the capital account, gross flows (total inflows plus outflows) have increase 22 fold to \$932 Billion in 2011-12 as a 55% of GDP from 12 per cent in 1990-91. Thus, the Indian economy is substantially exposed to the international economy and hence increasingly subject to the vicissitudes of international financial developments. Re-emergence of a Current Account Deficit (CAD) since 2004-05 after a hiatus of three years of surpluses, preceded by a decade of CADs averaging 1 per cent of GDP is now going out of proportion by reaching 4.8% of GDP for 2012-13.

Research indicates that in India CAD is countercyclical. It rises when output falls and not when demand rises. In other emerging economies the CAD tends to be pro-cyclical, linked to over consumption in good times. In developed countries the CAD exhibits no such firm relationship with income fluctuations. A countercyclical CAD in India's case suggests dominance of external supply shocks rather than excess demand factor. This can be attributed due to rise in oil price and fall in growth. Gold & Oil imports, which account for about a quarter of total imports, have recorded high

growth rates and contributed 47 per cent to the change in the current account deficit. As the current account deficit widens, and contributes to the unwinding of global imbalances at the margin, sustainable magnitude of the current account deficit assumes greater importance. This sustainability depends on the perceived stability of capital flows which, in turn, would be dependent on the assessment of growth prospects of the economy by foreign lenders and investors. Whereas it is understood that, a more open economy that has access to international capital flows can run a higher current account deficit than a less open one.

India's Current Account Deficit (CAD) has been a source of worry over last few months. The CAD reached 4.8% of GDP in 2012-13 with its highest. It implies India's aggregate demand (consumption and investment) hugely exceeds its domestic output which is evidenced by the slumping GDP growth over consecutive years. Recent developments have posed testing challenges to the conduct of monetary and exchange rate management in India as in the rest of the world. India ran balance of payments (BOP) deficits in 2008-09 and 2011-12. It posted a small surplus of \$3.8 billion in the 2012-13 year that ended in March, but some economists expect it to slip back into deficit this fiscal year. Present foreign exchange reserve of around \$275 Billion is sufficient only to cover 7 months import bill which is lowest among BRIC countries. All up by the end of this fiscal year, India needs to refinance or repay \$172 billion of liabilities—such as foreign borrowings, trade credit, and private debts—which is almost 45% of its overall external borrowings and equivalent to 59% of its reserves. The depreciation of Rupee by 22% since 1st week of May is the highest among emerging market economies.

CONCLUDING THOUGHTS

Under these conditions, certain stylized aspects of exchange market behavior need to be kept in mind while dealing with monetary and exchange rate management from a medium term perspective. First, the day-to-day exchange rate movements in the short-run in foreign exchange markets have little to do with the so-called 'fundamentals' or a country's capacity to meet its payments obligations, including debt service. Second, in view of inter-bank activity, which sets the pace in forex markets, transaction volumes in "gross" terms are several times higher, and more variable, than "net" flows. Third, developing countries generally have smaller and localized forex markets where nominal domestic currency values were generally expected to show a depreciating trend, particularly if relative inflation rates were higher than those of major industrial countries. In this situation, there is a greater tendency among market participants to hold long positions in foreign currencies and to hold back sales when expectations are adverse and currencies are depreciating, than the other way round when currencies are appreciating and expectations are favourable. In recent years, exchange rate trends have been more mixed despite the existence of inflation differentials. Fourth, the tendency of importers/exporters and other end-users to look at exchange rate movements as a source of return without adopting appropriate risk management strategies, at times, creates uneven supply-demand conditions, often based on "news and views". The NDF market where excessive speculation in currencies derivatives takes place is having severe depreciating pressure on INR. A self-sustaining triangle of supply demand mismatch, increased interbank activity to take advantage of it and accentuated volatility triggered by negative sentiments requiring quick intervention/response by authorities.

