

International Journal of Academic Research & Development (IJAR&D)

Bi-Annual Peer Reviewed Refereed Journal
Volume 8, No. 2, July-December, 2022, Sixteenth Issue



A Journal of Bharti Publications

New Delhi - 110002 (India)

© International Journal of Academic Research & Development (IJAR&D), is a Bi-Annual Peer Reviewed Refereed Journal, published by Bharti Publications, New Delhi

Disclaimer: The views expressed in the articles are those of the Authors/contributors and not necessarily of the Editor, editorial board and publisher. Editorial board invites original unpublished articles, case study and research papers from all functional area of management and Technology. Authors/contributors are themselves responsible for any kind of Plagiarism found in their articles and any related issues. Also, it is assumed that the papers have not been published earlier and are not being considered for any other journal / book.

ISSN : 2395-1737

Volume : 8, ISSUE : 2

July-December, 2022

Publication Schedule : Twice in a year

Printed in India:

Published by : Bharti Publicatons

All Correspondence Should be Address to
The Managing Editor

Bharti Publications

4819/24, 2nd Floor, Mathur Lane

Ansari Road, Darya Ganj, New Delhi-110002

Ph:- 011-23247537, 9899897381

E-mail: ijard2015@gmail.com,

bhartipublications@gmail.com

www.bhartijard.com

From the Desk of Managing Editor

Dear IJAR&D Readers,

Greetings for a Successful 2022,

We are glad to present sixteenth issue of IJAR&D which consists of 8 papers on various aspects namely Indian infrastructure, educational marketing, environment sustainability, Indian food process industries, global knowledge economy, Indian migration, impact of branding and new international economic order.

The joint paper of Ruchika Choudhary and Shreya Agrawal focuses on informational effect of PIPE announcements. The paper is an empirical analysis of Indian Infrastructure Sector. The paper of Dr. Palwinder Kumar & Dr. Sukhdeep Kaur elaborates on educational marketing in context of promotional tools utilised by private universities in Punjab. The joint paper of Dr. Monika Mittal, Dr. Meenu and Dr. Jaswinder Kumar paper highlights environmental sustainability of Indian IT Industry from accountability and responsibility perspective. Dr. Rajanikanta Jena's paper elaborates on growth and achievements of food processing industries in India. The joint paper of Dr. Amna Mirza and Akshitta Nagpal offers insights on global knowledge economy and significance of idea of World universities with digital education. Pradeep Kumar Panda's paper provides state level analysis of migration in India in the light of NSSO and PLFS survey findings. The paper of Animesh Pareek elaborates about PM SVANidhi Scheme which is aims to sustainable livelihood for street vendors. The joint paper of Dr. Farhan Alam, Aamir Subhani, Md. Absar Alam, Dr. Kunal Sinha and Abu Zar Ghaffari focuses role and impact of merchandising, branding and labelling on the buying behavior of consumers in India. The paper of Dr. Kavitha Sharma provides review on new international economic order and emerging social challenges.

We thank all the authors for their insightful papers which will certainly enrich our readers. We take this opportunity to thank all our reviewers for their structured efforts. We express our heartfelt thanks to all our journal subscribers and readers for their relentless support which provide our team motivation to bring out journal issue in desirable shape. We commit ourself to bring out high quality issues in future.

Wishing you all a very happy, safe and fulfilling New Year 2023!!!

Thanking You

**Pradeep Kumar Panda
Managing Editor**

**International Journal of Academic
Research & Development
(IJAR&D)**
Volume 8, No. 2, July-December, 2022, Sixteenth Issue

Contents

<i>Sl. No.</i>	<i>Titles & Authors</i>	<i>Page No.</i>
	<i>From the Desk of Managing Editor</i>	<i>iii</i>
1.	Informational Effect of PIPE Announcements: An Empirical Analysis of the Indian Infrastructure Sector <i>Ruchika Choudhary & Shreya Agrawal</i>	1-10
2.	Educational Marketing: An Empirical Analysis of Promotional Tools Considered by Private Universities in Punjab <i>Palwinder Kumar & Sukhdeep Kaur</i>	11-14
3.	Environmental Sustainability by Indian IT Industry with Special Reference to Wipro and Infosys <i>Monika Mittal, & Meenu</i>	15-20
4.	Growth and Achievements of Food Processing Industries in India <i>Rajanikanta Jena</i>	21-26
5.	Global Knowledge Economy & Significance of idea of World Universities with Digital Education <i>Amna Mirza & Akshitta Nagpal</i>	27-30
6.	State-level Analysis of Migration in India: Evidence from NSSO and PLFS Survey <i>Pradeep Kumar Panda</i>	31-37
7.	Role and Impact of Merchandising, Branding and Labelling on the Buying Behavior of Consumers in an Emerging Economy <i>Farhan Alam, Aamir Subhani, Absar Alam, Kunal Sinha, & Abu Zar Ghaffari</i>	38-45
8.	New International Economic Order and Emerging Social Challenges: A Review <i>Kavitha S. Sharma</i>	46-53

Informational Effect of PIPE Announcements: An Empirical Analysis of the Indian Infrastructure Sector

Ruchika Choudhary

Assistant Professor, Shri Ram College of Commerce, University of Delhi, Delhi

Shreya Agrawal

Student, Shri Ram College of Commerce, University of Delhi, Delhi

Abstract

The last decade has witnessed a remarkable surge in PIPE transactions as companies resort to private equity due to the hardships associated with traditional stock offering. Private equity placements in different financial markets across the globe have evoked differing investor responses engendering both positive and negative announcement period returns. This paper aims to examine the impact of a PIPE announcement on investor behaviour and stock market performance in Indian context. To treat our research question and to test the hypotheses developed, we collected data on 44 listed companies, spanning the four major sectors of Indian Infrastructure firms- telecommunications, energy, transportation and utilities, and observed the price reactions surrounding 21 days of the announcement dates using market model-based event study methodology. The analysis shows that average Abnormal Return on the day of the announcement is 1.22% and Cumulative Average Abnormal Return is about -0.062% on the event day while, at the end of the event window it is 4.19%. The study reports significant impact of the announcement of privately placed issues on the stock price of the sample companies.

Keywords: PIPE, Infrastructure Sector, Event Study, Abnormal return

Introduction

With the swelling importance of capital markets as an external source of funding for various corporates, businesses and enterprises in the mid-1991, public offerings became an indispensable source of raising capital. Nevertheless, a private funding tool called private placement has proliferated during the past decades, dwarfing the volume and number of traditional seasoned equity offerings (SEO) in the USA (Chen et al., 2010), Canada, UK and Australia (Haggard et al., 2009). As defined by Section 42 of the Companies Act 2013, "Private placement means any offer of securities or invitation to subscribe securities to a select group of persons by the company other than public offering." Another term for these private offerings is Private

Investment in Public Equity or PIPE which can be best explained by the following break-down:

Private: A privately negotiated transaction between a company and the investor or a limited group of investors. The offer is not made public and transaction terms are individually negotiated.

Investment: Direct investment in a company. The investor buys newly issued equity and the proceeds directly benefit the company.

Public: The stocks of the issuing company are publicly listed on a stock exchange.

Equity: The PIPE investor invests in equity or an equity-linked security (e.g. convertible debt). This means the investor directly or indirectly acquires some degree of ownership in the company. (Sarve et al., 2011, p. 2)

The buyers in the private placement market are institutional and accredited investors like financial institutions, mutual funds, investment firms, hedge funds, companies and wealthy individuals who purchase these publicly traded stocks at a price below the current market value or at a discount. The issuers of PIPEs are exempted from registration compliances and the need to dispense a prospectus, as this cohort of investors is expected to be adept at investing. Private placements take the form of 1) traditional PIPEs- purchase of common and preferred stock with a fixed conversion ratio into common shares and 2) structured PIPEs- floating convertibles offering price protection as the number of common shares an investor is entitled to increases with a dip in stock price. Due to the unregistered nature of PIPE shares at the time of issuance, the investors face resale restrictions, making private placements an illiquid channel of investment. Since the investors have to hold on to their positions until the shares are registered, the issuing company offers a discount relative to the market price to manoeuvre them into buying such stock (Maynes & Pandes, 2010). According to Hertz and Smith (1993), US firms garnering funds via the private placement route tend to be small with 96% of common stock PIPE issuers having market capitalization below \$1 bn. The borrowers are relatively small firms with poor operating performance in the year prior to issuance of PIPE. These firms are usually financially-constrained with complex financings and little bargaining power. These relatively small, young, less known firms that either completely lack or have limited access to bank loans and public debt markets, exhibit a high degree of information asymmetry as also mentioned by Anjali Tuli (2016) in her study that private placement firms are associated with more information asymmetry when compared with non private route of issuance method. To circumvent the substantial issuance cost and disclosure requirements associated with an SEO, the firms prefer PIPE deals and offer a package of securities at an attractive discount, warrants and additional rights to attract PIPE investors (Lim, Schwert & Weisbach, 2019). Carpentier et al. (2013) claim that many of these are growth firms with unassured growth opportunities and generally provide poor rates of return following private placements of equity for both PIPE investors and common shareholders. These are the issuers who undertake intense investment activity. PIPE investors' return, although negative on average is higher than the return of existing shareholders because of the discounted price of PIPE shares.

Private Investment in Public Equity has seen a consistent rise in the number of deals in India since 2017. Figure 1 shows the number of PIPE deals that took place in India between 2005-2020 while Figure 2 depicts the deal values during the same time period. As evident from

the graphs, private placements are swiftly establishing themselves within Indian contours and gaining fame amongst Indian corporates as the companies employ this new and alternative method for ease of financing. The number of deals have been escalating since 2016 after a significant dip from 2014 till 2016 (Figure 1). A slight increase can be seen in 2020 with a total of 61 deals as compared to 59 deals in 2019. The total value of deals reached a whopping 5.1 billion dollars in 2019, more than doubling itself since 2015, but slumped to 3.1 bn dollars the next year (Figure 2).

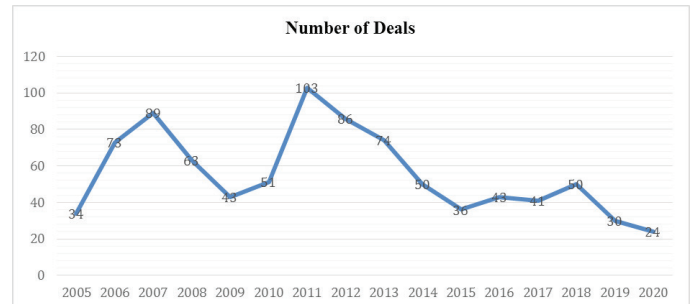


Figure 1: Number of PIPE deals across India from 2005-2020

Source: Computed by Authors from the data collected through venture intelligence.



Figure 2: Value of PIPE deals across India from 2005-2020 (in million US Dollars)

Source: Computed by Authors from the data collected through venture intelligence.

The uptick in PIPE announcements by publicly listed companies can be attributed to various potential motivators. Bernhard et al. (2017) highlights enhanced liquidity and faster process of deal execution as possible drivers for PE investment in PIPEs. Limited disclosure and documentation needs, reduced regulatory hurdles, easy access to market, protection of strategic information and the less onerous, time and cost-efficient nature of PIPEs are the reasons investors are lured into purchasing privately offered shares. Additionally, in contrast to the PE investors, PIPE investors invest at a significant discount to the current market price.

Notwithstanding the mounting importance of private placements as a source of external funding, the existing literature in context of Indian capital market is meagre and needs elaboration. This paper is an attempt to probe into the Indian private placement market and study the response PIPE announcements generate in the Indian Infrastructure sector. Telecommunications, Energy, Transportation and Utility companies represent the focus of this study. Since, there is a limited research with reference to the Indian Infrastructure sector, this study tries to address this gap.

Review of Literature

The literature on stock market returns suggests a number of theories that play a cardinal role in the analysis of financial markets. Numerous empirical studies undertaken earlier have developed different mechanisms that influence prices of stocks. As per the price pressure hypothesis, when the stock market demand curve is not perfectly elastic, equity flows in the market create a transient deviation from the equilibrium price as the stock price moves up (down) due to buying (selling) pressure, resulting in positive (negative) returns. Eventually as this pressure dissipates, prices are aligned with the equilibrium, thereby causing negative (positive returns). The amount of equity invested in a project or firm is a signal of its quality. Miller & Rock (1985) propose that managers have superior information about level of firms' future profits, and they (managers) use dividend announcements to transmit this information about firms' current/future cash flows to the market. The authors suggested that firms whose shares have a bigger reaction to the information brought into the market should be the ones that have stronger information asymmetry. According to Leland and Pyle (1977), a manager owning shares of a company is unintentionally signalling that the firm has a high value. Issuance of substantially high levels of debt communicates firm's expectations of high cash flows to the market (Ross, 1977), which would ultimately wend its way into the market price of the firm's shares. Past researchers have formulated myriad mechanisms that affect share prices. The scope of this paper is limited to the informational effect of private placements. The paper focuses on the share price impact of the informational element present in the announcement of a private placement.

Various studies surveying the market reactions to private placements have indicated the existence of information in such announcements. The private placement of equity shares conveys information about the firm to the market participants. This information moulds investor behaviour and thinking, which is manifested in the firm's stock price reaction. This is referred to as information content

hypothesis or signaling effect. According to Wruck's (1989) monitoring hypothesis, when private placements are bought by an informed and engaged investor who is prepared and qualified to watch management, he purchases a significant stake and gains access to the firm's board. Due to close monitoring, resources are used efficiently, agency costs are reduced, firm's value increases and market reacts with positive stock prices. Similarly, certification hypothesis proposes that when a well-informed investor agrees to commit funds, it sends a positive signal to the market as the investment by the informed investor serves as a certification of firm value (Hertzel & Smith, 1993). This is also supported by later studies (Krishnamurthy et al., 2005; Dai, 2007) that highlight how the private purchase of a large block of the firm's stock by affiliated and informed investors serves as an approval of the firm's market valuation. However, stock returns associated with active investors are higher than those associated with "passive" investors. As evidenced by Barclay et al. (2007), 80% of the private placement offerings between 1979 and 1997 were made to "passive" investors who have minimal involvement in the issuer's affairs post-placement. Such "passive" purchasers help catalyse the consolidation of management entrenchment and the discounts act as compensation offered by the issuer for the same, thereby evoking negative market response upon the disclosure of entrenchment and passivity. This serves as a strong counter-argument to the monitoring and certification effect of private placements.

The various studies on PIPE transactions can be summarized into two categories: First, the studies with positive announcement effect and Second, studies documenting negative abnormal returns surrounding private placements. Some noteworthy studies find significant and positive abnormal stock returns on the announcements of private offer of shares (Alli & Thompson, 1993; Barbarosh, 2019; Chen et al., 2010; Hertzel & Smith, 1993; Wruck, 1989; Wruck and Wu, 2009). Conversely, some prominent studies (Lin & Gannon, 2007; Nor, 2007; Tuli & Shukla, 2015) show negative abnormal stock returns following PIPE issuance. Alli and Thompson (1993) study private placements of unregistered equities of both OTC and exchange listed firms (difference in market reactions of registered and unregistered private common stock placements due to difference in degrees of associated information asymmetry) and find significant positive stock price effects in the short-run, espousing the quality certification hypothesis proposed by Wruck. Although, the long run abnormal returns during 24 months around the private placement are significantly negative. Wruck and Wu (2009) highlight the announcement of new governance relationships with buyers of PIPE issues as

the investors are appointed as managers, directors or new business partners and such placements experience significant positive announcement period returns. PIPE announcements increase stock prices in anticipation of increased ownership concentration leading to improved monitoring that resolves uncertainty about firm's investment decisions and ability to raise capital (Wruck, 1989) and indicates confidence in the firm (Hertzel & Smith, 1993). Hertzel et al. (2002) find that issues of private equity succeed relatively poor performance of the issuer and the investor over optimism about the prospective improvement in the operating performance in the future is the cause of a positive announcement reaction but a negative post announcement stock price performance of privately placed equity stocks. They conclude that firms are overvalued at the time of private issues of equity. Similarly, Chen (2016) finds that issuing firms experience positive abnormal returns during the announcement period. A study of the German companies by Achleitner et al. (2008) reports a 5.90% increase in target shareholders' wealth around the event day.

Although these researches demonstrate a favourable announcement effect, other studies demonstrate a different stock price response. The information impact of the QIP announcement on the Indian capital market was examined by Tuli and Shukla in 2015. The findings suggested that the private placement announcement had a negative impact on stock price. Lin and Gannon (2007) explored stock price reaction to private placements in Australian biotechnology sector using event study methodology over 66 days period surrounding announcement and have documented negative CAR following large private issue in the short term contrasted with positive CAR for the small private placement issue. The short-term negative effect favors the price pressure hypothesis. Nor (2007) investigated the effect of 46 private placement announcements in the Malaysian market between the period 1994 to 2003 by employing the event study methodology. The findings suggested positive wealth effects as explained by positive CARs prior to the announcement day. However, the average abnormal return (AAR) was negative on the event day. On the other hand, studies also show a positive effect prior to announcement which disappears after announcement of private placement. Zheng (2017) measured the price behavior of private placements by companies across different industries in China and exhibited positive stock price effect. The positive price effects were concentrated before the announcement period and gradually disappeared with passing days after the announcement.

There are also studies that show **no significant effect** on the stock prices by private placement announcement.

Irshaid and Ghusain (2014) undertook a study to judge the efficiency of Amman Stock exchange in Jordan by examining the directional impact of private placements of the Amman Stock exchange on the stock prices by using event study methodology. The abnormal returns showed no reaction to private placements. The positive abnormal return after the event held no statistical significance leading to the conclusion the Amman stock exchange is inefficient at the semi strong level. Few studies also study the impact of private placement on rival firms. Kung Chi Chen, Cheng, Huang & Zhao (2019) examined the market reactions to private equity placements and the consequent contagion and competitive effects on rivals in the Taiwan Stock Exchange. The findings of the market model indicate that issuers enjoy greater positive market reactions when proceeds of offering are mainly channeled towards establishing a long-term strategic alliance or integrating business and the lead investor is in the same industry. Competitive forces dominate the contagion forces when PIPEs are issued to establish a long-term strategic alliance or to integrate business or the lead investor is from a different industry. Rivals derive greater benefit from contagion effect when the announced purpose of share offerings is to raise capital and rivals have relatively lesser market power than the issuer.

Research demonstrates both positive and negative announcement effect of privately placed equity in different markets of various countries. Some studies also show no significant effect of announcement on abnormal return of companies. Hence, the dissimilar results concluded by prior studies render it vital to conduct a research which aims at studying the influence of private issues of shares by public companies on shareholders' wealth, in the Indian scenario, i.e. the announcement effect of private placements on the Indian Capital Market.