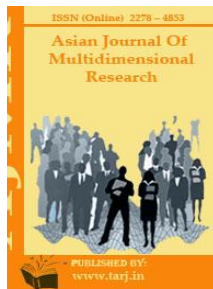
The recent measures taken by RBI to drain out liquidity has resulted in spike in the short term yield and such an inverted yield has been rarely been seen in India, If RBI continues to drain liquidity and short term yields firm up even further there will be spillover effect and interest rate in the longer end of the curve will rise and that will kill growth. The latest Government plan to stabilize rupee by cutting current account deficit through administrative measures is weak and potentially dangerous. The problem that India has is structural and is linked to gradual loss of industrial competitiveness. Temporary solution such as liquidity squeeze or high import duties would be fine in case CAD is temporary. But in India it is linked to more serious issue of high inflation and low productivity growth which combines to make India export uncompetitive. India needs lower fiscal deficits to tackle its inflation and reform push to raise productivity and to let the rupee gradually lose its value. The measure announced by RBI may certainly reduce money supply growth (credit growth) due to rising interest rates. However, with interest rates already high and corporate reeling under heavy financing costs, these measures would impact growth process which is an important factor in determining value of Rupee. So falling growth would further put pressure on exchange rate, forcing the RBI's hand against loosening the monetary policy. This could turn into a vicious cycle of growth, depreciating currency and tight monetary policy.

Going forward, there will be a continuous need to adapt the strategy of liquidity management as well as exchange rate management for effective monetary management and short-term interest rate smoothening consistent with monetary policy framework. This issue becomes even more relevant under a freer regime of capital flows. Global developments are expected to have an increasing role in determining the conduct of monetary and exchange rate policies in our countries. In an environment of global convergence, retaining independence of monetary policy may become increasingly difficult, calling for hard choices in terms of goals and instruments. Managing periods of volatility is bound to pose greater challenges in view of the impossible 'Holy Trinity' of independent monetary policy, open capital account and exchange rate management. Preserving stability in the market would require more flexibility, adaptability and innovations with regard to the strategy for liquidity management as well as exchange rate management.

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INFLUENCE OF EGO-STRENGTH ON PHYSICAL HEALTH AMONG ADOLESCENTS

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ABSTRACT

Ego-strength is a psychological state which play significant role in coping to anxiety provoking cognitive processes and behaviors. Continuously high anxiety developed poor mental health which is adversely affected the people's physical health. The purpose of this study was to explore the relationship between ego-strength and physical health of adolescents. The sample was consisted of N=80 participants. Baron's Ego Strength Scale adopted by Hasan (1974) and Physical Health Scale prepared by Mohammadyfar et al. (2009), were administered to collect the data. The Pearson Product Moment Correlation and Simple Linear Regression were used for data analyses. The findings of this study revealed that, there is significant positive relationship between ego-strength and physical health of adolescents. Further this study indicated that ego-strength positively influenced the physical health of adolescents. This study may have its own practical significance to optimizing physical health of adolescents at large.

KEYWORDS: Ego-Strength, Physical Health and Adolescents.

INTRODUCTION

Adolescents are the main assets of any society. The holistic development of the every society depends upon the adolescent's health because these are that people who will take the responsibilities to success of the society in future to achieving the societies' goal. World Health Organization (WHO, 1952) defined optimal health as "a state of complete physical mental and social well-being and not merely the absence of disease or infirmity." They also summed spiritual well-being as one dimension of well-being. Those people who have low health or ill-health are adversely affected societies' development and future goals. A large number of the bacteria and viruses are prevalent in environment, which are responsible for physical illness. Along the environmental factors,

psychological factors also responsible for our good and bad health. Taylor (2002) stated that health and illness are actually determined by a complex interaction among genetic, psychological, and social factors. The ego strength is an internal force that has been linked with coping strategies. A large number of the research findings indicated that ego strength is associated with various outcomes of well-being (Malmquist et.al, 1967, Schonfield, 1972)

EGO-STRENGTH

The concept of ego-strength was proposed by the psychoanalytic school of thought. Freud was the first person who argued that the ego had a strengths as well as weaknesses (Volksdorf, 1969). According to the Symonds (1951), the individual's behaviour differed with the degree of effectiveness demonstrated by the ego. He pointed out that the individual's ability to cope with life's problems has an indication of the strength or weakness of the ego's performance. Symonds also considered the ability to control id impulses as outcome of ego-strength. He defined ego-strength as the "efficiency of the ego in regulating impulses and mastering the environment". Symonds added that it is the "capacity for sustaining emotional equilibrium while waiting or working for later gratification".

Wolberg (1977) defined ego-strength as the positive personality assets that will enable to the individual to overcome his anxieties, to yield secondary gains of his illness, and to acquire new, more adequate defence mechanism. Ego-strength is also the patient's capacity to manage his own identity, despite psychic pain, distress, turmoil and conflict between opposing internal forces as well as the demands of reality (Brown, 1979). Burns (1991) stated that the ego-strength may be supports for the individual to ensures coping abilities, provides an individual with a sense of identity, can be recognized during initial assessment and throughout therapy, it represents a foundation on which to build psychotherapeutic gains, and increases as clients grow in maturity. Worden and Sobel (1978) conducted the study on cancer patients to measure their ego-strength and psychosocial adaptation. They found that psychological adaptation to cancer disease was related to a patient's ego-strength. Further, their findings revealed that ego-strength positively related with a patient's use of effective coping strategies to overcome the effects of that disease.

Goldstein (1984) stated the ego-strength as a composite picture of the internal psychological potentials that an individual brings to his or her interactions with others and with the social environment. These potentials cannot be assessed independently of the nature of the person's needs and the conditions of the surrounding environment. Halpern (1953) defined ego-strength in the terms of the ability of ego "to integrate the needs of the conflict and anxiety-provoking drives with the demands of reality in a way that does not interfere with reasonable fulfilment of the individual's potentialities and his desires."

Freeman (2001) conducted a study to find out the relationship between ego-strength and academic achievement. He found the significant relationships among the five psychosocial ego-strengths such as Hope, Will, Purpose, Competence and Fidelity. Several relationships were found between students' psychosocial Ego-Strength attributes and parents' educational levels. He was also found positive significant relationship between the overall ego-strength and academic achievement. Some differences were found between race and the Hope subscale, faith participation, and faith importance. Race was also found to have a significant influence on the predictive relationships

between psycho-social overall ego-strength and academic achievement. Overall ego-strength was also found to be a significant predictor of academic achievement of the students.

HYPOTHESES OF THE STUDY

In the light of relevant literature the following hypotheses were formulated:

H-(1) There will be significant positive relationship between ego strength and physical health among adolescents.

H-(2) There will be significant influence of ego-strength on physical health among adolescents.

SAMPLE OF THE STUDY

In the present investigation a sample of 80 male students (age 18 to 25) were selected by cluster sampling techniques from various faculties of Aligarh Muslim University, Aligarh.

TOOLS USED

The two different scales namely; Ego-Strength Scale and Physical Health Scale were used for data collection. The brief description of the scales used in the present study is presented in the following manner.

EGO-STRENGTH SCALE

Barron's Ego-Strength scale which was adopted by Hasan (1974) in Indian context was used to measure the Ego-Strength of the sample of present investigation. This scale comprised of 32 items with the two alternative response categories. The frequency of negative responses on the scale indicates the degree of the Ego-Strength. The odd-even reliability of the adopted scale is found to be .78 (corrected). The test-retest reliabilities of the adopted scale were found to be .86 and .82 respectively. The validity of this scale was also found to be highly satisfactory.

PHYSICAL HEALTH SCALE

This scale was developed by Mohammadyfar et al., (2009). This scale comprised of 7 items with the four alternative response categories. The Cronbach's Alpha Coefficient of this scale was reported 0.7151, and test-retest reliability was found to be 0.856. The internal reliability of this scale was reported 0.76. The content validity of this scale has also been found quite satisfactory.

PROCEDURE OF DATA COLLECTION

Good rapport was established with participants before requesting to fill up the questionnaire and then instructions were invariably explained to the participants. After that questionnaires were distributed individually. Subjects were assured of confidentiality of their responses and were requested to extend their co-operation. Finally questionnaires were collected from all the participants, scoring done and analyses were carried on.

STATISTICAL ANALYSES AND RESULTS

TABLE-1: REPRESENTS PEARSON CORRELATION BETWEEN EGO-STRENGTH AND PHYSICAL HEALTH AMONG ADOLESCENTS

CORRELATIONS

		Ego-Strength	Physical Health
Ego-Strength	Pearson Correlation	1	.320**
	Sig. (2-tailed)		.004
	N	80	80
Physical Health	Pearson Correlation	.320**	1
	Sig. (2-tailed)	.004	
	N	80	80

** Correlation is significant at the 0.01 level (2-tailed).

The table-1 indicates that ego-strength positively correlated with physical health (.320) at the 0.01 level of significance (2-tailed). Thus, the first underlined hypothesis of the present investigation that ('there will be significant positive relationship between ego strength and physical health among adolescents') is proved. .

TABLE-2: REPRESENTS SIMPLE LINEAR REGRESSION ANALYSIS, EGO-STRENGTH AS PREDICTOR OF PHYSICAL HEALTH AMONG ADOLESCENTS.