Research Objective

To examine the influence of PIPE announcement on stock market performance in relation to the Indian Infrastructure sector.

Data Sources and Sample Description

The sample comprises of 44 private placement of equity shares issued by infrastructure companies in India between 2004 to 2019. The four main sub sectors of infrastructure firms have been focused in this study namely- Telecommunications, Energy, Transportation and Utilities. The data for the study has been extracted from VCCEdge. VCCEdge is a research platform and deal database which provides statistics on private equity and venture capital in India. The study comprises of

three datasets. The first set consists of announcement of Private Equity Investment in Public Equity made by sample companies. As per the data by VCCEdge, the announcement data of 44 listed companies, spanning the four major sectors of Indian Infrastructure firms-telecommunications, energy, transportation and utilities is collected. The second data set comprises of daily closing prices of the stock from NSE in order to show the effect of private placement announcement on short-run abnormal returns. The NSE NIFTY index's daily closing prices make up the third piece of data. In order to assess abnormal returns for each company within the sample period, it serves as a benchmark.

Research Methodology

Using a market model-based event study methodology, the study aims to investigate how the announcement of a private investment in public equity affects stock market performance. Event study finds abnormal return to examine the market reaction. The market model method is used to calculate expected rate of return on each security. By regressing daily stock return on the market index over the estimation period, the model's parameters were evaluated.

The primary purpose of event research technique is to investigate market efficiency in terms of information efficiency in order to determine how an announcement of a private investment in public equity will affect the price of the security and, ultimately, the shareholder's wealth. The event window for the study spans 21 days (-10, +10) that is the number of trading days before and after day zero, where day zero is the event day, the day of announcement of Private Investment in Public Equity.

The research applies a two-step approach to test the response of PIPE announcements on stock return. The first step is the estimation of daily stock returns, model parameters and expected return on each stock under study.

In this paper, expected returns have been assessed for each announcement using market model as given below:

$$E(R_{it}) = \alpha_i + \beta_i R_{mt} + e_{it}$$

where,

$E(R_{it})$ = is the expected return on firm i on day t;

α_i = is the alpha coefficient of ith security

β_i = is the beta coefficient of ith security

R_{mt} = is the Expected return on index

e_{it} = Error term with a mean zero and a standard deviation which is a constant during time period 't'.

Excel has been deployed to subject our data to the event study methodology. Estimated returns are computed

during the estimation window beginning 120 days before the event window (i.e. a time period of 120 days ending just before Day -1 of event window) to be used for calculating alpha and beta coefficient for each security.

The Abnormal Return, which is determined for each security, is the difference between the Actual Rate of Return and the Expected Rate of Return. In the second step Abnormal Returns are averaged across securities to calculate average abnormal return (AARs) for each day during the event window for analysing ARs around the event day.

$$AR_{it} = Rit - E(R_{it})$$

where,

Rit = Actual Return.

$E(R_{it})$ = Expected Return.

ARs for the event window is not just influenced by the announcement of an economic event which the researcher is interested in but also several other factors and events have an influence on AR. Therefore, to neutralize the influence of other events other than the announcement event under study, AR of all individual securities across the event window are averaged at one point of time as shown below:

$$AAR_t = 1/N \sum AR_{it}$$

AARs show how a private placement announcement affect shareholders' value on a specific day during the event window. To determine Cumulative Average Abnormal Returns, AARs are further accumulated over time (CAARs). It provides information on the trend of the typical security price over time. Utilizing the following formula, cumulative average abnormal return can be computed:

$$CAAR_t = \sum AAR_{it}$$

The informational value of a PIPE announcement is studied using the AARs, and the price adjustment to new information is examined using the CAARs.

The effectiveness of the market has been evaluated using the student's t-test.

To determine whether the abnormal return and cumulative abnormal returns were statistically different from zero, the following hypothesis was put forth:

H_0 : Average Abnormal Returns = 0.

H_1 : Average Abnormal Returns \neq 0.

Research Findings and Results

Table 1 shows the abnormal return for each of the 44 companies for specific days pre and post the event day. From the table it can be denoted that on the event day (i.e. 0th day) out of 44 companies, 22 companies showed

a positive abnormal return with a maximum return of 19.2692% on GP Petroleum’s shares. 27 companies showed positive returns on the first day after the announcement, 14 companies showed positive abnormal returns on the fifth day following the announcement, and 21 companies shown positive abnormal returns

on the tenth day following the announcement. On the other hand, in the pre-announcement period, on the 1st day prior to the announcement 21 companies showed a positive return. On the 5th day also 21 companies showed a positive abnormal return but only 15 companies showed a positive abnormal return on the 10th day before the event day.

Table 1: Abnormal Return for Specific Days Before and After Event Day.

S.No.	Company	-10 day	-5 day	-1 day	0 th day	+1 day	+5 day	+10 day
1	Vodafone	-1.777	-0.304	-2.514	-0.241	2.2706	-1.566	-3.419
2	AGC 2013	-0.42	2.7877	-1.092	1.4537	2.9717	1.1557	-1.231
3	AGC 2015	7.4731	-1.673	-0.602	0.9031	-2.891	-0.676	-2.691
4	AGC 2016	-0.224	0.4765	-0.637	-0.06	-0.11	-0.927	-2.221
5	AGC 2019	-1.387	0.9811	1.0595	-2.218	2.7299	-9.884	1.3668
6	Bharti Airtel	-0.199	0.1149	-1.799	1.0939	0.3788	-0.999	-0.785
7	Dhanus	0.0582	-3.988	-1.255	-2.791	-4.146	-2.926	1.678
8	Aban	-0.206	-2.366	5.7221	13.4911	-0.481	-1.53	0.062
9	Aegis 2010	-2.116	0.1165	-0.233	-0.584	-1.54	-0.582	0.7681
10	Aegis 2017	-0.784	-1.391	2.1904	-1.843	0.0000287	-0.733	-0.018
11	Gol Offshore	-0.32	-1.108	-1.716	-0.067	0.3897	-0.189	1.2761
12	Gp Petroleums	-1.337	1.06	-7.775	19.2692	19.1594	18.7399	1.1434
13	Gujarat State	0.4557	2.2622	-2.819	1.3525	1.9652	0.0362	1.0432
14	Petronet Lng	-1.803	-0.358	1.1542	1.7199	0.8719	1.4034	1.3772
15	Svgl 2007	1.7439	0.4596	-0.438	4.1319	-1.279	-2.023	4.8676
16	Svgl 2010	-0.023	-0.385	0.1208	1.6727	1.6015	-1.086	-1.672
17	Svgl 2016	4.8433	-4.276	3.87	-1.029	-3.619	-3.641	-1.22
18	Svgl 2011	0.849	-0.214	4.4836	0.4201	1.2144	0.457	2.1421
19	Allcargo Logistics Ltd.	-0.455	0.1645	-0.474	-1.654	-0.819	-1.705	2.5697
20	Mercator Ltd.	-2.491	-0.017	5.2079	-1.489	0.6138	-0.523	1.1221
21	Adani Ports and Special Economi	1.5705	-1.866	-2.219	1.3356	-0.49	0.8139	0.0155
22	Gateway Distriparks Ltd.	1.5893	0.723	1.6879	2.9671	0.765	-0.744	-1.515
23	Adani Ports and Special 1 2009	-0.027	1.067	-3.115	-0.44	-0.259	1.5821	-2.223
24	Mercator Ltd.	2.2573	-4.62	2.6389	5.069	-7.062	-2.206	-0.253
25	Allcargo Logistics Ltd. 2008	-0.666	1.0443	1.5788	9.3459	6.4762	-1.423	0.2106
26	Sical Logistics Ltd.	-0.649	-2.777	8.7665	4.5499	2.7246	-2.152	-1.452

Informational Effect of PIPE Announcements: An Empirical Analysis of the Indian Infrastructure Sector

27	Gateway Distriparks Ltd.2006	-1.86	-3.786	0.6665	-1.172	2.2293	-3.388	-0.853
28	Global Offshore Services Ltd.2007	-0.881	2.6619	0.4973	0.3198	2.695	-0.331	-3.653
29	Varun Shipping Company Ltd.	1.7264	-0.223	-1.103	-6.871	1.1028	2.9198	-0.459
30	Great Eastern Shipping Co. Ltd. 2011	-4.022	-1.282	2.0013	3.6215	5.7776	-0.399	-0.951
31	Great Eastern Shipping Co. Ltd. 2011	-1.741	1.8012	0.9443	0.123	1.6455	-0.986	3.2401
32	Varun Shipping Company Ltd. 2007	-1.028	-1.103	8.9593	-1.887	-1.96	4.6094	1.2491
33	Mercator Ltd 2017	0.1398	-1.408	-0.201	-0.718	0.859	2.412	-1.268
34	Everest Kanto Cylinder Ltd. 2011	-3.715	1.3233	-3.195	-0.445	6.3808	0.4774	4.9099
35	Everest Kanto Cylinder Ltd 2011	-2.069	-1.058	1.2986	0.0212	1.5477	0.524	1.1502
36	Everest Kanto Cylinder Ltd 2008	-0.96	0.1272	2.3177	3.4926	-0.966	-3.67	0.9649
37	Everest Kanto Cylinder Ltd 2008	-0.437	-1.613	2.1948	-4.222	0.2681	-6.126	-2.534
38	Orient Green Power Co. Ltd.	5.6439	-4.91	1.9632	-2.012	-0.21	-1.962	1.6368
39	Everest Kanto Cylinder Ltd 2007	-2.334	4.7482	-0.135	1.2372	-7.947	-4.018	0.2046
40	Ntpc Ltd.	-1.198	1.8096	-3.573	-1.081	1.4061	0.1125	-0.181
41	Everest Kanto Cylinder Ltd 2009	0.4458	-1.345	-1.935	1.6991	0.9945	2.5042	-0.43
42	Everest Kanto Cylinder Ltd 2009	-5.315	-2.909	-5.346	-1.249	1.5992	-2.317	4.4526
43	Everest Kanto Cylinder Ltd 2011	0.0231	-2.759	-2.08	3.9004	1.2903	-3.017	-0.196
44	Everest Kanto Cylinder Ltd 2010	2.3496	-0.826	4.7243	2.5699	1.6663	-0.628	-3.336

Source: Computed by authors.

Table 2 shows AARs and CAARs from 10 days before the event day to 10 days after the event day. The table shows that, with the exception of two days, -7 and -1, AARs are negative on every day leading up to the event. It turns positive on the day of the announcement (day 0) and stays that way through day 2. After turning negative on days 3 and 5, it stays positive for the remainder of the event days, from 6 to 10. The CAARs are negative (-0.0623752%) from day -10 to the day of announcement during the 21-day event window, but they turn positive from day 1 onward. The cumulative average abnormal return at the end of the event window is 4.192964% which is not close to zero, indicating inefficiencies of the stock market, which in turn proves that PIPE announcement has an impact on the stock market performance of the Indian Infrastructure sector. Figure 3 gives the graphical representation of the AAR and CAAR for the event window.

Table 2: Deviation in Abnormal Returns

Abnormal Return	0 th day	+1 st day	+5 th day	+10 th day
<-5%	0	2	2	0
-5% to -2%	4	10	10	7
-2% to 0%	16	10	19	15
Total	20	22	31	22
0% to 2%	13	18	9	15
2.01% to 5%	7	6	3	5
5.01% to 20%	4	4	1	0
>20%	0	0	0	0
Total	24	28	13	20

Note: The table depicts most of the positive abnormal return in the range 0% to 2%.

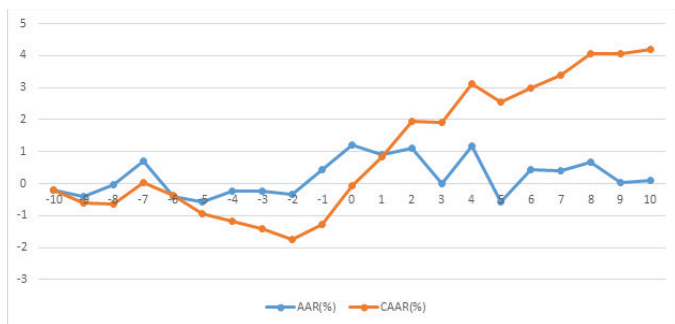


Figure 3: Graphical Representation of AAR and CAAR over 21 day event window

Source: Computed by authors from the data obtained from VCC Edge.

Test Statistics Test Results

Here we discuss the result of the tests for a sample of 44 PIPE deals of the Infrastructure sector for the three different event windows. The standardized t test has been used in this study. T-statistics of CAAR is calculated by dividing the Cumulative average abnormal return by its estimation period standard deviation using the formula mentioned below:

$$T\text{-statistics of CAAR} = \text{CAAR} / (\text{Standard Deviation} \times (\text{No. of days in window})^{1/2})$$

where standard deviation is calculated by taking Average Abnormal Return over the estimation period of 120 days.

Table 3: AAR and CAAR over 21-day Event Window

Event day	AAR(%)	CAAR(%)
-10	-0.2107819	-0.2107819
-9	-0.3899748	-0.6007568
-8	-0.0455359	-0.6462927
-7	0.69191445	0.04562177
-6	-0.4142016	-0.3685798
-5	-0.5644618	-0.9330416
-4	-0.2468625	-1.1799041
-3	-0.2185228	-1.398427
-2	-0.3338927	-1.7323197
-1	0.44978549	-1.2825342
0	1.22015901	-0.0623752
1	0.90490491	0.84252975
2	1.10058585	1.9431156
3	-0.013248	1.92986762
4	1.18581334	3.11568096
5	-0.5592939	2.55638709
6	0.42862194	2.98500903
7	0.4122176	3.39722663
8	0.66542059	4.06264722
9	0.01921144	4.08185865
10	0.11110535	4.192964

Source: Computed by authors from the data obtained from VCC Edge.

Table 4 shows the cumulative average abnormal returns for three different event windows of lengths of 21 days, 11 days, and 3 days. The 21-day CAAR corresponds to the 10 days prior to and 10 days following the announcement. The CAAR of 11 days denotes the period from 5 days prior to 5 days following the announcement day, and the CAAR of 3 days denotes the period from 1 day prior to 1 day following the announcement day. The results of CAAR test statistics for each event window are discussed below:

(1) Results of tests for the 21-day event

In table 4, results of T-statistics of CAAR show statistically significant CAAR of 1.982544 during the 21-day event period. The excess of T-statistic over the t- table value of 1.96 implies that announcement has an impact on the stock market performance of the Indian Infrastructure sector.

(2) Results of test for 11-day event period

As shown in table 4, t value for CAAR is statistically insignificant during the 11-day event period (calculated t value 1.910891 is less than the t- table value of 1.96).

(3) Results of test for 3-day event period

The result of T-statistics of CAAR show statistically significant CAAR during 3-day event period, that is, 3.221088, which is less than the t- table value of 1.96.

Based on the test results, it can be ascertained that T-statistics of CAAR for 21-day event period and 3-day event period show statistically significant CAAR. Hence, we disprove the null hypothesis that CAAR is zero for the whole event window. As this reveals the inefficiencies of the stock market to earn abnormal return, we conclude that the market is inefficient while analysing the impact of PIPE announcement on the stock market performance of the Indian Infrastructure sector.

Table 4: Cumulative Average Abnormal Returns Over Different Event Windows

Event Window	CAAR	CAAR Test Statistics
(-10,+10)	0.04193	1.982544 (Significant)
(-5,+5)	0.02925	1.910891(Insignificant)
(-1,+1)	0.025748	3.221088 (Significant)

Source: Computed by Authors.

Conclusion

The study analysed the impact of PIPE announcements on the dataset of 44 companies covering the four major sectors of Indian Infrastructure firms- telecommunications, energy, transportation and utilities. The authors used event study methodology to gauge investor response to PIPE announcements and construct their short-term impact on stock prices.

The study illustrated that on the event day (i.e. 0th day), out of 44 companies, 22 companies experienced a positive abnormal return with a maximum return of 19.2692% by GP Petroleums. Similarly, majority of AARs are positive for the days after the event day (announcement day). Since the security reaction to PIPE announcement cannot be captured for one specific day using average abnormal return, it is needed to accumulate the abnormal returns. Hence cumulative average abnormal return was computed for the event window. CAAR value on the event day is -0.0623752% which goes on increasing during the post announcement period and at the end of the event window, turns out to be 4.192964%, which is not close to zero, signalling stock market inefficiency. This establishes that PIPE announcements have an impact on the stock market performance of the Indian Infrastructure sector.

These findings are in line with the results of numerous studies that have previously explored market reactions to private placements and have validated the existence of information in such announcements. The fact that the announcement of private investment in public equity has a significant impact on the share price implies that information is not quickly exhibited in the share price. The private placement of equity shares conveys information about the firm to the market participants. This information in turn moulds investor behaviour and thinking, which is manifested in the firm’s stock price reaction and thus, it can be concluded from this study that the market of infrastructure sector is progressing towards being informationally inefficient.

Limitations of the study and scope for future research

This study focused on a small sample of 44 companies of the infrastructure sector of the Indian economy. The results could be different if more companies are involved. The event window for the study spans 21 days (-10, +10). The same can be stretched to see the long-term impact on security price. The study can also be done on other sectors of the Indian economy to find the impact of private investment in public equity. There are various other sectors which are still unexplored in the current literature. An analysis on identifying the factors explaining the announcement return will help in better understanding the market.