MODEL SUMMARY

Model	R	R Square	Adjusted R Square	R Square Change
1	.320 ^a	.12	.091	.12

a. Predictors: (Constant), Ego-Strength

The table-2 shows the model summary indicating one predictor (ego-strength) of the model, in which correlation between ego-strength and physical health was found to be R=.320. Further R square change was found to be .120 which represents the 12.0% actual contribution of predictor variable (ego-strength) to criterion variable (physical health).

TABLE-3: SHOWING THE COEFFICIENT DETAILS OF EGO-STRENGTH AND PHYSICAL HEALTH AMONG ADOLESCENTS

COEFFICIENTS^A

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
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	B	Std. Error	Beta		
1 (Constant)	18.600	.940		19.778	.000
Ego-Strength	.373	.125	.320	2.980	.000

a. Dependent Variable: Physical Health

The table-3 indicates that the value of $\beta=.320$ shows the ego-strength positively related with physical health of adolescents. The t-value found to be 2.98, which was significant at 0.01 level for ego-strength. Thus, the second underlined hypothesis of the present investigation that ('there will be significant influence of ego-strength on physical health among adolescents') is proved.

DISCUSSION

The above obtained findings clearly indicated significant positive relationship between ego strength and physical health of adolescents. It was also found that ego strength- emerged as a predictor of physical health of adolescents. Freud, great psychologist has also emphasized its role in managing our psycho social disturbances in daily life. Projection, displacement, sublimation, regression, rationalization, denial, reaction formation etc. are a various types of ego defence mechanisms in order to strengthen the people's ego to manage anxiety provoking situation. High ego strength developed emotional equilibrium, internal psychological equilibrium, and effective coping strategies. Individual's good mental health is an outcome of high ego strength. Like ego strength; a large number of the psychological factors are responsible for people's strong physical health e.g. quality of life, life style, and mental health status etc. The research findings regarding the spiritual orientation showed significant impact on individual's holistic development. Khan (2015) conducted a study to find the influence of spiritual practices on well-being among madarsa and university students. He found that spiritual practices emerged as a predictor of well-being of students. Results also showed that madarsa students have high well-being as compared to university students. Because madarsa students are frequently performed spiritual practices.

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ZEAL TO WIN: WHO ARE BETTER MEN OR WOMEN?

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ABSTRACT

Will To Win It is the intensity to desire to defeat an opponent or to excel some performance standard in a given sports. The present study consists of 36 male and 36 female basketball players of those colleges who won first, second and third positions in inter college basketball championships organized by Kurukshetra University, Kurukshetra, Will to win Questionnaire constructed by Pezer and Brown.14 item will to Win Questionnaire originally developed and standardized by Pezer and Brown was taken in its original for Indian adaptation. The results show that male basketball players are better in will to win than female basketball players at inter college level.

INTRODUCTION

The main thrust of the modern sports is on winning, not just participating and playing. Physical Health and fitness or joy and fun are no longer the purpose or even the target. The dismissal performance of Indian players and athletes in international events has been largely attributed to the lack of will to win. It is the factor that makes great competitors.

Will To Win is the intensity to desire to defeat an opponent or to excel some performance standard in a given sports. This construct is similar to need- achievement and internal locus of control. It is also related partly to competition and some parts of aggression.

METHODOLOGY

The present study consists of 36 male and 36 female basketball players of those colleges who won first, second and third positions in inter college basketball championships organized by Kurukshetra University, Kurukshetra,

Male and female basketball players of those teams who had who had won first three positions at Kurukshetra University Inter college level were selected as subjects. Will to win Questionnaire constructed by Pezer and Brown.14 item will to Win Questionnaire originally developed and standardized by Pezer and Brown was taken in its original for Indian adaptation. 10 Indian

psychologists knowledgeable in both English and Hindi each translated the scale items into Hindi yielding 10 Hindi versions. All 10 versions with an English copy were given to 5 experts in Hindi and English who selected the translations as the most accurate and equivalent.

RELIABILITY: Hindi version of Will to Win Questionnaire was administered on randomly selected sample of 200 subjects from competitive sports (100 males and 100 females). The age range of the subjects was 19 to 31 years with a mean age of 24.86 years. In order to obtain test retest reliability it was re-administered to the same group after an interval of 8 weeks.