References

- Achleitner, A. K., Andres, C., Betzer, A., & Weir, C., (2008), "Economic consequences of private equity investments on the German stock market" (No. 2008-05). Working Paper.
- Alli, K.L. & Thompson II, D.J., (1993), "The wealth effects of private stock placements under Regulation D", *The Financial Review*, Vol. 28, No.3, pp.29-50.
- Barbarosh, J.S., (2019), "*PIPE Discounts, Premia, and Performance*".
- Barclay, M.J., Holderness, C.G., & Sheehan, D.P., (2007), "Private placements and managerial entrenchment", *Journal of Corporate Finance*, Vol. 13, No.4, pp.461-484.
- Carpentier, C., L'Her, J. F., & Suret, J. M., (2013), "Private investment in small public entities", *Small Business Economics*, Vol. 41, No. 1, pp.149-168.
- Chen, H. C., Dai, N., & Schatzberg, J. D., (2010), "The choice of equity selling mechanisms: PIPEs versus SEOs", *Journal of Corporate Finance*, Vol. 16, No.1, pp.104-119.
- Chen, K. C., Cheng, L. Y., Huang, S. J., & Zhao, Y., (2016), "Market reactions to private equity announcements and intra-industry information spillover", *Managerial Finance*.
- Chen, K.-C., Cheng, L.Y. Huang, S.-J. & Zhao, Y., (2019), "Market Reactions to Private Equity Announcements and Intra-Industry Information Spillover", *Managerial Finance*, Vol.42, No. 7, pp.722-742.
- Dai, N., (2007), "Does Investor Identity Matter? An Empirical Examination of Investments by Venture Capital Funds and Hedge Funds in PIPEs", *Journal of Corporate Finance*, Vol. 13, No. 4, pp. 538-563.
- Fama, E., & Jensen, M., (1983), "Separation of Ownership and Control", *The Journal of Law & Economics*, Vol.26, No.2, pp.301-325.
- Galai, D. & Masulis, R.W., (1976), "The option pricing model and the risk factor of stock", *Journal of Financial Economics*, Vol.3(1-2), pp.53-82.
- Haggard, S.K., Zhang, Y.J., & Ma, T., (2009), "PIPEs around the world", *Journal of Private Equity*, Vol. 12, No. 4, pp. 57-68.
- Hertzel, M., & Smith, R., (1993), "Market Discounts and Shareholder Gains for Placing Equity Privately", *The Journal of Finance*, Vol. 48, No. 2, pp. 459-485.
- Hertzel, M., Lemmon, M., Linck, J. S., & Rees, L. (2002), "Long-run performance following private placements of equity", *Journal of Finance*, Vol. 57, No. 6, pp.2595-2617.
- Higgins, R., & Schall, L., (1975), "Corporate Bankruptcy and Conglomerate Merger", *The Journal of Finance*, Vol. 30, No.1, pp. 93-113.
- Irshaid, A. & Ghusain, N., (2014), "The Effect of Announcing Private Offering Placement on Stock Exchange on Stock Returns in Amman Stock Exchange at Semi-Strong Level (Jordan Case)", *Global Journal of Management and Business Research: C Finance*, Vol.14, No.4, pp.9-20.
- Jensen, M.C. & Meckling, W.H., (1976), "Theory of the Firm: Managerial Behaviour, Agency Costs and Capital Structure", *Journal of Financial Economics*, Vol. 3, No.4, pp. 305-360.
- Krishnamurthy, S., Spindt, P., Subramaniam, V., & Woitke, T., (2005), "Does investor identity matter in equity issues? Evidence from private placements", *Journal of Financial Intermediation*, Vol. 14, No. 2, pp.210-238.
- Leland, H., & Pyle, D., (1977), "Informational Asymmetries, Financial Structure, and Financial Intermediation", *The Journal of Finance*, Vol.32, No. 2, pp.371-387.
- Lim, J., Schwert, M., & Weisbach, M.S., (2019), "The economics of PIPEs", *Journal of Financial Intermediation*. Vol. 45.
- Lin, F., & Gannon, G., (2007), "Private placement and share price reaction: Evidence from the Australian biotechnology and health care sector", *Accounting, Finance, Financial Planning and Insurance Series from Deakin University, Faculty of Business and Law, School of Accounting, Economics and Finance*.
- Maynes, E. & Pandes, J. A., (2010), "The wealth effects of reducing private placement resale restrictions", *European Financial Management*, Vol. 17, pp.500-531.
- Miller, M., & Rock, K., (1985), "Dividend Policy under Asymmetric Information", *The Journal of Finance*, Vol. 40, No. 4, pp.1031-1051.
- National Stock Exchange of India.
- Nor, N. (2007). *The effects of private placements announcement on shareholders' wealth and trading volume* (Doctoral dissertation, Master's Thesis, Graduate School of Management, University Putra Malaysia).
- Ross, S., (1977), "The Determination of Financial Structure: The Incentive-Signalling Approach", *The Bell Journal of Economics*, Vol.8, No. 1, pp.23-40.
- Särve, B., Knauer, A. & Schwetzler, B., (2011), "A Note on Private Investments in Public Equity (PIPE) of Private Equity Firms".
- Tuli, A., (2016), "Firms' Choice of Seasoned Equity Issuance Method—Taking Private or Non-private Route", *Global Business Review*, Vol.17, No. 2, pp. 400-410.
- Tuli, A. & Shukla, A., (2015), "Informational Effect of Select Private Placements of Equity: An Empirical Analysis in Indian Capital Market", *The Journal of Decision Makers*, Vol. 40, No. 2, Vol.165-190.
- Wruck, K. H., (1989), "Equity ownership concentration and firm value: Evidence from private equity financings", *Journal of Financial Economics*, Vol. 23, No.1, 3-28.
- Wruck, K.H., & Wu, Y.L., (2009), "Relationships, corporate governance, and performance: Evidence from private placements of common stock", *Journal of Corporate Finance*, Vol. 15, No. 1, pp.30-47.
- Zheng, M., (2017), "The Empirical Study on Stock Price Effect of Private Placement Announcement in China's Main Board Market", *Advances in Computer Science Research (ACSR)*, Vol. 76, pp. 639-643.

Educational Marketing: An Empirical Analysis of Promotional Tools Considered by Private Universities in Punjab

Prof. (Dr.) Palwinder Kumar

Registrar, Indus International University, Bathu, Una, HP

Dr. Sukhdeep Kaur

Assistant Professor, School of Hotel Management & Tourism Desh Bhagat University, Mandi Gobindgarh, PB

Abstract

Marketing in Education is a very important aspect now days. This paper intends to reveal the promotional tools which are considered for higher educational (HE) marketing. For this, the researchers conducted survey among different university students in Punjab, India. The questionnaire was sent through Google form to get response from fifteen private university students. The findings from this permit researchers to come up with relevant promotional tools to put in practice in order to enhance enrolment. The researchers found 'Guidance by teacher' and 'Internet' to be the most influential factors as the promotional tools. This paper attempts to put forward the potential marketing tools to be used by the universities for marketing which further will enable the universities to develop appropriate communication mix.

Keywords: *Educational Marketing, Higher Education, Communication Strategy, Promotion.*

Introduction

Philip Kotler defines marketing on website www.heidicohen.com/marketing-definition as "the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services." Jason Falls, a social media explorer, states that marketing helps people in buying their products and services. (www.heidicohen.com/marketing-definition)

Ramachandran, (2010) argues that the education being part of service industry, the theory of marketing of HE could be different from the other commercial sectors. Hence, it requires formulation of marketing strategy

in order to inform its customers i.e. students about courses (products), their benefits, and other required information. According to Jabber (2016) the higher educational institutes need to use different marketing strategies along with 4Ps to promote themselves in these days. By employing various marketing tactics educational institutes educate their potential buyers in order to make right decision.

Research aim and Theoretical Background

Every education institution is putting in practice, various marketing activities for its growth and development. To apply better technique to marketing mix, the comparative analysis of promotional tools is required as marketing costs time and money to institutions. That's why authors come up with objectives, first to study the role of marketing in higher educational Institutes and second to identify potential promotional tools that can contribute to increase the enrolment in

universities. In order to investigate researcher added variables such as Marketing by University, Educational Consultant, Prospectus, Internet, Television, Magazines, University brochure, Relatives and Friends, News Paper Advertisement, Career Fair, Guidance by Teacher, and Social Media. Out of fifteen private universities ten university students responded willingly to the survey and 235 participated. The collected data analysed with SPSS along with relevant test application.

According Yang, X.G. (2016) the concept “Education Marketing” came from “application of marketing management’s theory and methods”. In order to promote HE one should do proper research about the relevant factors and implementation of proper model. It further builds relationship between stakeholders and enhances the enrolment and reduces the expenditure which use for marketing purpose. Ming &Kee (2010), examine institutional & Communication characteristics. However, in this paper researcher focus on communication characteristics mentioned in above paragraph.

Marketing Communication

Kotler et al (2008) states that marketing communication is the mean by which a firm tries to inform the customers, persuade and remind them either directly or indirectly of the products or services offered by it. Kotler & Armstrong (2008) concludes that marketing communication is a complex activity and is a blend of advertising, sales promotion, personal selling and direct marketing tools. The company uses this blend to persuasively communicate customer value and to build the customer relationship.

Traditional marketing v/s digital marketing

Before the advent of digital marketing, HE institutes used to apply the traditional marketing tools and techniques such as educational consultants, prospectus, newspaper advertisements, hoardings, brochure distributions etc. The digital marketing has changed the way the HE institutes communicate with their perspective students. According Yogesh K. Dwivedi et. al. (2021) The digital marketing being very cheap with wide target market range has been intensively used by HE institutes. Digital marketing also puts up some of the challenges as some of the platforms only offer limited space for putting up the information. Mengeaki (2012) suggested that appropriate marketing mix should be used involving both digital and traditional marketing tools as both have the impact on purchase decision of the consumers. The use of the tools depends upon the objectives of the campaign.

Result Analysis & Discussion

The distribution of study population according to gender and level of study, among all study participants (n=235), there were 62.6% males and 37.4% females. Majority of study participants were undergraduates (40.4%). Proportion of postgraduate and PhD degree holders were 24.3% and 9.8% respectively. Around 25.5% of them bear other qualifications

Frequency of responses of study participants to consideration of promotional measures for University selection:

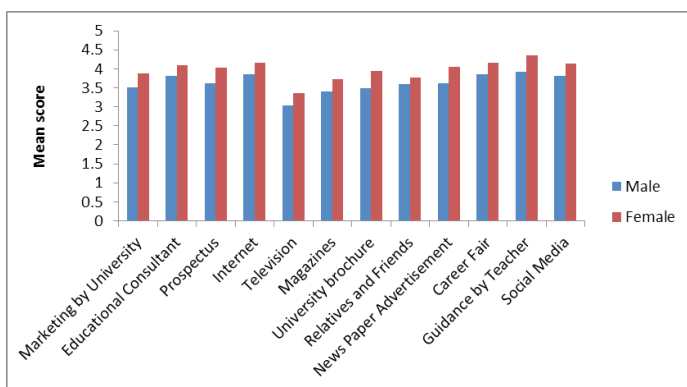
From all the factors 30.6% participants have given average importance to marketing by university as a promotional measure. Only 6% and 5.5% of them considered marketing as very important and important. Educational consultant was considered not at all important by 39.1% participants and not important by 25.5% participants. Prospectus was considered very important and important by 4.7% and 6.8% participants respectively. Internet was considered not at all important and not important by 45.1% and 22.6% participants respectively. Maximum participants (33.6%) gave average importance to Television followed by 23.4% of them who considered it as not important. Magazines were considered as a very important and important factor by 8.5% and 10.2% participants. University brochure was considered not at all important and not important by 30.6% and 26% participants respectively. Average importance was given by 33.2% study participants for relatives and friends while newspaper advertisement was considered very important and important by 5.1% and 7.7% participants respectively. Career fair and guidance by teacher were considered very important by 5.1% and 3.8% participants respectively. Social media was marked not important and not at all important by 29.4% and 39.1% participants respectively.

Table1: Comparative assessment of mean scores of promotional measures according to gender

Factor	Male (Mean + SD)	Female (Mean + SD)	p-value	Total (Mean + SD)
Marketing by University	3.51 + 1.16	3.89 + 0.92	0.001*	3.65 + 1.09
Educational Consultant	3.82 + 1.12	4.09 + 0.99	0.213	3.92 + 1.07
Prospectus	3.61 + 1.19	4.02 + 0.87	0.000*	3.76 + 1.09
Internet	3.86 + 1.25	4.17 + 0.99	0.057	3.97 + 1.16
Television	3.03 + 1.27	3.36 + 1.00	0.012*	3.16 + 1.19

Magazines	3.41 + 1.29	3.72 + 1.12	0.238	3.53 + 1.23
University brochure	3.49 + 1.25	3.95 + 0.99	0.002*	3.66 + 1.18
Relatives and Friends	3.60 + 1.10	3.78 + 1.09	0.892	3.67 + 1.10
News Paper Advertisement	3.61 + 1.19	4.05 + 0.97	0.009*	3.77 + 1.13
Career Fair	3.86 + 1.23	4.16 + 0.96	0.003*	3.97 + 1.14
Guidance by Teacher	3.92 + 1.21	4.36 + 1.01	0.048*	4.09 + 1.16
Social Media	3.82 + 1.19	4.14 + 0.89	0.004*	3.94 + 1.10

Test applied: Independent t test, *indicates statistically significant difference

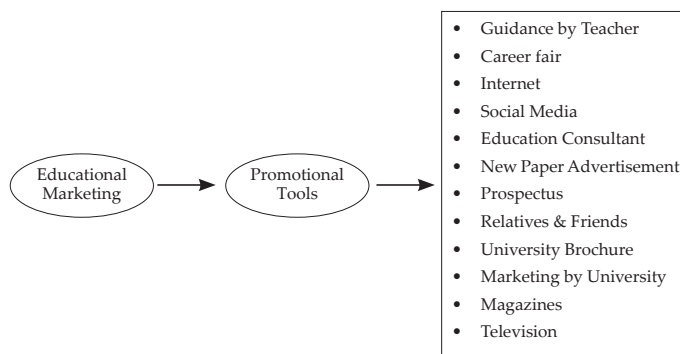


Graph1. : Comparative assessment of mean scores of promotional measures according to gender

Highest mean scores for university selection was evident for guidance by teacher (4.09 + 1.16) followed by internet (3.97 + 1.16), career fair (3.97 + 1.14) and social media (3.94 + 1.10). The lowest mean score was obtained by Television (3.16 + 1.19) followed by magazines (3.53 + 1.23) (Graph 1). When compared according to gender, mean scores for marketing (p=0.001), prospectus (p=0.000), television (p=0.012), university brochure (p=0.002), newspaper advertisement (p=0.009), career fair (p=0.003), guidance by teacher (p=0.048) and social media (p=0.004) were significantly higher among females than males (Graph & Table 1).

Conclusion & Recommendations: In past there was no competition in education sector so requirement to market educational services was not required. But in present time trend has been changed due to supply & demand. This makes institutions to develop proper educational marketing strategy. Researcher came up with the

following framework after this research. According to the Students response their priority or reliability in terms of university selection start with teacher guidance, career fair, Internet, Social media, Education consultant, Newspaper Advertisement, Attractive Prospectus, Relative & Friends (Word of Mouth), University brochure, Marketing by university itself, Magazines, and then Television.



However, in order to formulate proper Educational marketing strategy, universities need to concentrate on above mention characteristics. By considering these characteristics which came up from Students point of view, proper and effective use may result positive with regards of HE sector.

Further research can be conducted on impact of social media on students' enrolment in Higher education.

References

Andreea, N. N.&Paula,A. I. (2019).International Journal of Social Sciences, "Educational Marketing Strategies on the Market of Higher Education Services, 5(3),334-344. Volume5Issue3,pp.334 – 344, ISBN 2454 retrieved from <https://grdspublishing.org>

Jabbar, H. (2016). Selling schools: Marketing and recruitment strategies in New Orleans. Peabody Journal of Education, 91, 4-23. Doi : 10.1080/0161956X.2016.1119554, Retrieved from <https://www.tandfonline.com>

Yang, X.G. (2016) Education Marketing Research. Theoretical Economics Letters, 6, 1180-1185. <http://dx.doi.org/10.4236/tel.2016.65111> retrieved from www.researchgate.net/publication/309339345_Education_Marketing_Research [accessed Jun 03 2021]

Menegaki, A.N. (2012) A Social Marketing Mix for Renewable Energy in Europe Based on Consumer Stated Preference Surveys. Renewable Energy, 39, 30-39. <https://doi.org/10.1016/j.renene.2011.08.042> retrieved from <https://www.scrip.org/>

Kong, F.S (2011) A Brief Discussion on the Marketing Strategy of Higher Education. China Science and Technology, No. 17, 78

Ming, J. &Kee, S. (2010). Institutional Factors Influencing Students' College Choice Decision in Malaysia: A Conceptual Framework. *International Journal of Business and Social Science*, 1(3), 53-58. Ramachandran, N.T. (2010), "Marketing framework in higher education: Addressing aspirations of students beyond conventional tenets of selling products", *International Journal of Educational Management*, Vol. 24 No. 6, pp. 544-556. doi.10.1108/09513541011067700

Kotler, P. & Armstrong G (2008) *Principles of Marketing*, New Jersey: Pearson Prentice Hall

Yogesh K. Dwivedi , Elvira Ismagilova , D. Laurie Hughes , Jamie Carlson , Raffaele Filieri, Jenna Jacobson, Varsha Jain, Heikki Karjaluo , Hajer Kefi, Anjala S. Krishen , Vikram Kumar, Mohammad M. Rahman , Ramakrishnan Raman, Philipp A. Rauschnabel, Jennifer Rowley, Jari Salo, Gina A. Tran, Yichuan Wang, *International Journal of Information Management* Volume 59, August 2021, 102168, accessed from, <https://www.sciencedirect.com/science/article/pii/S0268401220308082>

www.heidicohen.com/marketing-definition

Environmental Sustainability by Indian IT Industry with Special Reference to Wipro and Infosys

Dr. Monika Mittal

Assistant Professor, PG Dept. of Commerce and Management, GGSD College, Chandigarh

Dr. Meenu

Assistant Professor, Department of Commerce, DAV College, Chandigarh

Abstract

Due to change in climatic conditions across the globe, environment protection has been a major challenge for each one of us. There are many instances in ancient Indian text books like DighaNikaya, Ishavasya Upanishad, Charaksamhita, Attharvaveda etc. that highlight the importance of environmental protection as a duty towards society and that sustainable growth is the real growth. Today the world is facing the challenge of climate change, water scarcity, and loss of biodiversity, pollution and depletion of natural resources. Since corporate sectors are using the natural resources directly or indirectly, they owe some responsibility as well as accountability towards environment sustainability.

In India, with the amendments in companies Act 2013 and increased concern for social responsibilities, the companies are now participating in CSR Governance. The disclosure activity is taken by companies as a compliance activity rather than a voluntarily disclosure. The present paper is an attempt to find out the level of environmental reporting by two top IT companies (as per CSR ranking 2020), namely Infosys and Wipro, towards environment protection and to see how far they have been able to play the role of environment stewardship.

Keywords: *Environmental Accounting, Green Accounting, Circular Economy, Infosys, Wipro, Pollution, Carbon Emission*

Introduction

"The wise and moral man shines like a fire on a hilltop, making money like the bee which does not hurt the flower."

- DighaNikaya

There are many instances in ancient Indian literature which emphasize that we take so much from the environment then it is our responsibility that in return we care for it. According to the Ishavasya Upanishad, the entire universe and everything in it, animate and inanimate, belongs to God. We should not covet anything. We should treat everything around us reverently, as custodians. We should enjoy but neither hoard nor kill. According to Charaksamhita the destruction of forests is most dangerous for the nation and for human beings. The ancient Indians considered the terrestrial earth as

mother. The Attharvaveda has a whole prayer named Prithvi-Sukta in praise of earth. The earth nourishes us all, but 'when angered by misdeeds of her children punishes them with disaster'. In modern times also with the growing concern for the protection of environment and maintaining ecological balance the industries have realised that sustainability is far more important than economic development.