VALIDITY: With a view to ascertaining the validity to Indian adaptation of Will to Win Questionnaire, it was administered on 40 High achieving and 40 low achieving male hockey players between the age of 20 to 35 years with a mean of 27.48 years. High achievers were those who had participated at National and International tournaments and low achievers were those who had never achieved such distinctions throughout their sport life.

The data obtained by the will to win questionnaire from the basketball players were analyzed. For this purpose the t test was used.

RESULTS

't' was applied to test the significance difference between male and female basketball players 't' is presented in Table 1 and figure 1.

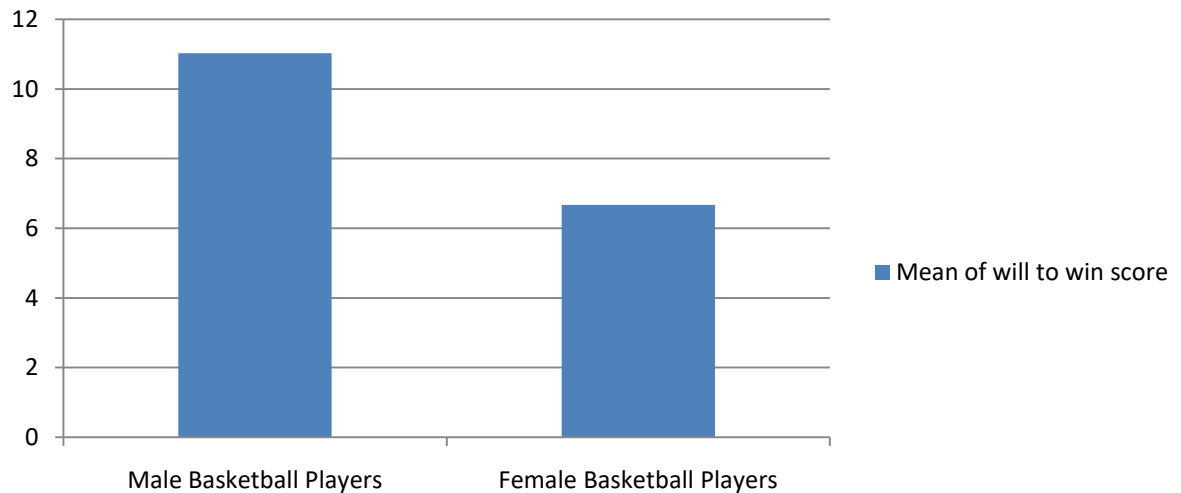
There is a difference in will to win between male and female basketball players. The mean of will to win of male basketball players is 11.03 with SD=1.28, while the mean of will to win of female basketball players is 6.67 with SD=3.35. 't' of will to win of both the basketball players (male and female) is 3.45 which is significant at .01 level.

TABLE 1 COMPARISON OF WILL TO WIN OF MALE AND FEMALE BASKETBALL PLAYERS

Basketball Players	N	Mean	SD	t
Male	36	11.03	1.27	3.35*
Female	36	6.67	3.35	

* Significant at 0.01 level

Figure 1: Mean of will to win score of Male and Female Basketball Players



DISCUSSION

It is clear that the will to win found in male basketball players is more than the female basketball players and the difference in means are statistically significant at 0.01 level. Male basketball players possess more will to win because they are having more experience than those of female basketball players. Table shows that male basketball players are more will to win than female basketball players though this is an inborn quality, but even than it grow by experience. Male basketball players have more experience due to that they have more confidence. Confidence raises will to win. Male basketball players are less will to win due to less maturity level.

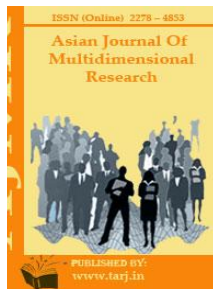
CONCLUSION

Male basketballs players are better in will to win than female basketball players at inter college level.

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LAW AND ORDER ADMINISTRATION: A CASE STUDY OF THE MAURYAN PERIOD

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ABSTRACT

The period of Mauryas marks a new epoch in the history of India, as political unity of the country was achieved for the first time during this period. The Arthasastra of Kautilya and the inscriptions of Ashoka throw welcome light on the maintenances of law and order during Mauryan period. Arthasastra advocates rational ethic to the conduct of the affairs of the state. He maintained that it is essential duty of government to maintain law and order. Arthasastra mentions the role of the state regarding the trade and its duties to prevent crimes against the consumption of goods and service.