From the last few decades the concern towards duty to protect environment and sustainable growth has increased worldwide. The then UN Secretary General in Conference on Environment and Development 1993 aptly remarked that every business that impact on the environment must accommodate the fact that the environment will have an important impact on its business. The growing concern resulted in reflection in

the annual reports of the corporate entities. It is an effort to identify and portray the exhausted resources and cost rendered by organizations in return, to the environment. This reflection started in relatively new branch of accounting termed as Environmental Accounting or Green Accounting. Corporate world has to properly account for cost benefit analysis under CSR requirement.

UN Conference (Earth Summit) in 1992 recommended that countries should implement environmental-economic accounts. The framework designed in 1993, revised in 2003 and 2007, was finally accepted as International Statistical Standard in 2012 by UN Statistical Commission named as SEEA (System of Environmental Economic Accounting).

In India 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' issued by Ministry of Corporate Affairs in July 2011 became mandatory, as per SEBI, to be included as Business Responsibility Report in annual reports of corporate for those in the top 100 listed entities based on market capitalization (M-Cap) at BSE and NSE as on March 31, 2012. For other listed entities it was voluntary disclosure. From the financial year 2015-16 it was extended to top 500 listed companies. It was further extended to top 1000 listed companies from the financial year 2019-20.

On May 10, 2021 SEBI introduced Business Responsibility and Sustainability Report (BRSR) format to make the Indian sustainability reporting as par with that of global reporting standards. This format is based on the nine principles given in National Guidelines on Responsible Business Conduct (RBC Guidelines). This reporting format is mandatory from FY 2022-23 while it is voluntary for FY 2021-22. The environmental aspect of this BRSR format is based on the principle that Businesses should respect and make efforts to protect and restore the environment (Principle 6). The disclosure requirements under this format are:

- a) Resource usage (energy and water) and intensity metrics
- b) Air pollutant emissions
- c) Greenhouse gas emissions (Scope 1, Scope 2, and Scope 3)
- d) Waste generated and waste management practices
- e) Impact on biodiversity

Review of Literature

Bennett and James (1988) have defined environmental accounting as, "The generation, analysis and use of financial and non-financial information in order to

optimize corporate, environmental and economic performance for achieving a sustainable business".

Singh et al, 2014 opined that if the environmental problems are ignored, that can further lead to the more problems of environmental degradation, and shortage of natural resources harming the industrial growth and development of a nation. The Corporate social responsibility covers a wide range of activities for environment protection including environmental sustainability initiatives, maintaining ecological balance, protection of flora and fauna, promoting animal welfare, improving agro-forestry, conservation of natural resources and ensuring quality of soil, air and water.

Aaron, Mcmillan and Cline (2012) examined the investor reaction to signals of environmental Management Reputation. The share prices of the companies having favourable recognition to environmental practices had positive impact in short term while for the companies not having favourable recognition to environmental practices share prices had negative impact in short term.

Dangwal and Sharma (2014) in their study in selected Indian Pharmaceutical Companies found that all the companies are disclosing the important parameters of environmental reporting voluntarily and most of the companies avoid disclosing the sustainability reports separately along with annual reports.

Rahman, Rasid and Basiruddin (2014) examined carbon reporting practices of Malaysian companies in which they studied the relationship between carbon performance, carbon reporting and firm performance.

Malik & Mittal (2015) in the study of green accounting Practices in India found that environment accounting was in preliminary stage in India and whatever shows in the accounts in this regard is more or less compliance of relevant rules and regulations in the act.

Kumar and Prakash (2019) in their study on Indian banking sector to analyze the extent of sustainability reporting by the Indian banks found that the Indian banking sector is very slow in adoption of environmental sustainability activities. Their major focus is on their core business practices that are financial in nature. Moreover, there is a big difference in their actual practice and reporting of environmental sustainability practices in reports.

Jain (2021) opined that the Indian IT industry has been doing many efforts towards sustainable growth in the recent past, especially during the pandemic outbreak. All their efforts can be categorised into three pillars: People, Planet and Profit. Some of major IT giants in India like Wipro and TECH M are working for Rejuvenating the Environment by reducing GHG emission and shifting to renewable Energy, becoming water positive, sustainable waste management.

Objectives: The paper aims:

- To identify the environmental disclosures and evaluate the status of environmental reporting practices of major IT Companies .
- To analyze the extent of participation in environment sustainability by the major IT Giants.

Data Base and Research Methodology

The study is exploratory in nature. Secondary source of data is used in this research. The sample under study is top 2 Indian IT companies as per the Responsible Business Ranking of Top Indian Companies for Sustainability and CSR 2020. The data has been taken from various web resources such as FUTURESCAPE, The CSR Journal, CSRBox, NGOBox and CSR database maintained by Ministry of Corporate Affairs. The annual reports of these two companies for the last three financial years i.e 2018-19, 2019-20 and 2020-21 have been studied. Environment reporting being a part of ESG (Environment Social Governance) framework, ESG reports of both the companies have also been studied. The descriptive statistics have been used to further analyze the data.

Elaborations

Corporate Social Responsibility (CSR) initiatives have become an important aspect of Indian IT companies' operations. These companies have recognized the need to give back to society and have implemented a number of CSR initiatives, with a special focus on environment protection. Indian IT companies have been implementing a number of environmental sustainability initiatives in order to reduce their impact on the environment and promote sustainable practices.

Environmental Sustainability by WIPRO and Infosys:

Wipro Limited is a global information technology, consulting, and business process services company founded in 1945 by M.H. Premji in India, and has since grown to become one of the largest IT services companies in the world. Wipro operates in over 50 countries and serves clients in diverse industries, including banking, finance, insurance, healthcare, energy, utilities, retail

and manufacturing. Wipro's services include digital strategy, data analytics, cloud services, artificial intelligence, automation, and cyber security. Wipro is also known for its commitment to sustainability and corporate social responsibility (CSR). The company has implemented a number of initiatives to reduce its carbon footprint, conserve energy and water, and promote sustainable transportation. Wipro also actively engages in community development initiatives and has set up a foundation to support education, health, and community development projects.

Infosys Limited is a global technology company headquartered in India that provides consulting, technology, and outsourcing services. It was founded in 1981 by seven engineers, including Narayana Murthy, who later served as the company's CEO. Infosys has since grown to become one of the largest IT services companies in the world, with operations in over 50 countries. Infosys provides a range of services, including software development, application management, infrastructure management, and business process services. The company also specializes in digital transformation, cloud computing, artificial intelligence, and analytics. Infosys has a strong reputation for its expertise in banking, financial services, insurance, retail, and manufacturing industries. Infosys is also highly committed to sustainability and corporate social responsibility (CSR). The company has implemented a number of initiatives to reduce its carbon footprint, conserve energy and water, and promote sustainable transportation. Infosys also actively engages in community development initiatives and has set up a foundation to support education, health, and community development projects.

The disclosure status of company has been discussed in the following paragraphs. The table 1 shows company wise amount spent on CSR over the years. Both the companies have spent more than the prescribed expenditure during FY 2018-19 and 2019-20 on CSR activities. In FY 2020-21 in spite of lockdown due to Covid-19 Wipro spent more than the prescribed expenditure. However, Infosys could not spend the prescribed amount and Rs. 49.52 crore was left unspent.

Table 1. Expenditure on CSR by Wipro and Infosys

Particulars	2018-2019 Rs. Cr.		2019-2020 Rs. Cr.		2020-2021 Rs. Cr.	
	Wipro	Infosys	Wipro	Infosys	Wipro	Infosys
Average Net Profit for the last three financial years	8802.2	17018	8344.2	17978	8281.7	18620
Prescribed CSR expenditure (2% of Average Net Profit as above), Amount to be spent	176.1	340.35	166.9	359.56	165.6	372.39
Total Amount Spent	185.3	342.04	181.8	359.94	251.2	325.32
Amount Unspent	-	-	-	-	-	49.52

Source: Annual Reports

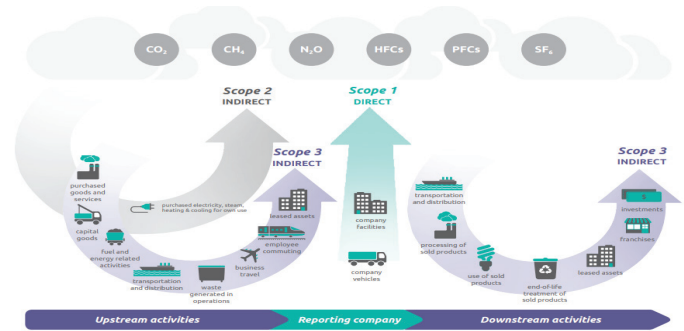
Companies Greenhouse Gas Emissions are measured and assessed by way of three different scopes. Scope 1 and 2 are those emissions that are owned or controlled by a company, whereas scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by it.

Scope 1 Direct GHG emissions occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment.

Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by a company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.

Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of products and services.

Overview of GHG Protocol Scopes and Emissions across the value chain



Source: https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf

Comparative absolute emission profile of the companies shows that in case of Wipro the scope 1 emission has decreased by 0.43% in FY 2019-20 as compared to previous financial year. While in case of Infosys it has increased by 13.81%. Due to covid 19 this emission decreased quite considerably in case of both the companies because of work from home. Same happened in the case of purchased electricity (scope 2). It decreased in 2020-21 due to covid situation but it increased by 19.93% in case of Wipro and by 4.87% in case of Infosys in FY 2019-20. Companies should make efforts to decrease these emissions.

Table 2: Absolute Emission Profile (tons of CO2 eq)

Scope 1

	Companies	FY 2018-19	FY 2019-20	FY 2020-21
Fuel & Refrigerant - India Offices	Wipro	13424	13366	10855
	Infosys	13482	15344	8678

Scope 2

	Companies	FY 2018-19	FY 2019-20	FY 2020-21
Purchased Electricity - India Offices and DCs	Wipro	103866	124564	86463
	Infosys	118293	124063	68673

Scope 3

	Companies	FY 2018-19	FY 2019-20	FY 2020-21
Employee Commute	Wipro	79160	84536	18,055
	Infosys	57762	54372	4717
Business Travel	Wipro	1,17,819	1,23,789	13,538
	Infosys	75869	71217	8068
Waste	Wipro	760	274	140
	Infosys	NA	202	127

Upstream Fuel+Energy emissions	Wipro	76,659	72,888	53,937
	Infosys	21747	25913	12061
Purchased goods/services	Wipro	82,246	1,00,460	2,15,830
	Infosys	187469	196342	120751
Upstream leased assets	Wipro	24,302	39,580	12,606
	Infosys	-	23,556	3156
Work from home emission	Wipro	-	-	36,230
	Infosys	-	-	64634

In scope 3, in case of emission due to employee commute Infosys performed better as its emission decreased in FY 2019-20 while Wipro's emission increased. Same was the case in emission due to business travel. In case of upstream fuel and energy emission Wipro performed better as it could manage to reduce it in the FY 2019-20 from the previous FY. In 2020-21 all these emissions decreased due to work from home that happened as a result covid situation. Companies are planning to use this hybrid work culture in future also.

Various Environmental Sustainability Initiatives

Renewable energy: Companies have invested in renewable energy sources such as solar and wind power. They have set targets to generate a certain percentage of their energy requirements from renewable sources by a certain date. These companies have also implemented energy-efficient technologies in their buildings and data centers to reduce their energy consumption.

Water conservation: Companies have implemented initiatives to conserve water. These include rainwater harvesting and recycling systems, as well as water-efficient technologies in their buildings and data centers. They have set targets to reduce their water consumption.

Afforestation and wildlife conservation: Both companies have actively been involved in afforestation and wildlife conservation. They have taken up plantation drives and have also adopted wildlife conservation programs. These initiatives help to protect the environment and create awareness among employees and local communities.

Waste management: These companies have implemented a number of initiatives to reduce, recycle, and reuse waste generated by their operations. These include composting and recycling facilities and a zero-waste policy.

Sustainable transportation: these companies have implemented carpooling and bike-sharing programs for their employees and invested in electric vehicles to reduce their transportation emissions.

Community development: these are actively engaged in community development initiatives, which are also

related to environment protection such as cleanliness drive, plantation and green cover promotion in nearby areas and supporting community-based organizations.

Projects : Butterfly Park and Wetland Biodiversity Zone : First biodiversity project of Wipro was unique Butterfly Park and Wetland Biodiversity zone at Electronic City campus in Bengaluru which uses recycled water. The second project in Pune focuses on trebling the number of native species and includes five thematic gardens – Aesthetic and palm garden, Spring garden, Ficus garden, Spice and Fruit garden. For the past eight years Wipro is supporting the “World Sparrow Day” and “Wipro-Nature Forever Society Sparrow Awards”.

Rejuvenating Hebbal Lake : The Hebbal lake in Mysuru is spread over an area of 40 acres in the Hebbal Industrial Area, and was once known as an important source of potable water. But over a period of time, the lake lost its charm due to massive urbanization around it. Untreated sewage started flowing into the lake and its surroundings from residential and industrial establishments. The company joined hands with the Mysore administration – KIADB and MUDA to rejuvenate the lake and restore its past glory. The project involved desilting and beautification, including creating a walking path and planting trees around it.

These initiatives demonstrate the companies' commitment to environmental sustainability and its efforts to reduce its impact on the environment. The companies' targets and goals are aligned with India's Nationally Determined Contributions (NDCs) under the Paris Agreement. Infosys has also been recognized and awarded for its environmental sustainability efforts by various organizations. Within the organization Wipro has given priority to identify energy efficiency and Green House Gases mitigation, water efficiency and responsible water management, pollution and waste management and campus biodiversity whereas outside the organization it has given emphasis on community ecology by engaging through partners.

Recommendations to IT Industry to improve Environmental Sustainability in India:

Based on the study, here are few recommendations to Indian IT Industry to improve environment protection and sustainability in India:

- **Increase renewable energy use:** IT companies in India can increase their use of renewable energy sources such as solar and wind power. They can set ambitious targets for the percentage of energy they generate from renewable sources and work towards achieving them.
- **Implement energy-efficient technologies:** IT companies can invest in energy-efficient technologies such as LED lighting and smart building management systems to reduce their energy consumption.
- **Promote sustainable transportation:** IT companies can encourage employees to use public transportation, carpool, or bike to work. They can also invest in electric vehicles for their transportation needs.
- **Adopt green procurement policies:** IT companies can adopt green procurement policies that prioritize the purchase of environmentally friendly products and services.
- **Encourage sustainable practices among employees:** IT companies can encourage employees to adopt sustainable practices such as recycling, composting, and reducing water consumption. They can also provide training and education on environmental sustainability.
- **Collaborate with other stakeholders:** IT companies can collaborate with other stakeholders such as government, other IT companies and other industries to develop and implement sustainable practices.
- **Invest in green infrastructure:** IT companies can invest in green infrastructure such as green roofs, green walls, and rainwater harvesting systems to reduce their environmental impact.
- **Support community-based organizations:** IT companies can support community-based organizations that are working to protect the environment and promote sustainable practices.
- **Align with National and International policies:** IT companies can align their environmental sustainability goals and targets with the National and International policies
- on environment protection and sustainable development.

Conclusion:

Thus, it has been observed that Indian IT companies are making conscious efforts in maintaining environmental sustainability and also assuming a great sense of responsibility and accountability. These companies are committed to walk through the path of sustainable growth and there is hope to witness many such innovative initiatives to achieve environment protection targets in near future. Renewable energy and energy conservation are the most trending area among the IT companies. More efforts are required towards water and waste management programs to preserve the natural resources and preventing the environment degradation too.

References

- Majmudar, Utkarsh and Rana, Namrata (2020), "Responsible Business Rankings India's Top Companies for Sustainability and CSR 2020", retrieved from <https://www.futurescape.in/responsible-business-rankings/> as on 11th July, 2020.
- <https://csrbox.org/India-list-CSR-projects-India>
- https://ngobox.org/full-news_CSRBOX-releases-report-on-CSR-and-SDGs-in-India-CSRBOX_22889
- <https://www.mca.gov.in/MinistryV2/csrdatasummary.html>
- Singh A.K. et. al (2014), "Environmental Sustainability through Corporate Social Responsibility (CSR) in India" Conference: Recent Trends in Design, Development, Testing and Certification of Ex-equipment at India DOI:10.13140/2.1.4296.4165
- Kumar, K., Prakash, A. Examination of sustainability reporting practices in Indian banking sector. *AJSSR* 4, 2 (2019). <https://doi.org/10.1186/s41180-018-0022-2>
- Neha Jain (2021), "People, Planet and Profit – the three pillars driving sustainability focus for Indian IT", retrieved from <https://community.nasscom.in/communities/it-services/people-planet-and-profit-three-pillars-driving-sustainability-focus-indian> on 10th August, 2022.

Growth and Achievements of Food Processing Industries in India

Dr. Rajanikanta Jena

Assistant Professor of Economics, Govt. Women's College, Bawnaipatna, Kalahandi, Odisha

Abstract

The Food Processing sector has great significance in India's economic growth and development as it establishes a strong linkage between the industry and agriculture sector. It also plays a strategic role by connecting the Indian farmers to the consumers in the domestic as well as global market. This paper makes an effort to study the growth of food processing industries in India and to analyze the achievements of these industries with respect to trade, employment and inflow of foreign direct investment. The study is analytical in nature, based on secondary data collected from various research papers, reports and publications. However, the descriptive statistics like percentage, table, diagram and growth rate etc are used to analyze the data. The study found that the share of Gross Value Added of Food Processing Industries to all India Gross Value Added has been rising continuously from 1.3% in 2013-14 to 2.08% in 2018-19. In 2018-19, the value of the processed food exports of India was worth of US\$ 35.30 billion which accounts for 10.69% of its total exports (i.e. US\$ 330.07 billion). Further, the inflow Foreign Direct Investment has increased by 468.14% from Rs 198.13 crore in 2000-01 to Rs 4430.44 crore in 2018-19. Similarly, this sector has also increased the generation of employment of people from 15.05 lakh persons in 2007-08 to 19.40 lakh persons in 2017-18. Hence, this sector has impacted positively in increasing employment, making trade surplus and attracting more foreign direct investment. The study recommends that the government should take more vibrant policy measures for the growth and development of this promising sun rise industry in the country.