KEYWORDS: *Inscriptions, Consumption, Ethic, Essential, Subordinates*

INTRODUCTION

The period of Mauryas marks a new epoch in the history of India, as political unity of the country was achieved for the first time during this period. It was a period when politics, art, trade and commerce and judiciary elevated India to a glorious height. It was founded by Chandragupta Maurya and the kingdom continued to expand under Bindusara and Ashoka. Historically, the main problem before any administration in India has always been the maintenance of peace, law and order in the country. In order to accomplish the purpose of having a crime free society and a welfare state a well defined and well organized law and order system was laid by the Mauryan rulers. The *Arthasastra* of Kautilya and the inscriptions of Ashoka throw welcome light on the maintenances of law and order during Mauryan period. The *Indica* of Megasthenes also gives a vivid description of Chandragupta's administration.

Arthasastra advocates rational ethic to the conduct of the affairs of the state. He maintained that it is essential duty of government to maintain law and order. The emphasis is on codification of law and uniformity of law throughout the empire. He defines 'order' broadly to include both social as well as

order in the sense of preventing and punishing criminal activity. *Arthashastra* thus contains both the civil law and criminal law. The role of law in the society was to bring a just order in society and this tremendous task was to be shouldered by the King along with his subordinates. As rightly pointed out by Kautilya in his famous verse-

“In the happiness of his subjects lies the King’s happiness;

In their welfare lies his welfare.

He shall not consider as good only that which pleases him but,

Treat as beneficial to him whatever pleases his subjects”

Megasthenes states that “the king does not sleep in day time but remains in the court the whole day for the purpose of judging cases and other public business which was not interrupted even when hour arrived for massaging his body.” Ashoka informs us in *Rock Edict VI* that he was always ready and willing to carry on his work of administration, for “the welfare of the whole in an esteemed duty with me and the root of that again are the exertion and dispatch of business.”

There was set of procedure for the punishments of the wrong doers during the Mauryan period. The state dealt with iron hand to punish the offenders. Chapter 4.4 and 4.9 of *Arthashastra* dealt with fraud and corruption by various types of persons including state officers and lay down severe punishments for them. Different kinds of punishments are mentioned in detail in the *Arthashastra* of Kautilya and edicts of Ashoka. Some of these punishments were fines, imprisonment, mutilation and death penalty.

Arthashastra mentions the role of the state regarding the trade and its duties to prevent crimes against the consumption of goods and service. According to Kautilya trade guilds were prohibited from recourse to black marketing or unfair trade marketing. Severe punishments were prescribed to different types of cheating. Artisans were in accordance with their agreement as to time, place and form of work. If they don’t fulfill their engagement under the excuse that no agreement as to time, place and form of work had been entered into then they not only forfeit one-fourth of their wages, but also punished with fine equal to twice the amount of their wages except in the case of troubles and calamities. They were also made good whatever was thus lost or damaged. Those who carry on their work contrary to orders were not only forfeited their wages, but also pay a fine equal to twice the amount of their wages. When a trader sells or mortgages inferior as superior commodities, articles of some other locality as the produce of a particular locality, adulterated things or deceitful mixture or when dexterously substituted other articles for those just sold, he was not only be punished with a fine of 54 *panas*, but also be compelled to make good the loss, 2 *panas* for the loss of 1 *pana* and 200 *panas* for the loss of the 100 *panas*. If adulteration were of grains, oils, alkalis, salt, scents and medicinal articles with similar articles of no quality was punished with a fine of 12 *panas*. Superintendents were appointed for maintaining the standardization of weight and measures. Specific norms were laid down for making and stamping of the weights measures. Megasthenes says that the town officers were divided into six boards of five members. From them one board do inspection of the manufacture goods, provision for their sale with accurate distinction of new and second hand article and the officers also kept control on the quality and quantity of the goods sold and purchased in the society. Those who seized valuable articles or precious stones from either mines or any great manufactories were beheaded. Different types of fines were imposed for the

offences of stolen articles. For seizing in day and night different type of fines were imposed. The Chapter 19 of book 2 deals with the offences and punishments relating to shortage in weights and measures. The superintendent of weights and measures was appointed to maintain the standardization of weights. All weights were to be stamped every four months.