Keywords: Food Processing Sector, Trade, Employment, Growth of Industries, Indian Economy

Introduction

The importance of industries in general and the food processing industry (FPI) in particular have significant role in the development of Indian economy. The FPI has greater significance in India's economic growth and development as it establishes a strong linkage between the industry and the agriculture sector. The FPI of India has been highly contributing to its economic development via increasing share to Gross Domestic Product (GDP) (Shelly and Kaur, 2015). The FPIs has opened up the wide opportunities in connection with production, consumption, employment and generation of income in India. As it establishes a synergy among agriculture, industry and consumer, it can directly affect to the improvement of nutrition of foods, reduce wastages, crop and product diversification in agriculture

and industry, changes in consumer's food preferences; ensure value addition of agricultural products, export earnings and assured price to farmers. The FPIs has a major role to play by connecting the Indian farmers to the consumers in the domestic as well as global market.

Indian consumers by tradition used to purchase the unprocessed and fresh food items to consume. They get more satisfaction if the food items are cooked or processed at home or restaurants. That's why they were reluctant to take packaged food items assuming its impurity, adulteration and less taste. Thus, the growth of Food Processing Industries was limited in the country even after independence. But with the passage of time and increasing job culture of women, the peoples' choice and preferences have changed towards the packaged and processed food items. Now people are very cautious

about health, time and nutritional content of food items. Therefore, the demand for processed food has increased tremendously among the young masses in India and hence the growth of FPIs is highly essential for the country.

Further, the demographic structure of India also supports to the growth and importance of FPIs in the country. The large size of youth population i.e. 604 million under the age of 24 (out of 1.22 billion total populations in 2011) also results to the increase in overall food consumption in India (GOI, NSSO 2011). It also directly affects to the increasing demand of nutraceuticals or functional food in the country. Besides, the rising of urban population also increases the food items demand specifically towards branded, packaged and ready to eat foods in each year. All such contributes to the production and supply of processed food items by establishing more FPIs in India. In fact, the FPIs command a lot for solving all such problems in years to come in India (Mukherjee et al 2013).

Review of Literature

The FPI is considered as most promising industry in India. It is also one of the biggest and more rapidly growing industries of the country in terms of growth, production, consumption and trade aspects (Sarangi, u.d.). The inflow of Foreign Direct Investment (FDI) plays a prominent role in the growth, development and renovation of the faster growing FPIs in India (Shelly and Kaur, 2015). The FPI is the fifth largest industry in India in terms of production, growth, consumption and export. Though it is a faster growing industry, but its growth is sub-optimal due to cost inefficiency, low level of productivity and high wastage. Besides, its potential growth is restricted due to the lack of quality of produce and competitiveness of FPIs in the international market (Murthy and Yogesh, 2014). The productivity level of FPI in India is very low in spite of having strong base for its growth and expansion, easy availability of inputs and other requisites. Similarly, India can't maximize the trade benefits of its food products as it has only 1.4% share of the world food trade with a meager amount of trade value i.e. worth of USD 13.7 billion (FICCI SR, 2010). The importance of promoting FPIs in India is realized to increase the farm income by enhancing the demand for agricultural produce. That's why Government of India has been taking several steps and initiatives to make India a hub of Global Food Factory and Global Food Market. The share of India's food trade to global food trade is hardly around 1.5 percent despite it is a leading producer of many agricultural produces in the world (Ghosh,2014). India's FPIs have been lagging behind in comparison to the global food producers as the cost of

production is higher and these industries often fail to implement all standard global food safety measures and enhancing and maintaining quality at par with global level especially for small and medium exporters of processed and fresh food (Rajneesh et al.,2014).

The food processing industries have the strong potentiality to enhance the productivity of some important food items like fish, milk, fruit and vegetables by providing farm extension services to their suppliers or through contract farming (Mukherjee et al 2013). From the review of the above existing literature, it is found that the few works have done to analyze the economic benefits of FPIs in India. Besides, all the above studies have focused on the growth aspects FPIs without focusing on the problems of slow growth of this sector in spite of its huge potential to increase the employment, production and attracting more FDI to the poor country like India. That's why the question comes to the mind of the author that; whether the growth of FPIs generates more employment in India? Are the FPIs able to generate potential trade benefits of this sector?

Objectives

The broader objective of this study is to familiarize the reader with the prospective industries in India. This could encourage some professionals and entrepreneurs to explore the sector and start their own enterprise. However, the specific objectives of this study are:

1. To study the growth of food processing industries in India.
2. To analyze the achievements of food processing industries in India with respect to trade, employment and inflow of foreign direct investment.

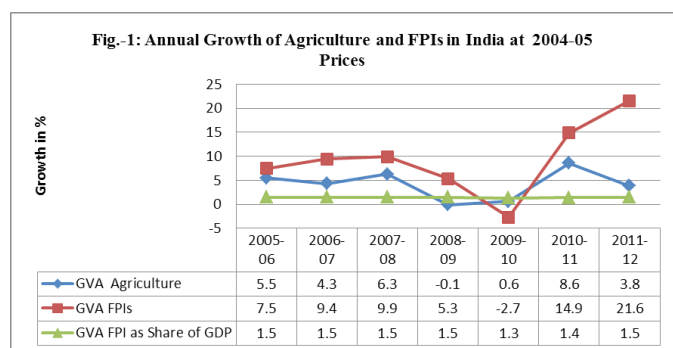
Methodology

This study is analytical in nature and based on secondary data collected from various research papers, reports submitted by various agencies and government data sources. It is an explorative analysis. The growth of food processing industries is analyzed in this paper with respect to Gross Value Added (GVA) of FPI vis-a-vis the GVA of agriculture in India. The growth of FPIs is studied in two different time periods, firstly, from 2005-06 to 2011-12 at 2004-05 prices and secondly, 2012-13 to 201-19 at 2011-12 prices. Similarly, the achievements of FPIs are analyzed by considering some selected variables such as foreign trade, inflow of foreign direct investment (FDI) and generation of employment by these industries. Besides, the descriptive statistics like percentage, table, diagram and growth rate etc. are used to analyze the data.

Results and Discussion

Growth of India's Food Processing Industries (FPIs)

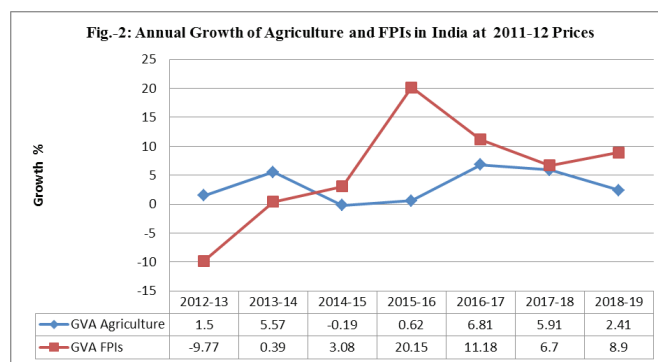
The growth of FPIs is essential in order to increase the supply chain of processed food items and to meet the demand of the ever increasing India's gigantic size of population. The growth of FPIs in India has analyzed in two different time periods i.e. from 2005-06 to 2011-12 at 2004-05 constant prices and from 2012-13 to 2018-19 at 2011-12 prices. The gross value added (GVA) of agriculture sector shows a fluctuating figure from 2005-06 to 2011-12 whereas the GVA of FPIs shows a positive trend except for the financial years 2008-09 and 2009-10. However, the growth of higher GVA of FPIs over agriculture indicates a positive sign for utilizing more agricultural produce by this sector. The detail growth of FPIs in terms of GVA has been depicted in Fig.-1 and Fig.-2. The growth of GVA FPIs is closely associated with the inflow of FDI to this sector in India. The growth of FPIs in India is also attributed to the increasing plan outlays during 10th and 11th five year plans (FYP) for this sector. The plan outlays of Rs. 2613 crore were made in 11th plan for creating food related infrastructures in this sector like food parks, mega food parks, integrated cold chain facility, packaging centre, value added centre, irradiation facility and setting up/modernization of abattoirs etc. (AR, MoFPIs-2009-10). But the GVA of FPIs is not satisfactory in first three years of 12th FYP. Nevertheless, the GVA FPIs increased in 2015-16 and 2016-17 by 20.15 and 11.10 per cent respectively. This shows that the growth of GVA FPIs is not satisfactory in from 2012-13 to 2018-19 as comparison to the increasing population and rising demand of processed food items among young masses. The youth population in the country is in the trap of rapid change in life style and taste, fashion and health cautiousness.



Source: Author

The Food Processing Sector has been growing at an Average Annual Growth Rate (AAGR) of around 10 per cent during 2014-15 to 2018-19 as compared to 3.11 per cent AAGR of agriculture sector at 2011-12 prices. However, the importance of food processing sector

has been greatly realized in the Indian economy as it constituted 8.98% and 11.11% of GVA in manufacturing and agriculture sector respectively in 2018-19 at 2011-12 prices. This is possible mainly due to the abundant and cheap supply of raw materials, better growth in agriculture sector, rising demand of processed food items and very encouraging incentives and initiatives taken by government for the growth of this sector.



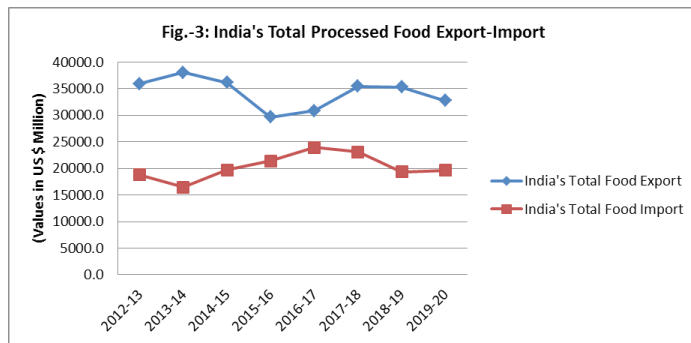
Source: Author

Besides, the share of GVA FPI to all India GVA has been rising continuously from 1.3% in 2013-14 to 2.08% in 2018-19 (AR 2018-19, MoFPI, GOI). There is no dearth of supply of raw materials for the growth and expansion of FPIs as India is the leading producer of Milk, Ghee, Pulses, Ginger, Bananas, Guavas, Papayas and Mangoes and second leading producers of rice, wheat, vegetables and fruits. This will be a base for the establishment of new FPIs or expansion of existing ones like edible oil industries, beverages, bottled drinks etc. The requirement of cold chain is on high demand in the economy. The cold chain will be a strong driving force for establishment of FPIs in the different parts of the country. Unfortunately, India is lacking in development of cold chains for different raw material/agricultural produce which are highly discernible for FPIs. For example, there are 250 nos. of existing integrated pack houses against the necessity of 75,000 nos., 32 million tonnes cold stores (bulk and distribution hubs) against the requirements of 35 million tonnes and 800 nos. of ripen chambers against the demand of 9000 nos. by the end of 2019-20. However, to give a heavy boost for accelerating the growth of this sector, the Government of India launched Pradhan Mantri Kisan Sampad Yojana (PMKSY) on 3rd May 2017. It is a comprehensive package meant for the creation of modern infrastructure with efficient supply chain management from farm to retail outlet. The schemes like Mega Food parks, Integrated Cold Chain and Value Addition Infrastructure, Creation / Expansion of Food Processing & Preservation Capacities, Infrastructure for Agro-processing Clusters and Food Safety and Quality Assurance Infrastructure were implemented under PMKSY.

Achievements of Food Producing Industries in India

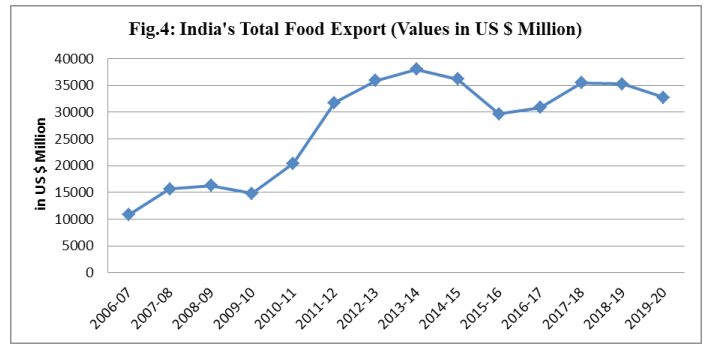
A. Trade Benefits

The achievements of FPIs can be aptly analyzed by taking into account of its trade benefits to the nation. It is found that India has achieved trade surpluses in FPI sector. The Fig.-3 depicts India's total processed food exports and imports from 2012-13 to 2019-20. In each financial year India enjoys trade surpluses. This trade surplus can be used to meet our capital deficiency in some extent. India has witnessed 2.61% share to world's total food export in 2014 which has slightly reduced to 2.31% in 2018. Similarly, its import share to world's total food imports has reduced marginally from 1.32% in 2014 to 1.30% in 2018. In 2018-19, the value of processed food exports of India was worth of US\$ 35.30 billion which accounts for 10.69% of its total exports (i.e. US\$ 330.07 billion).



Source: Author

The five leading exported food items are cereals (23.12%), Fish and Crustaceans, Mollusks and other Aquatic Invertebrates (17.72%), meat and edible meat (10.54%), coffee, tea, mate and spices (9.06%) and Residues and Waste from the Food Industries; Prepared Animal Fodder (5.43%). These five food items constitute 65.85% of total food and food processed items of India in 2018-19. The share of food processed items to India's total export was 11.3% in 2015-16 which reduced to 10.7% in 2018-19 (MoFPI-AR-2019-20). The value of India's total food exports produced from FPIs has been depicted in Fig.2. It is found that the country has witnessed an increasing trend of its value of total food exports from 2006-07 (US\$ 1032 million) to 2019-20 (US\$ 32732.0million). This is mainly due to giving more priority to this sector for its growth in number, production of food items and export to other countries by Ministry of Food Processing Industries, Government of India. It shows that the FPI sector has bright future for the nation in years to come.



Source: Author

B. Inflow of Foreign Direct Investment (FDI)

The growth of FPIs is a need of the hour. For establishment of new FPIs or expansion of existing industries needs huge amount of capital for investment. In early 21 century, the Government of India had taken several policy measures to revamp the FPIs in India. Some notable schemes are setting up of National Meat and Poultry Processing Board (NMPPB), Grapes Processing Board (GPB), National Fish Processing Development Council (NFPDC), National Institute of Food Technology, Entrepreneurship and Management (NIFTEM), strengthening of Indian Institute of Crop Processing Technology (IICPT) etc. encouraged the producers to start investment in this sun rising industry of the country. These policy measures attracted foreign investors to start business in India by bringing more FDIs to the economy. As depicted in Fig.-1 and Table-1, the inflow of FDI was Rs182.94 crore (US \$ 41.74 million) in 2005-06 and the growth of GVA FPI was 7.5%. But the GVA FPI increased to 21.6% as a result of rising of FDI of Rs 826.16 (US \$ 170.21 million). Therefore, it is concluded that the role of FDI in growth and development FPIs in India is highly essential. The Table-1 gives a picture of inflow of FDI to the food processing sector with its share of FDI of FPI in total FDI.

The FDI in the food processing sector rose 44 per cent to US\$904.7 million in the financial year 2019-20. From 2019-20, the Government of India has allowed 100 per cent FDI in food processing sectors through the automatic route in order to make ease of doing business. In 2016, the centre had allowed 100 per cent FDI through the approval route for retail trading.

Some of the major foreign direct investments in this sector so far are Amazon (food retail business), Parle Agro Private Ltd (Frooti Fizz), US based food company Cargill Inc (consumer retail business) and Pepsi and Coca Cola, Mad Over Donuts (MoD), Danone SA (nutrition business) and Uber Technologies Inc (UberEATS-food delivery service).

Table-1: FDI inflow to Food Processing Industries in India

Year	FDI in Rs Crore	FDI (US \$ Million)	Share of FDI of FPI in Total FDI: Annual (US \$ Million)
2000-01	198.13	45.75	1.86
2001-02	1,036.12	219.39	5.40
2002-03	176.53	36.88	1.36
2003-04	502.39	109.22	4.99
2004-05	174.08	43.98	1.37
2005-06	182.94	41.74	0.75
2006-07	441.00	102.00	0.82
2007-08	279.01	70.17	0.29
2008-09	455.59	102.71	0.33
2009-10	1,314.23	278.89	1.08
2010-11	858.03	188.67	0.88
2011-12	826.16	170.21	0.48
2012-13	2193.65	401.46	1.79
2013-14	25,106.73	3,982.88	16.39
2014-15	3,164.72	515.86	1.14
2015-16	3,312.00	505.88	0.91
2016-17	4,865.85	727.22	1.21
2017-18	5,835.62	904.9	1.48
2018-19	4,430.44	628.24	1.01

Source: Compiled by Author from Annual Reports of MoFPI, GoI

C. Generation of Employment

The achievements of an industry or sector can be better studied through its ability to generate employment opportunities for its people. India has been suffering from acute poverty and unemployment due to its rapid growth of population in one hand and also trying to reap its great demographic dividend over the years on the other. In fact, the growth of any types of industries will generate additional employment opportunities to its ever increasing unemployed people. The establishment of FPIs is no exception of it.

The Table-2 depicts the generation of employment opportunities in persons (in lakh) by the organized FPIs from 2007-08 to 2017-18. It is found that the FPIs have created employment to 15.05 lakh persons in 2007-08 which has increased to 19.40 lakh persons in 2017-18. This is possible mostly due to two reasons; firstly, the increase in FPIs in the economy over the years due to government intervention and increasing awareness and training for establishment of these industries and secondly, the expansion of some existing FPIs during the

above period. Besides, the employment trend in these FPIs has been positive except 2012-13 and 2015-16.

The women also get employment opportunities in FPI in India. But the women's share is less than their male counterparts as maximum FPIs are established in either urban centers or semi urban centers in India.

Table-2: Employment Generation in Food Processing Industries

Year	Persons employed (in Lakh)	Annual Growth in %
2007-08	15.05	-
2008-09	15.64	3.92
2009-10	16.06	2.69
2010-11	16.62	3.49
2011-12	17.77	6.92
2012-13	16.89	-4.95
2013-14	17.41	3.08
2014-15	17.73	1.84
2015-16	17.65	-0.45
2016-17	18.54	5.04
2017-18	19.40	4.64

Source: Compiled by Author from Annual Reports of MoFPI, GoI

In 2016-17, Only 2.33 lakh women got employment in registered FPIs whereas 12.62 lakh employed in unregistered FPIs in India. The share of women employment in registered and unregistered FIPs is 12.55% and 24.69% respectively. Besides, in 2017-18, 19.4 lakh people got employment in FPIs which constitutes 12.3% share to overall industrial employment in the country (MoFPI-AR-2019-20).

Conclusion

The Indian food processing sector plays a vital role in myriad ways by increasing the supply chain of the processed foods, generating more formal and informal employment and benefiting our foreign trade by making trade surplus. The rising population particularly the young masses in India experience the changing food habits, nutrition cautiousness of food, rising workloads on female, preferring leisure and entertainment over preparing and preserving foods at home etc. have increased the demand for the processed foods. The same tendency will continue in future despite the pandemic situations like Covid-19. But, it is found that this sun rise industry fails to meet the rising demand for food products and that is mainly due to the limited growth of FPIs in India. These industries are also located in few selected areas without giving priority to the

regions where there is ample scope to grow. Further, this sector also fails to create a Global Food Hubs due to the problems like high cost, lower quality, lack of proper package and certification and creating a value brand for both domestic and global market. Besides, this promising industry also requires the investment support from India's large business houses like Reliance, Tata, Adani, Birla, Jindal etc. Moreover, both central and state governments also extend their supports by revamping the policy measures and creating a conducive business environment in the state.

References

- FICCI (2010). On Challenges in Food Processing Sector/Bottlenecks In Indian Food Processing Industry, Available at: <https://ficci.in/sedocument/20073/food-processing-bottlenecks-study.pdf> retrieved on dt. 22.04.2021
- Ghosh, N. (2014). An Assessment of the extent of Food Processing in various food sub-sectors, report submitted to Ministry of Agriculture, Government of India, New Delhi.
- Government of India (2011). Annual Report 2009-10, Ministry of Food Processing Industries, New Delhi.
- Government of India (2020). Annual Report 2018-19, Ministry of Food Processing Industries, New Delhi.
- Government of India (2021). Annual Report 2019-20, Ministry of Food Processing Industries, New Delhi.
- Mahajan, R., Garg, S., Sharma, P.B. (2014). Global Food Safety: Determinants are Codex standards and WTO's SPS Food Safety Regulations. *Journal of Advances in Management Research*, 11(2):176-191.
- Mukherjee, D, Bajaj, H. Garg, N and Abraham, J (2013). Feeding a Billion: Role of the Food Processing Industry, FICCI Available At: https://ficci.in/spdocument/20312/Feeding-a-Billion_Role-of-the-Food-Processing-Industry.pdf
- Murthy, T., M. Sridhara and Yogesh, M.S. (2014). An overview of Food Processing Industry in India – Challenges and Opportunities, *International Interdisciplinary Research Journal*, IV(V), Sept-Oct.
- Sarang, P. (2022). A Review on Indian Food Processing Industry: Challenges And Opportunities, Director (Research) ICSI-CCGRT, Navi Mumbai.
- Shelly and Kaur, K. (2015). Impacts of Food Processing Industry on Economic Growth, FDI and Exports of India, *Pacific Business Review International*, 7(12).

Global Knowledge Economy & Significance of idea of World Universities with Digital Education

Dr. Amna Mirza

Senior Assistant Professor, Department of Political Science, Shyama Prasad Mukherji College for Women, University of Delhi, Delhi

Akshitta Nagpal

Research. Scholar, Centre for Federal Studies, Jamia Hamdard, New Delhi

Abstract

Knowledge economy has developed a close-knit relation with the ever newly emerging aspects of education. This paper navigates through all these aspects related to knowledge economy. It is divided into three section. The first part deals with the meaning and aspects of knowledge economy. The importance of knowledge economy in the present day globalised world is included in this section. The second part of this paper deals with the impact of knowledge economy on the education, especially digital education. The last section concludes this paper with a set of recommendations for further development and the road ahead for the world universities.

Keywords: *Knowledge Economy, Globalisation, Education, Digital World, World University*

Introduction

In the simplest terms, the knowledge economy can be defined as an intellectual capital-based consumption and manufacturing system which specifically has the ability to profit from scientific breakthroughs and basic and applied research. A blend of information and knowledge has become essential for the growth and development of any economy and thus, knowledge economy has become a significant part of economic activities across most of the industrialised nations. In a knowledge economy, intangible assets such as the value of the knowledge and abilities of the workers, qualifications of the workers and intellectual property may account for a considerable portion of value. Diverting from the past trends, when the economy was based mostly on unskilled labour and the production of tangible commodities, the current economy has shown major transformation where it is based on services industries and employment that need

critical thinking and data analysis. These new changes look at how education, knowledge and human capital can be used as a productive asset and a business product that can be sold and exported to make money for people, businesses, and the economy. Knowledge is thus, the cornerstone of the present day interconnected world.

Globalization today includes markets for technology, knowledge workers, and technology finance, in addition to markets for products and finance. It is not only limited to exchange of economic goods and services, but has expanded to knowledge-based economy. Globally integrated firms are aggressively pursuing advantage in information intensive industries as these industries expand in scope and penetration around the world as a result of the cultural shift. Rapidly rising knowledge flows via the Internet are related to the global knowledge economy. Although innovation and knowledge have always been vital to the economy, some economists strongly believe that the modern economy is slowly

becoming more knowledge-based in the last few decades. This is clearly evident from the rise of high-tech industries, the expansion of the service sector, the increase in self-employment and the increasing number of patents. In the contemporary international system, methods appear to be more effective than hard power strategies, as these entail influencing others' choices through appeal and attractiveness further elevating the global position of the nation and strengthening the overall face of the country.

This paper focuses on the developing knowledge economy and how it has evolved in the globalised world. How this has impacted the higher education and the traditional modes of education have also been covered in different sections of this paper. This study further studies the concepts of the world universities and how the importance of digital education has increased rampantly post the pandemic.

Global Knowledge Economy and Digital Education

Higher education, as an essential means of soft power, has today become an important political actor. It has developed multiple platforms for collaboration and cooperation. Many see knowledge diplomacy as the only way forward to the study of international relations. The face of higher education has changed over the last two decades with unprecedented cultural, political, social and political changes and with the involvement of multiple actors. The growth of a worldwide culture of comparison in higher education and research is one element of the rapidly increasing global knowledge economy. In the field of higher education and research, global comparisons serve two purposes. One of the things they do is deliver information. The comparative data's second role is normative in nature. They establish global norms, encourage uniformity based on those standards, penalize divergence and difference, and generate enormous aspirations for worldwide recognition, all of which have combined to increase the relevance of universities and research.

The quest to build "world-class" universities is a worldwide phenomena that places a premium on the development of competitive higher education and research institutions as a core national economic strategy. Although there is no single, definitive definition of what constitutes a world-class university (WCU), the majority of experts agree on a few key characteristics. The three characteristics identified by Philip Altbach and Jamil Salmi, namely a high concentration of talent, ample resources, and favourable government, have been widely addressed in writings and practice. In other words, a globalized world needs colleges that take a globalized approach to appreciating other cultures, providing

quality education, and upholding community values, among other things. They develop students whose skills are aligned with the demands of the present day industry requirements. Moving away from the traditional methods of teaching, these universities primarily focus on research and innovation.

The widespread increase in the use of digital education resources during the period of the pandemic has increased the value of digital technologies. Digital technologies are becoming a more major element of contemporary sources of education around the world. The European Union (EU), for example, has introduced its new initiative The Digital Education Action Plan (2021-2027) to assist the sustainable and successful adaptation of EU Member States' education and training systems to the digital age. This has been done with a vision to ensure high quality, inclusive, and accessible digital education and to address the challenges and opportunities presented by the COVID-19 pandemic, which resulted in unprecedented use of technology for education and training. This type of action demonstrates how digital education is the way of the future and a new technique to achieve higher educational standards in order to establish this concept of world universities.

The pandemic has taught us that we must learn to adapt to new developments and accept them. The outbreak of coronavirus brought several societal changes and even transformed the face of the education system. Steps need to be taken to ensure that any kind of lockdown does not deprive the students of their education. Thus, steps to replace traditional methods of teaching need to be developed. Moreover, the conventional ways of education are unable to attract the attention of every student in a same way. It is now been understood that to acquire knowledge, it is not essential to be physically present within the classroom. This is where digital education has gained importance. The world is slowly proceeding towards digital means of education. With the easy accessibility of internet across the globe and the internet penetration into the schools and universities, imparting education digitally has become easier. Facilitated by latest technology, digital learning enables students to access education from any corner of the world without any place or time restraint, leading to a boost in their productivity and efficiency. This has led to a soaring demand for the use of digital resources by the academicians. Along with their regular courses, students now have the opportunity to pursue multiple certificate and diploma courses also that are offered by different international universities.

According to a World Bank report, these new changes would help the countries define the course of 21st century competencies in students and teachers, accredit these

skills, and help them collaborate with external partners to share knowledge and experience in communities of practice blockchain for education. It is an accepted fact that every student tends to understand at a different pace. Digital learning helps to personalise the courses for every student and helps them understand the facts in a far better and comprehensive way. Undoubtedly, it would be expensive and time-consuming, but the customisation of the curriculum would help bring every student on an equal platform. Besides this, the students can access the resources at their own pace and spend as much time on a particular subject as much as they desire. They can use multiple links for further understanding. This kind of flexibility would enable them to think critically and rationally, which is generally not the case in the traditional textbook studies and one-sided lectures. The new learning sources like power point presentations, video content, interactive sessions etc., keeps the educator and students highly engrossed. This even helps in dealing with the short-attention span of the millennials. For students, who want to pursue different courses, online education has made the path easier as they can enrol themselves in different programmes simultaneously. All these benefits coupled with the advantage of being cost-effective, has encouraged hundreds of students to pursue their education or re-join courses that they had earlier left due to the shortcomings of the traditional methods of teaching. Not only for the students, the increasing demand and dependence on digital education, has helped in making the educational institutions competitive and has made them aware of the far-reaching benefits of technology. All this has helped in tackling one of the biggest issue faced by most of educational institutions worldwide i.e., of teacher shortage. The online content serves as self-explanatory and one teacher can interact with hundreds of students at the same time. The technological advancement, would develop professionals who would be ready to step into the real world, adjust into the new professional setups and face the challenges of the future. In overall, digital education has led to the empowerment of students as it is promoting the idea of 'inclusive education.'

Since 2015, even the Government of India under it's 'Digital India Initiative,' is taking measures to strengthen the digital infrastructure of the country. They are trying to do so by incorporating the online educational programs within the curriculum. e-Education initiative by the central government is aiming towards ensuring that online education can be accessed by students in the remotest parts of the country through apps, laptops and smartphones. A survey by RedSeer Consulting suggested that by 2025 India's online education market would reach 25 billion dollars. Scheme by the current government like PM eVidya Programme, DIKSHA (Digital Infrastructure

for Knowledge Sharing), SWAYAM (Study Webs of Active Learning for Young Aspiring Minds), SWAYAM PRABHA, ePathshala Portal, NISHTHA (National Initiative for School Heads and Teacher's Holistic Advancement), OLabs and Virtual Labs have played a major role in achieving the aim of promoting online education across India. The schemes proved to be beneficial especially during the period of the pandemic as it helped to avoid creating huge education gaps.

The National Education Policy 2020 has also been formulated along these lines to integrate education with technology. Along with this, several private players have also entered into this business of digital education. These EdTech companies are providing opportunities to students to continue courses with a blend of conventional sources, online interactive sessions, DIY Kits and Artificial Intelligence based experiments. All these efforts have helped schools and universities improve their standard of education, incorporate multiple international sources and compete at par with the global educational institutions. These benefits of digital education have promoted the idea of world universities, wherein all courses are taught with the aim of global outreach and any student can pursue any course from any University located in any country.

But the initial planning and investment into digital education, has not proceeded as exactly planned. Despite increased investment in EdTech businesses like upGrad, BYJU's etc., outcomes in most nations have remained relatively unchanged. Analysing the use of computers, Programme for International Student Assessment (PISA) stated that "impact on student achievement is uneven, at best." While we will never be able to replace the magic that happens in an in-person situation between excellent teachers and students, we should focus on the social components of technology to improve relationships from afar, according to their analysis.

Despite the benefits, online education is not much appreciated by the academic class. They see it as a major hinderance to the essence of education. They feel that resources make teaching extremely technical and take away the personal touch that only physical classes can provide. According to most educators classroom interactions are essential for the holistic growth of the student and for better understanding of the subject and not just for completing the syllabus. Due to lack of free flow of discussions in these online modes, there would be no strengthening of confidence and oratory skills. In these digital sessions, there are no opportunities for students to involve in collective activities. Even though the digital resources are widely available, internet still remains a luxury for most of the students.

Even though the aim of all the private players and government schemes is to ensure greater access of internet in the remotest parts of the country, their efforts have not yielded fruits completely. Firstly, the internet is extremely expensive for most of the people to afford and secondly, the access is not easily available in all corners of the country. This has created a huge education divide amongst the students instead of reducing it, which was its initial aim. Not only academically, this has created a huge psychological burden on the students and their families. The flexible schedules have made the students lazy in most of the scenarios as they keep on delaying the work. From the perspective of health also, too much time online is not considered healthy. A spike in the cases of children with poor eyesight, severe neck pain and cervical issues has been reported. Much greater focus should now be placed on how technology driven teaching and learning can make education more easy and accessible. Digital education might be one of the best alternative options to conventional methods of teaching but excess focus on technology driven education system would deny our students of their basic right i.e., of equality of opportunity.

Conclusion

Global knowledge is the most widely used form of knowledge to assist and prepare students, teachers, leaders, parents, and others as they adjust to global transitions. The goal of global awareness is to make the

world a more peaceful and just place. This necessitates a knowledge of people from all backgrounds and cultures. Learning has become more important as the global information economy has grown. As the world "gets smaller" and more people of many cultures relocate throughout the globe, global awareness will become increasingly important. The concept of world universities is gaining traction, and more countries are recognising the need for them and how digital education may help them achieve their goals. In the coming times, there would be major changes in the way schools and universities operate and these world universities would play an essential role in this transformation. This, like any other notion, has some drawbacks; nonetheless, in order for this to operate properly, a good strategic approach must be developed and action conducted in accordance with it.

References

- Ashton, S., and Levy, P. (1998). Networked learner Support in Higher Education: Initiatives in professional development and research for new role. *Journal of the American Society for Information Science*. 49(9).
- Bates, A. W. (2003). *Technology, Distributed learning, and Distance Education*. London: Routledge.
- Kalogiannakis, M. and Papadakis, S. (2017) 'Combining mobile technologies in environmental education: a Greek case study', *International Journal of Mobile Learning and Organisation*, 11(2).

State-level Analysis of Migration in India: Evidence from NSSO and PLFS Survey

Pradeep Kumar Panda

Economic Sector Lead, SDG PMU, Planning and Convergence Department, Government of Odisha

Abstract

Migration is an integral part of the process of urbanization and economic growth. In order to understand this driver of economic growth, this paper attempts a study of migration at a dis-aggregated level. Specifically, the study analyses the differences in the pattern and nature of migration across states in India and their relationship with level of social and economic development of these states. There are regional differences in the nature of migration flows. The reasons for migration are not similar across regions; and the pattern of migration flows is essentially linked to the social and economic infrastructure of the states. As per PLFS, Migration rate for female is way higher than male in both rural and urban areas. Inter-state migration is prominent among female than male and majorly observed in rural areas compared to urban areas. Prominent reasons for migration are in search of employment/ better employment, for employment/ work, migration of parents/ earning member of the family, marriage among others. For male, employment is major reason for migration while for female marriage is major reason. Skill development will be a driver of productivity and in turn will be beneficial for all sections of population particularly marginalised and poor with poor education level. Improving the education level of the Indian labour force, improving access to quality training, better co-ordination among stakeholders, strengthening skill development schemes, determining KPI, strengthening private sector participation, availability of financial resources and systemic reforms are some of the policy solutions to tackle migration problem in India.

Keywords: Migration, Economic Development, NSSO, PLFS, HDI, Labour, India

Introduction

“Labor is the only prayer that Nature answers: It is the only prayer that deserves an answer—good, honest, noble work.”

— **Robert G. Ingersoll**

Migration is an important link in the process of urbanization and economic development. This fact was well recognized by the earlier dual-economy growth models of Lewis (1954), Ranis and Fei (1961). While the growth models of the 1950s and 60s purported a beneficial role of migration in economic development, the Todarian models of 1970s and 80s linked migration to increased rates of urban unemployment. Theoretical models in recent times seem to have outgrown from the critiques of the famous Harris-Todaro model and look at newer aspects of migration like migration selectivity,

job-search and the role of migration in development of the place of origin and destination (Lall, Shelod and Shalizi, 2006).

When looking at the question of migration in India, it is important to consider the variation in internal migration across states. This is important for various reasons. A state-level comparison will enable us to pin down the differential causes of migration. The evidence of variation in migration patterns across states can help guide policy for ensuring more balanced socio-economic development in future.

I. Research Objectives

The objectives of this study are:

- i. To underline the variation and trends in migration across states in India.

- ii. To understand the behavior of migrants and the nature of migration in these states.
- iii. To relate the pattern observed in migration to health, education, infrastructure and human development of the states.
- iv. To understand reasons of migration
- v. To understand several aspects of temporary visitors

II. Research Methodology

This study undertakes a descriptive analysis of the migration data on Indian states collected by the National Sample Survey Office (NSSO) during its 64th Round Survey on Employment & Unemployment and Migration Particulars. The NSSO definition of migrant is based on the last usual place of residence. A migrant is defined as an individual whose place of residence at the time of enumeration is different from his usual place of residence. The survey covered a sample of around 1.25 lakh households and over 5 lakh persons. Out of these, close to 80,000 comprised rural households and the remaining were urban households. The research methodology involves a synthesis of the NSS data and UNDP data on health, education and infrastructure rankings for various states. The study also covers analysis based on Periodic Labour Force Survey (PLFS). The sample design of PLFS is not specifically focused to capture information on migration particulars and temporary visitors. However, in the PLFS canvassed during 2020-21, some additional information was collected on the following aspects: information on migration particulars of the household members and information on the temporary visitors in the household who arrived after March 2020 and stayed in the household continuously for a period of 15 days or more but less than 6 months. The report, Migration in India, 2020-2021 contains estimates of the indicators based on information collected in PLFS during July 2020-June 2021 on these aspects. Sample Size for First Visit during July 2020- June 2021 in rural and urban areas for the Annual Report: Out of the total number of 12,800 FSUs (7,024 villages and 5,776 UFS blocks) allotted for the survey at the all-India level during July 2020- June 2021, a total of 12,562 FSUs (6,930 villages and 5,632 urban blocks) were surveyed for canvassing the PLFS schedule. The number of households surveyed was 1,00,344 (55,389 in rural areas and 44,955 in urban areas) and number of persons surveyed was 4,10,818 (2,36,279 in rural areas and 1,74,539 in urban areas).