For gambling, betting and miscellaneous offences mentioned as following, the superintendent of the gambling imposed the fine of 12 *panas* to the gamblers, if they played elsewhere without centralized gambling. It is referred in the *Arthashastra* that regarding the complaints of gambling, the winner was punished with the first amercement and the vanquished with the middlemost amercement. According to Kautilya gamblers were naturally false players. Substitution by tricks hands of dice other than thus supplied was punished with a fine of 12 *panas*. The false players were not only be punished with the first amercement but they were also liable for theft and deceit and also made to forfeit the stakes he had won and at the same time he could carry on the transaction of the sale or mortgage of things. If he did not forbid tricks of hand and other deceitful practices, he was punished with twice the amount of the fine (levied from the deceitful gamblers). When a gambler substituted false dice to be hired for a *kakani* or committed fraud by tricks of hand, one of his hands was cut off and he was pay to a fine of 400 *panas*.

Physicians, who undertake medical treatment without intimating (to the government) the dangerous nature of the disease, and if the patient died, he was punished with the first amercement. If the patient died due to carelessness by the physician in the treatment, he was fined by the middlemost amercement. Growth of disease due to negligence or indifference of the physician was regarded as an assault or violence.

To uphold the law of the land, Kautilya did not spare even the judges who were corrupt and unfair in their conduct. It was necessary for the judges to decide the cases impartially otherwise they were liable for the punishment. For some offences they were liable to be dismissed from the service. The *dharmasthas* as well as the *pradestas* also made themselves liable to, for errors in the pronouncing judgments and convicting persons. For fining an innocent person they themselves were fined double the fine imposed. For making an innocent person suffer corporal punishment, they themselves were to undergo the same punishment. They were also to make good any loss suffered by a party through their wrong judgment eight times over.

Rules about blocking the roads, those obstructing the roads for inferior beasts or men were punished with a fine of a 12 *panas*, to roads for superior beasts 24 *panas*, obstructing the roads for elephants or to those leading to the fields 54 *panas*, to those leading to any building or forest 600 *panas*, to those for burial grounds or village 200 *panas*, those for *dronamukha*, a fortress 500 *panas* and leading to *sthaniya*, country parts or pasture land 1,000 *panas*. The same was in case of ploughing the several roads to deep and one-fourth fine for ploughing on their surface. If a cultivator or a neighbour made encroachment upon a field during the time of sowing the seeds, he was punished with 12 *panas*.

Eliciting confessions by torture remained a normal method in police work. Punishment depended on class: Brahmin's were not tortured, but upon conviction of a crime they could be branded, exiled or sent to work in the mines. Megasthenes described a low incidence of thievery in Chandragupta's India, and this might have been a result of the punishment for such a crime. Common people were executed for theft, for damaging property of the king, breaking into someone's home, evading taxes,

injuring an artisan working for the state and many other crimes. Failure to meet a contract could lead to a fine if not a harsher penalty, as could incompetence in various forms of work, from washing clothes to treating the ill. According to Kauṭilya, in the cases of the ignoramuses (*mandaparadha*), a person guilty of a minor offence, youngsters, the aged, the affected, persons under intoxication, person suffering from hunger, thrust or fatigue journey, persons who have just taken more than enough meal, persons who have confessed of their own accord and persons who were very weak these were not subjected to torture. Only those whose guilt was believed to be true was subjected to torture. Women who carrying or who had not passed a month after delivery was not tortured. Torture of women was half of the prescribed standard or women with no exception may be subjected to the trial of cross examination. When the government servant committed for the first time the offence as violation of sacred institutions or pick-pocketing, their thumb and the little finger cut off or paid a fine of 54 *panas*. When for second time, their secret parts cut off or pay a fine of 100 *panas*, if third time same offence, their right hand was cut off or they pay a fine of 400 *panas* and when for the fourth time, they were in any way put to death.