III. Study Findings

A. NSSO Study Findings

The NSS 64th round survey reveals that there is much mobility of persons in Northern India with the UT of Chandigarh having the highest migration rate of 549

over 1000 persons, followed by Delhi, Himachal Pradesh, Uttarakhand, Punjab and Haryana. The rate of migration is also high for states of Maharashtra and Kerala. It is interesting to see that the north-Eastern states of India exhibit low rates of migration with the lowest being that of Manipur (9 per 1000 persons). Moreover, while migration rates are driven largely by female population in almost all Indian states, UTs of Chandigarh and Lakshadweep are exceptions.

In contrast to the popular belief that migration primarily occurs from rural to urban areas, we find that at the all India level, bulk of the migration is taking place between rural areas (700 per 1000 internal migrants), followed by rural to urban area migration (148 per 1000) which is much lower. The urban to rural area migration is even lesser (about 49 per 1000).

Most rural-rural migration takes place in states of Himachal Pradesh (864), Assam (836), Bihar (835), Orissa (830), Jammu and Kashmir (800), Chhattisgarh (798) and Jharkhand (790). On the other hand, rural to urban migration is most witnessed by UTs of Delhi (539), Chandigarh (454) and Puducherry (398) and the states of Manipur (376), Goa (363) and Mizoram (336).

As highlighted above, the rates of migration for most Indian states are driven by females whose primary reason for migrating is post-marriage movement. This is particularly true for states of Bihar (863), J&K (841), UP (829), Jharkhand (818) and Madhya Pradesh (808) where marriage is stated as the primary reason for migration.

On the contrary, marriage is the least important stated reason for the North-Eastern states where people migrate either for employment purposes (Arunachal Pradesh (533) and Nagaland (338)), studies (Manipur (242)) or due to the movement of parents (Mizoram (450) and Manipur (412)).

Interestingly, about 190 per 1000 persons in Tripura and 60 per 1000 persons in Assam report forced migration. This should not be surprising given the problem of insurgency and continuous struggle for power and economic spaces in these states. At times, natural calamities too play an important role in migration.

For UTs of Chandigarh and Delhi, employment is stated as an important reason for migration along with parental movement.

The nature of migration is usually permanent for most persons from West Bengal (942 per 1000 migrants), Madhya Pradesh (942), Haryana (941), Bihar (941), Rajasthan (931), Uttar Pradesh (931), Gujarat (924), J&K (921), Punjab (909) and Tamil Nadu (900). But for the North-Eastern states except Assam (918), the movement of persons is typically temporary, in most cases the duration of stay being over a year. It is not astonishing

then to see that the number of return migrants per 1000 is significantly large for the North-Eastern states of India with Manipur (486) in the lead, followed by Arunachal Pradesh (379) and Nagaland (362).

The data on short term migrants with migration duration between 30 days to less than 6 months captures not only seasonal character of employment but also cases of job search. The number of short term migrants is highest for Nagaland (34), followed by Bihar (28), Gujarat (23), Jharkhand (22), Madhya Pradesh (21) and West Bengal (20).

The NSSO also collected data on out-migrants in a household and the reasons for migration for out-migrants. An out-migrant is a living member of the household who left the household at any time in the past for stay outside the village or town. Information was also sought on the frequency of remittances, their amount and use.

The number of out-migrants per 1000 persons is maximum for Kerala (260) and Himachal Pradesh (258), with Haryana (169), Rajasthan (161) and Uttrakhand (161) being little behind. The number is much less for Delhi (23) and the North-Eastern states. While the low count for the national capital is on account of it being one of the most developed cities, the latter's trail could be historical and cultural.

The UT of Chandigarh runs ahead of all in terms of its out-migrant population residing in not just other states of the country (626 per 1000) but also in other countries (325). Goa (303) and Kerala (204) are other important states with their out-migrants residing in other parts of the world. The states of Bihar (618), Jharkhand (548) and Uttrakhand (455) reportedly have out-migrants living in other states of the country. On the other hand, same state out-migration is most significant for Gujarat (904), Maharashtra (904) and the North-Eastern states of Nagaland (864) and Mizoram (841). In fact, the number of daily commuters is also substantially high for Maharashtra and Gujarat (Chandrasekhar and Sharma, 2011).

Same state same district out-migration is prominent for J&K (622), Arunachal Pradesh (536), Madhya Pradesh (527), Gujarat (526) and Himachal Pradesh (524).

Marriage is the most reported reason of migration for out-migrants from Delhi (905), Haryana (796), West Bengal (682) and Madhya Pradesh (667).

The out-migrants from North-Eastern states of Manipur (629), Arunachal Pradesh (607), Mizoram (592) and Jharkhand (576) and Bihar (565) cite employment related reasons for migration. Movement for study related purposes is significantly high in case of North-Eastern

states of Meghalaya (398), Sikkim (298), Arunachal Pradesh (219) and Manipur (206).

While the number of these out-migrants sending remittances back to their families is highest in case of Bihar (524 per 1000 out-migrants) and Jharkhand (486), the frequency of sending is much low for these states (2 and 3 respectively). The frequency of remittance is higher for North-Eastern states and Goa and Puducherry. It seems that differences in literacy levels may have a role to play here. In addition, the out-migrants have to worry about finding a safe way of sending the remittances back home.

The amount of remittance per out-migrant is highest for Chandigarh (INR 213500), followed by Goa (INR 148800) and Delhi (INR 72600). This again is reflective of the higher level of education for these states as also the fact that many of their out-migrants reside outside India. The actual reasons and the relative significance of these require further investigation.

The remittances are largely utilized for consumption purposes, the most important being food items, followed by children education and health care. Besides, bulk of the households in UP, Bihar, Jharkhand, Madhya Pradesh, Odisha, Uttarakhand, Punjab, Kerala, Tamil Nadu and J&K use remittances for improving housing conditions (like repairs and purchase of land and buildings) and for debt-repayment. On the other hand, most remittance-receiving households in Goa, Gujarat, Haryana and Chandigarh report using these for savings and investments.

Lastly we look at the net migration rate across states. Net migration rate is the difference between in-migration and out-migration. We find that Chandigarh, Delhi, Goa, Maharashtra, Gujarat, Haryana, Punjab, Uttrakhand, Chhattisgarh and West Bengal are net recipients of migrants. The list of top senders of migrants includes Bihar, Jharkhand, Odisha, Uttar Pradesh, Rajasthan, Himachal Pradesh and the North-Eastern states.

Theoretically, there typically exist certain push and pull factors that govern these rates and flows of migration. The push factors include impoverishment, socio-economic inequality, political instability, natural calamities, lack of basic infrastructural facilities etc. at the home place. On the other hand, the destination or the host place may pull people towards itself by providing a promise of better life, greater work opportunities, improved social structure and superior infrastructure.

A glance at the state-level facilities of health, education and infrastructure lends justification to the net migrant status of the above states explaining why certain states acquire the status of a destination state. This is further corroborated by an analysis of the UNDP's Human

Development Index for Indian states. Combining data on Indian states from Bhandari (2012) and Suryanarayana et al (2011), we find that the best performing states in terms of health, education, income and infrastructure (banking, electricity, transport, communication) are Kerala, Goa, Punjab, Himachal Pradesh, Maharashtra, Haryana, Tamil Nadu, West Bengal and Gujarat which also happen to be the destination states attracting migrants. The worst-performing states on these parameters include Bihar, Jharkhand, Odisha, Uttar Pradesh, Rajasthan, Assam and Madhya Pradesh. The reasons that necessitate migration from these states are thus evident.

B. PLFS Study Findings

The sample design of Periodic Labour Force Survey (PLFS) is not specifically focused to capture information on migration particulars and temporary visitors. However, in the PLFS canvassed during 2020-21, some additional information was collected on the following aspects: information on migration particulars of the household members and information on the temporary visitors in the household who arrived after March 2020 and stayed in the household continuously for a period of 15 days or more but less than 6 months. The report, Migration in India, 2020-2021 contains estimates of the indicators based on information collected in PLFS during July 2020- June 2021 on these aspects.

Sample Size for First Visit during July 2020- June 2021 in rural and urban areas for the Annual Report: Out of the total number of 12,800 FSUs (7,024 villages and 5,776 UFS blocks) allotted for the survey at the all-India level during July 2020- June 2021, a total of 12,562 FSUs (6,930 villages and 5,632 urban blocks) were surveyed for canvassing the PLFS schedule. The number of households surveyed was 1,00,344 (55,389 in rural areas and 44,955 in urban areas) and number of persons surveyed was 4,10,818 (2,36,279 in rural areas and 1,74,539 in urban areas).

Total number of migrants surveyed during July 2020 - June 2021 in PLFS are presented in Table 1 along with surveyed number of temporary visitors for whom the present place of residence differed from their usual place of residence.

Table 1: Surveyed number of migrants and temporary visitors residing temporarily in a place different from usual place of residence

Category	Rural	Urban	Total (Rural +Urban)
Migrants	59,019	54,979	1,13,998
Temporary Visitors	1550	851	2401

Source: Migration in India, 2020-2021, Periodic Labour Force Survey July 2020- June 2021

Migration rate for any category of person (say, for rural or urban, male or female), is the percentage of migrants belonging to that category of persons. Migration rate for female is way higher than male in both rural and urban areas.

Table 2: Migration rate (in %) from PLFS July 2020- June 2021

Category of Persons	Rural	Urban	Total (Rural +Urban)
Male	5.9	22.5	10.7
Female	48.0	47.8	47.9
Total (Male+Female)	26.5	34.9	28.9

Source: Migration in India, 2020-2021, Periodic Labour Force Survey July 2020- June 2021

Usual Place of Residence (UPR) of a person is the place (village/town) where the person has been staying continuously for at least six months. Even if a person was not staying in the village/town continuously for six but was found to be staying there during the survey with intention to stay there continuously for six months or more then that place was as his/her UPR. A household member whose last usual place of residence, any time in the past, was different from the present place of enumeration was considered as migrant member in a household.

Table 3: Migration by location of last usual place of residence

Category of Migrants	Last usual place of residence in			
	Rural Areas	Urban Areas	Other Countries	All
Rural				
Male	44.6	51.6	3.9	100
Female	88.8	11.0	0.2	100
Person	83.8	15.6	0.6	100
Urban				

Male	53.7	44.1	2.3	100
Female	54.0	45.6	0.4	100
Person	53.8	45.0	1.0	100
Total (Rural+Urban)				
Male	50.0	47.0	2.9	100
Female	78.8	21.0	0.2	100
Person	73.4	25.9	0.9	100

Source: Migration in India, 2020-2021, Periodic Labour Force Survey July 2020- June 2021

Inter-state migration is prominent among female than male and majorly observed in rural areas compared to urban areas. However, it is negligible in other countries in terms of last usual place of residence.

Table 4: Inter-state Migration

Category of Migrants	Last usual place of residence in			
	Rural Areas	Urban Areas	Other Countries	All
Rural				
Male	62.5	33.7	3.9	100
Female	95.8	4.0	0.2	100
Person	92.1	7.3	0.6	100
Urban				
Male	67.9	29.9	2.3	100
Female	84.7	14.9	0.4	100
Person	79.0	19.8	1.0	100
Total (Rural+Urban)				
Male	65.6	31.4	2.9	100
Female	92.6	7.2	0.2	100
Person	87.5	11.8	0.7	100

Source: Migration in India, 2020-2021, Periodic Labour Force Survey July 2020- June 2021

As per the survey, there are several reasons for migration. Prominent reasons for migration are in search of employment/ better employment, for employment/ work, migration of parents/ earning member of the family, marriage among others. For male, employment is major reason for migration while for female marriage is major reason.

Table 5: Reason for Migration

Reason	Male	Female	Person
In search of employment/ better employment	22.8	0.6	4.8
For employment/ work	20.1	0.7	4.4
Loss of job/ closure of unit/ lack of employment opportunities	6.7	0.4	1.6
Migration of parent/ earning member of the family	17.5	7.3	9.2

To Pursue Studies	4.7	0.6	1.4
Marriage	6.2	86.8	71.6
Natural Disaster	0.6	0.1	0.2
Social / Political Problems	0.6	0.1	0.2
Displacement by development project	0.4	0.1	0.2
Health related reasons	2.5	0.3	0.7
Acquisition of own house/ flat	3.2	0.5	1.0
Housing problems	4.8	0.8	1.5
Post retirement	1.6	0.1	0.4
Others	8.4	1.7	3.0
All	100	100	100

Source: Migration in India, 2020-2021, Periodic Labour Force Survey July 2020- June 2021

For the purpose of this PLFS survey, temporary visitors in the household are those persons who arrived after March 2020 and stayed in the household continuously for a period of 15 days or more but less than 6 months. Estimates relating to the temporary visitors pertain to those for whom the present place of residence where he/she was residing temporarily differed from their usual place of residence (UPR).

Table 6: Percentage of temporary visitors residing temporarily in a place different from usual place of residence (UPR)

Category of Temporary Visitors	Rural	Urban	Total (Rural +Urban)
Male	0.9	0.6	0.8
Female	0.5	0.6	0.5
Total (Male+Female)	0.7	0.6	0.7

Source: Migration in India, 2020-2021, Periodic Labour Force Survey July 2020- June 2021

V. Conclusion and Suggestions

According to the Census of India 2011, internal migration in India constitutes a large population of over 309 million, which is roughly 30% of the total population. As revealed in the analysis above, there is much variation across states in terms of the nature and pattern of migration.

One thing that comes out clearly from this study is that we have to look at migration from a local perspective rather than a global one. The discrimination against migrants from UP, Bihar and North-East in metropolitan cities of Mumbai and Delhi is well documented. As there cannot be one medicine for all ills, problems related to migration also need to be addressed locally. Most importantly, as a first step, proper collection and maintenance of data on migrants is required. This can best be done at the grass-root levels by involving panchayats and NGOs (Srivastava and Sasikumar, 2003).

As per PLFS, Migration rate for female is way higher than male in both rural and urban areas. Inter-state migration is prominent among female than male and majorly observed in rural areas compared to urban areas. However, it is negligible in other countries in terms of last usual place of residence. Prominent reasons for migration are in search of employment/better employment, for employment/ work, migration of parents/ earning member of the family, marriage among others. For male, employment is major reason for migration while for female marriage is major reason.

Migration is a response to differential socio-economic development of regions in India. This brings the need for policies that could ensure balanced regional development.

India Skills Report 2022 by Wheebox, says only 48.7% of total youth in India is employable, the highest employable age group is 22 to 25 years. Barely one in five Indians in the labour force is “skilled” according to Human Development Report 2020. With the figure at 21.2%, India is 129th among 162 countries. Skill development will be a driver of productivity and in turn will be beneficial for all sections of population particularly marginalised and poor with poor education level.

Improving the education level of the Indian labour force, improving access to quality training, better co-ordination among stakeholders, strengthening skill development schemes, determining KPI, strengthening private sector participation, availability of financial resources and systemic reforms are some of the policy solutions to tackle migration problem in India.

References

Asian Development Bank (2008). Education and skills: Strategies for Accelerated Development in Asia and the Pacific. Manila: Asian Development Bank.

Bhandari, P. (2012). Refining State Level Comparisons in India. Planning Commission Working Paper Series.

Chandrasekhar, S., & Sharma A. (2012). On the Internal Mobility of Indians: Knowledge Gaps and Emerging Concerns. *IGIDR Working Paper No. 2012-023*.

Desai, S.B., et al (2010). Human Development in India: Challenges for a Society in Transition. New Delhi: Oxford University Press.

Government of India (2011). Census of India 2011: Provisional Population Totals, Paper 2, Volume 1 of 2011. Rural-Urban Distribution. Delhi: Office of the Registrar General & Census Commissioner, Ministry of Home Affairs, GOI.

Government of India (2015). National Skill Development and Entrepreneurship Development Policy India 2015, Delhi: Ministry of Skill Development and Entrepreneurship.

Government of India (2022). Migration in India, 2020-2021, Periodic Labour Force Survey, National Statistical Office, Ministry of Statistics and Programme Implementation, New Delhi.

International Labour Organisation. (2008). Skills for Improved Productivity, Employment Growth and Development, Geneva: ILO.

Lall, S., Selod, H., & Shalizi, Z. (2006). Rural-Urban Migration in Developing Countries: A Survey of Theoretical Predictions and Empirical Findings. *World Bank Policy Research Working Paper No. 3915*.

National Sample Survey Report (2008). Migration in India. NSS 64th Round. GOI Ministry of Statistics and Program Implementation.

NITI Aayog. (2015). Report of the Sub-Group of Chief Ministers on Skill Development, New Delhi: NITI Aayog.

- Okada, A. (2004). Skills Development and Interfirm Learning Linkages under Globalization: Lessons from the Indian Automobile Industry, *World Development*, 32 (7): 1265-1288.
- Okada, A. (2006). Skills Formation for Economic Development in India: Fostering Institutional Linkages between Vocational Education and Industry, *Manpower Journal*. XXXI (4): 71-95.
- Paul, B. (2011). Demographic Dividend or Deficit: Insights from Data on Indian Labor, 3rd Annual Conference of the Academic Network for Development in Asia (ANDA), Nagoya, March 3-6.
- Pratham. (2017). Annual Status of Education Report: Rural 2017. New Delhi.
- Srivastava, R., & Sasikumar, S.K. (2003). An overview of migration in India, its impact and key issues. Regional Conference on Migration, Development and Pro-Poor Policy Choices in Asia.
- Suryanarayana, M.H., Agrawal, A., & Prabhu, K.S. (2011). Inequality-adjusted Human Development Index for India's states. UNDP India.
- Todaro, M.P. (2000). *Economic Development*. Addison Wesley Publishing Company. Boston, U.S.A.
- UNESCO. (2012). EFA Global Monitoring Report 2012: Youth and Skills: Putting Education to Work. Paris: UNESCO.
- World Bank (2007). Decent Work Agenda in Poverty Reduction Strategy Papers: Recent developments, Committee on Employment and Social Policy, Governing Body 300th Session Geneva, Washington, D.C.: World Bank.
- World Bank. (2017). Skills Development in India: The Vocational Education and Training System. Washington, D.C.: World Bank.
- World Bank. (2017). South Asia Development Matters: More and Better Jobs in South Asia. Washington, D.C.: World Bank.