The system of the government developed by the genius of the first emperor of India was maintained by his grandson with few changes. Numerous particulars of the civil and ecclesiastical organization of the empire were revealed by close examination of the Ashokan inscriptions. In the *pillar- edict IV* it is mentioned that it is desirable that there should be uniformity in judicial procedure and uniformity in penalties, to condemned lying in prison under sentence of death a respite of three days is granted by me to them. There is a description of the *rajjukas* in the Ashokan edict. *Rajjukas* played an important role in the administration of justice. They particularly enjoyed the impartial investigation of disputes and the award of punishments. In the reign of Ashoka, *rajjukas* had the full royal authority. The *Rajjukas* had the power of life and death. *Rajjukas* were kept in constant touch with the king by his agents, *purushas* who knew the king's mind was constantly on the move (*pillar edict.-IV*). They were also to take a hand in the propagation of *dhamma* among the people and direct the *janapadas*. To keep a check on the misuse of power by the *rajjukas*, the *dharma-mahamatras* were appointed. The separate *rock edicts* mentioned the city administration of justice, these *mahamatras* were refer to here as concerned with their judicial function in the town of Tosali. The superior officials of this kind were termed *dharma-mahamatras*, which may be rendered censors, and the inferior were called *dhamma-yuktas* or assistant censors. They were also instructed to redress cases of wrongful confinement or corporal punishment and were empowered to grant remission and in certain cases relaxation of punishment were also considered such as advanced years, sudden calamity, or the burden of a large family. Ashoka in his Sarnath *pillar edict-I* spoke of another class of officer called *anta-mahamatras*, they had the special jurisdiction over the frontier districts and were the wardens of the marches like the *antapala* of the *Arthasastra*. Ashoka in his two special edicts of Kalinga called upon his *mahamatras* in order to administer justice impartially and to gain the affection of the people. Ashoka explained that the *yuktas*, the *rajjukas* and the *pradesika* were required to undertake the tours every five years to prevent the miscarriage of justice and high handed actions along with their usual administration duties. Most of the other edicts of Ashoka dealt with the welfare and happiness of all people.

The *Arthasastra* advises a king to control his subjects; the king should employ an army of various artful persons as spies who keep watch at all levels of society. The spies also played an important role in the administration of the justice of the empire. They helped the judges to solve the cases.

Megasthenes called these spies Overseers. They reported secretly to the king on important matters related to the city and the army. Spies were called *dutas* in the text *Arthashastra*. They delivered the messages to the judges or to the king without the fear or favors to anyone. The qualifications for this officer were also not simple. The term Duta also occurs in the inscriptions of Ashoka. The spies served to keep the king of all that happens in the empire and to his neighbours. According to *Arthashastra* the duty of the emissaries or *dutas* were to consist in transmission of messages, maintenance of treaties, sowing seeds of dissension among friends, fetching secret forces, winning the favor of the envoy and government officers of the enemy. The mission entrusted to them seems to be the spreading the peace and goodwill between the respective states and help in the judiciary system of the empire. Some spies moved in the guise of students, some in that ascetics and some in the guise of merchants, recruitment was also made from the class of nuns, prostitutes and astrologers. Some of them were operated in one place while others moved from one place to another. They were helpful in the task of *kantasodhana*. Kautilya described the method of detection of crimes with the help of spies. To curb the menace of corruption Kautilya advocated a higher level of strictness and control in administration. Spies were appointed to monitor and control illegal activities and corruption in the administration. They were to keep a watch even over the activities of accountants and clerks, for reporting cases of fabrication of accounts. Kautilya was proactive in laying down traps to catch public functionaries with loose morals and inclination to resort to bribery or seek undue favour. Through the help of the spies the pure and impure character of the ministers was detected. Ashoka too maintained the secret police and network of spies that he had inherited as a part of his extensive and powerful bureaucracy. Ashoka created the new class reporters (*prativedaks*) who were posted everywhere and they reported king the affairs of the people at any time. He said that *prativedaks* can report to me any time, while I am eating, in the harem, in the inner apartment, in the mews, even in the private grounds and in the parks.

The reputation of a state depends on how effectively it is able to maintain law and order within its jurisdiction. Therefore, it is imperative that law and order is given adequate attention if we want a sound welfare state where development and law and order go hand in hand. From the law and order of the Mauryas it can be deduced that welfare and happiness of the country people was their prime objective. Megasthenes from his personal experience was able to testify that the sternness of the government kept crime in check and that in Chandragupta's capital with a population of 4,00,000 the total of the thefts reported in any one day did not exceed two hundred drachmae or about eight pounds sterling.

The study of law and order make it clear that the punishments were given according to the offences and according to the status in the society. The government trapped the criminals with the help of the spies. Different type of tortures were applied to the criminals, but a women in the family way, a woman in the first month of delivery, Brahmins and ascetics were not subjected to torture. In some cases we find there was discrimination of punishments, the rates of fines were varied according the rank of people and the gravity of the crimes. Death sentence was provided for several offences but it was to be avoided as long as possible. The sole motive of the king was to give fair and equal justice to the people of his empire which ultimately results into law and order within the society.

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