Role and Impact of Merchandising, Branding and Labelling on the Buying Behavior of Consumers in an Emerging Economy

Dr. Farhan Alam

Ph. D, Department of Management, Birla Institute of Technology Mesra, Lalpur Campus, Ranchi, Jharkhand

Aamir Subhani

Head (Sales & Marketing), Siemens Industrial LLC, Muscat, Oman

Md. Absar Alam

Assistant Professor, Department of Economics, C M College, L N Mithila University, Darbhanga, Bihar

Dr. Kunal Sinha

Assistant Professor, Department of Commerce and Management, Sarla Birla University, Ranchi, Jharkhand

Abu Zar Ghaffari

Research Scholar, Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

Abstract

Consumers advancing consciousness of product's brand and label and the resultant transitions in their buying behavior entail the organized retailers to attain the specific needs of the consumers. Subsequently, these transitions are paving the way forward for national and international retailers to expand their retail base in the emerging cities of India. Hence, the primary objective of this paper is to analyze the influence of merchandising and packaging on the buying behavior of consumers. While the secondary objective is to know the factors that influences consumer buying behavior at retail stores in an emerging market. Results obtained in this paper suggest that brand value, social media, private label branding and labelling are major factors that impacts the buying behavior of the consumers.

Keywords: Consumer behavior, Buying behavior, Branding, Merchandising, Labelling, Organized retail, Emerging city, Emerging economy, India.

Introduction

Organized retail consumers of India have demonstrated a significant change in their buying behavior because of a change in their psychological traits and demography (Lysonski and Durvasula, 2013; Kushwaha *et al.*, 2017), and amelioration in modern shopping, lifestyle, and retail store expansion (Kaur and Singh, 2007; Srivastava, 2008). In addition, consumers' changing buying behavior and increased capacity to purchase quality products are enticing the major national and international retailers to invest in organized retail in India (Ali *et al.*, 2010). Moreover, advancing brand consciousness and willingness to purchase more -new and fresh variety of every product- entails the Indian consumers towards organized retail stores (Alam & Sahdeo, 2021). An article of the World Economic Forum suggests that in the coming decade, there will be an additional one billion first-time consumers in the regions covering India, China, and Southeast Asia (Ojha and Ingilizian, 2019). Furthermore, in the coming 10-12 years the retail industry will expand its base into smaller towns and cities of India, and the market share of organized retail will reach up to 25 percent by the year 2024, which was 12 percent in the year 2019 (Naqvi and Soni, 2019). Given these contexts, this study aims to identify the groups/sections of the consumers who prefer to make their purchases from organized retail stores, and their buying behavior in an emerging city of an emerging market. Next, we seek to determine the factors influencing the buying behavior of consumers in organized retail, which may assist in the expansion of organized retail business in the emerging states of emerging economy.

Contrary to today's era, studying consumer behavior was confined only to the manufacturers of consumer packaged goods in its early days. Presently, retailers spend millions of dollars to get a holistic understanding of consumer behavior (Puccinelli *et al.*, 2009). Indian retail market holds a distinctive feature with a blend of organized retail stores and traditional stores. However, a consumer enjoys more variety and low prices of products in organized retail stores, in comparison to traditional stores (Minten *et al.*, 2010). Though multiple pieces of research have been conducted in the context of consumer buying behavior in India, most of these researches are confined to major cities, where the retail industry has already been expanded. Henceforth, it is high time to analyze the buying behavior of consumers of the emerging cities of the emerging economies such as India, i.e. places or states having less number of metro-cities, where the growth parameter in organized retail will be high in the coming years. In view of such evidence, this study attempts to fill the gap.

Review of literature

Goswami and Mishra (2009) state that in India, organized retailers have an edge over Kirana stores, because of their cleanliness, offers, and exclusive store brands. In the organized retail market, retailers can build their own brand by creating new names or by blending two names Keller (2003). Aday and Yener (2014) found that branding has a high impact on the consumers of Turkey in the food product segment. Perrin-Martinenq (2004) found that brand detachment causes the diminishing relationship between brands and consumers in France. Henceforth, repeat buying behavior of consumers also deteriorates with the deterioration in brand attachment.

Clement (2007) has elaborated on the influence of visual awareness with respect to the in-store buying behavior of the consumers based in Denmark and reveals that in the pre-attention phase, the products placed on the shelf of a retail store catch the eyesight of a consumer through its packaging and design. Highlighting the importance of merchandising in Taiwan, a good shelf space allocation strategy can benefit the customers in finding a product and can increase a firm's profit, and helps in cross-selling too (Tsai and Huang., 2015). However, labelling also plays the role of a major informant when it comes to checking up on the health benefits of products being sold in retail stores (Abbott, 1997; Coulson, 2000; Drichoutis *et al.*, 2006; Trijp and Lans, 2007; Kempen *et al.*, 2011).

Service quality, perceived quality, and merchandised quality has been established as major stimulator for successfully running organized retail stores in the United States (Baker *et al.*, 2002; Ozdemir and Hewett, 2010; Taylor *et al.*, 2010). Limited editions and multiple products also tend to enhance the firm's profit in the situation of strong reference group influence (Amaldoss and Jain, 2010). Kristensen *et al.* (1999) have discussed customer satisfaction which every company will to enhance in order to ameliorate its business performance in Denmark. However, a good and efficient supply chain network also plays a significant role in the expansion of retail trade, as it helps in slashing the product's price (Minten and Reardon, 2008).

Mehta *et al.* (2013) have discussed the shopping motivation of Indian consumers in the hypermarket segment of organized retail and found the following four types of hypermarket shoppers;

- (i) Utilitarians: Motivated by price and variety of products
- (ii) Maximizers: Seeks functional and recreational benefits
- (iii) Browsers: High on social motivation
- (iv). Enthusiasts: High on all dimensions of shopping motivation.

Srivastava (2008) cites that an increment in disposable income is a positive sign for retailing in India. He later says that shopping malls are more developed in the Northern and Western parts of India, in comparison to the Southern and Eastern parts. Nearly 75 percent of the consumers used to spend 1-3 hours in the mall. In addition, multiplexes are emerging as a family shopping point. While credit limit and home service are among the major factors which attract consumers to a retail store.

Paul (2017) has analyzed the factors responsible for regulating the shopping preference of consumers at large malls in India, and found that most consumers prefer to shop at large malls because of the latest and trendy items and discount offers in well-known brands. However, a consumer strives for achieving his/her goal through buying and using a particular product or service, which needs to be noticed by the retailers in order to get an understanding of retailing and consumer experience (Huffman *et al.*, 2000). A better understanding of the factors influencing the consumer's in-store buying behavior has always attracted researchers and industry practitioners (Hui *et al.*, 2009).

Materials and Methods

Objectives and hypotheses

Tsai and Huang (2015) found that in Taiwan merchandising plays an important role in the revenue generation of retail trade and helps a consumer to find a product easily. Succeeding the earlier research of Srivastava (2008), this paper tends to identify the factors needed for expanding the retail base in the Eastern part of India. Henceforth, based on these and on the above-cited works of literature, the objectives of this paper are:

- To identify the specific groups/sections of consumers based on their socio-economic demography, who prefer to buy from organized retail stores (Based on Puccinelli *et al.*, 2009).
- To determine the factors which influence their buying in organized retail stores (Based on Huffman *et al.*, 2000; Hui *et al.*, 2009).

Succeeding the earlier research (Srivastava, 2008; Kushwaha *et al.*, 2017), the present research intended to carry out an empirical study for analyzing the determinants of buying behavior of consumers in organized retail of an emerging city of an emerging market. The specific hypothesis tested in this research is as follows:

H_1 . Merchandising and packaging influence the buying behavior of consumers.

Research Design

We conducted our survey in the Ranchi city of Jharkhand State of India. Jharkhand is an Indian state located in Eastern India, and Ranchi is the capital city of Jharkhand state. Ranchi is a non-metro city and largely considered as a developing city, possessing a high chance of retail growth in the coming years. We selected Ranchi for this research purpose as Ranchi is attracting big retailers to invest because of enormous urbanization with low rent and low-cost real estate (Mehta, 2019). A working paper published by Observer Research Foundation (ORF) states that the wholesale and retail trade segment accompany 22 percent of the total workforce of Ranchi city, and along with the massive urbanization, Ranchi has now become a business hub and a center of a booming multi-brand retail sector (Mehta and Kumar, 2019).

After going through some of the empirical research papers, we prepared our own structured questionnaire to obtain the data from consumers. In the preceding literature also consumer behavior has been structured as a multiple-item (Kumar & Kapoor, 2014). Subsequently, items were selected and measured on a five-point Likert scale (varying from 5=strongly agree to 1=strongly disagree), previously used by Lysonski and Durvasula (2013) & Ali and Sudan (2018). Scales were pre-tested with Cronbach's Alpha obtained 0.915 which exhibits that our questions are reliable and possess high internal consistency (Leontitsis and Pagge, 2007). To get an understanding of the key factors influencing the buying behavior of consumers, we run factor analysis (Kaur and Singh, 2007; Paul, 2017) by using SPSS 23 software.

Sampling Design

Proceeding with the earlier research (Wang and Xiao, 2009; Singla, 2010), a stratified cum convenient sampling method was applied to obtain the data from a self-administered survey questionnaire of organized retail consumers of Ranchi city of Jharkhand state, of Eastern India. We sought answers only from those respondents who used to shop in organized retail stores. Out of 150 questionnaires distributed, 43 respondents were removed due to non-sampling errors, hence 107 responses were used for further analysis. Analysis of the data obtained manifests that out of 107 respondents, 63 (58.9 percent) were male and 44 (41.1 percent) were female (Table 1). We assorted the respondents on the basis of their demographic and socio-economic profiles based on the discrete choice questions, including age (Table 2), educational qualification (Table 3), income (Table 4), and occupation type (Table 5).

Table 1: Profile of Respondents: Gender

	No.	(%)	Valid %	Cumulative %
<i>Valid</i>				
Male	63	58.9	58.9	58.9
Female	44	41.1	41.1	100
Total	107	100	100	

Results and discussion

This section is assorted into two sections, hypothesis testing and factor analysis.

Table 2: Age of the Respondents

	No.	(%)	Valid %	Cumulative %
<i>Valid</i>				
Between 20-29	24	22.4	22.4	22.4
Between 30-39	40	37.4	37.4	59.8
Between 40-49	29	27.1	27.1	86.9
More than 50	14	13.1	13.1	100
	107	100	100	

In Table 2, age of the respondents is reported, which exhibits that the consumers aged between 30-39 (37.4 percent) likes more to make their purchase from organized retail stores. Results obtained in Table 3 exhibit that persons with high qualification degrees i.e. Post Graduation (50.5 percent) like to buy more from organized retail stores.

Table 3: Qualification of Respondents

	No.	(%)	Valid %	Cumulative %
<i>Valid</i>				
SSC (10th)	4	3.7	3.7	3.7
HSC (12th)	7	6.5	6.5	10.2
Graduation	27	25.2	25.2	35.4
Post Graduation	54	50.5	50.5	85.9
M Phil/PhD	15	14	14	100
Total	107	100	100	

Likewise, we indexed the respondents with reference to their income in Table 4 and found that the respondents having more income than INR 40,000.00/month (30.8 percent) tends to buy more from organized retail stores. Correspondingly, we classified the respondents with reference to their occupation/job nature and found that persons working in private firms (52.3 percent) are more likely to buy from organized retail stores, as reported in Table 5.

Table 4: Segment of Consumers Preferring to Buy from Retail Store with Respect to their Income

	No.	(%)	Valid %	Cumulative %
<i>Valid</i>				
Below 10,000	22	20.6	20.6	20.6
Between 10,000-19,999	21	19.6	19.6	40.2
Between 20,000-29,999	15	14	14	54.2
Between 30,000-39,999	16	15	15	69.2
More than 40,000	33	30.8	30.8	100
Total	107	100	100	

Table 5 : Segment of Consumers Preferring to Buy from Retail Store with Respect to their Occupation

	No.	(%)	Valid %	Cumulative %
<i>Valid</i>				
Business	8	7.5	7.5	7.5
Government job	7	6.5	6.5	14
Housewife	6	5.6	5.6	19.6
Self-employed/ Contractual employee)	15	14	14	33.6
Private Job	56	52.3	52.3	86
Student	15	14	14	100
Total	107	100	100	

In order to understand the influence of merchandising on the consumer buying behavior, the result is being shown in Table 6, which exhibits that 84.1 percent (strongly agree i.e. 60.7 + agree i.e. 23.4) of consumers do agree or strongly agree with the influence of merchandising in their buying behavior.

Table 6: Summary of Answers-Merchandising in a Retail Store Influences Your Buying Behavior

	Frequency	(%)	Valid %	Cumulative %
<i>Valid</i>				
Strongly disagree	1	0.9	0.9	0.9
Disagree	2	1.9	1.9	2.8
Neither agree nor disagree	14	13.1	13.1	15.9
Agree	65	60.7	60.7	76.6
Strongly agree	25	23.4	23.4	100
Total	107	100	100	

1. Hypothesis testing

1. H_1 . Merchandising and packaging influence the buying behavior of consumers.

Table 7: Influence of Merchandising and Packaging on Buyers in the Retail Stores

Serial no.	Statement	Mean value Out of (maximum 1 to minimum 5)		Z
		Male	Female	
1	Merchandising in a retail store influences your buying behavior	4.0317	4.0455	-.096
2	Attractive packaging of a product influences your buying behavior	3.5714	3.5909	-.097

The result reported in Table 7 shows that we have used two propositions to analyze this hypothesis. The first proposition states-“Merchandising in a retail store influences your buying behavior”- the result exhibits that the mean score of the male (4.0317) is moderately less than the mean score of the female (4.0455). This indicates that males got more influenced by merchandising in comparison to females. Second proposition states-“Attractive packaging of a product influences your buying behavior”- the result of this analysis shows that the mean score of male (3.5714) is slightly less than the female’s score of the mean (3.5909), which exhibits that attractive packaging influences the male buyers more than the female buyers. However, Z score (-.096) for the first proposition and Z score (-.097) for the second proposition is found to be less than the critical value of

1.96 (table value) at 5 percent level of significance, which manifests that there is no significant statistical difference in the buying behavior of male and female buyers. Henceforth, we accept this hypothesis.

Factor Analysis

Table 8	KMO and Bartlett’s Test
Kaiser-Meyer-Olkin measure of sampling adequacy.	0.785
Bartlett’s Test of Sphericity	
Approximate χ^2	1612.843
Df	496
Significance	0.000

Table 9: Reliability Statistics		
Cronbach’s Alpha		No. of Items
0.915		32

In the very first stage of factor analysis, principal component analysis was used to subtract the number of components (factors). After conducting the principal component analysis with a factor loading of 0.5, we got 9 attributes out of 32 total attributes. Among the 9 attributes which we got after the extraction method, 2 of the attributes (4th and 9th) were found to be representing the same factors (even after repeatedly conducting the analysis). Hence, we choose 1 attribute which represents the more Eigenvalues (4th represents 1.68 while 9th represents 1.009). Thus, we selected the 4th attribute and the total number of attributes was extracted to 8 attributes. During the hit and trial process of running the factor analysis with 8 attributes, we found the total variance explained is at 49.788 percent. After deducting the number of attributes to 7 and 6, the total variance explained is found to be at 37.945 percent and 41.101 percent respectively, which are less than 60.0 percent. Henceforth, we conducted our factor analysis with a total of 32 attributes. Table 8 exhibits the KMO test, which shows that our sample possesses good adequacy for further analysis, while Bartlett’s test of sphericity manifests that there is some presence of shared variance in the total 32 items. KMO score (0.785) is found to be above 0.50, and Bartlett’s test (1612.843) was also found to be significant, i.e. $2=1612.843$. Table 9 shows that Cronbach’s alpha (0.915) is much better than the table value of 0.60. Hence, our sample shows more reliability and is internally consistent.

Table 10: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.119	28.497	28.497	9.119	28.497	28.497	3.269	10.216	10.216
2	2.554	7.982	36.479	2.554	7.982	36.479	2.655	8.298	18.514
3	2.297	7.178	43.657	2.297	7.178	43.657	2.559	7.998	26.512
4	1.68	5.249	48.906	1.68	5.249	48.906	2.462	7.695	34.206
5	1.441	4.503	53.408	1.441	4.503	53.408	2.44	7.624	41.83
6	1.314	4.105	57.514	1.314	4.105	57.514	2.281	7.127	48.957
7	1.137	3.553	61.067	1.137	3.553	61.067	2.244	7.012	55.97
8	1.133	3.541	64.609	1.133	3.541	64.609	2.042	6.381	62.35
9	1.009	3.154	67.763						
10	0.912	2.85	70.613						
11	0.866	2.707	73.319						
12	0.846	2.643	75.962						
13	0.717	2.239	78.202						
14	0.688	2.151	80.353						
15	0.662	2.07	82.423						
16	0.654	2.044	84.467						
17	0.547	1.708	86.175						
18	0.525	1.64	87.815						
19	0.497	1.552	89.367						
20	0.435	1.358	90.725						
21	0.413	1.29	92.015						
22	0.381	1.191	93.206						
23	0.33	1.031	94.237						
24	0.316	0.987	95.224						
25	0.279	0.871	96.095						
26	0.246	0.767	96.863						
27	0.223	0.696	97.559						
28	0.207	0.648	98.207						
29	0.189	0.592	98.799						
30	0.155	0.484	99.283						
31	0.127	0.396	99.679						
32	0.103	0.321	100						

Note: Extraction method: principal component analysis

Factor analysis was used in all of the 32 attributes to shortlist the number of attributes, and a factor with minimum loading of 0.5 was retained. The result exhibited in Table 12 indicates that 8 factors (factor 9 has been removed, as discussed earlier) were extracted through the principal component analysis, explaining 62.35 percent of the total variance. The reported individual variance of different factors exhibits that factor 1 i.e. V1- Brand has caused the highest percentage of variance among the respondents (with 28.497 percent), followed by the factor 2 i.e. V2- Social media (with 7.982 percent of variance), 3 i.e. V3- Private label brand (with 7.178 percent of variance), 4 i.e. V4- Labelling (with 5.249 percent of variance), 5 i.e. V5- Peer group influence (with 4.503 percent of variance), 6 i.e. V6- Health and quality (with 4.105 percent of variance), 7 i.e. V7- Original products (with 3.553 percent of variance), and 8 i.e. V8- In store environment (with 3.541 percent of variance) respectively. So, we obtained that these 8 factors remarkably influenced the buying behavior of consumers listed in the sample.

Conclusion

Based on this study, the following significant discernment can be summarized.

- We found that the success of the organized retail stores in the emerging cities of an emerging market such as India, predominantly depends on perception and expansion of brand value, efficient use of social media, introducing private label branded products, effective means of labelling, meaningful advertising strategies -specifically in WoM (Word of Mouth)- as peer group influence is found to be influential, and health & quality amelioration of the products.
- Our study validates that the finding of Tsai and Huang (2015) stands firm in India's context because it was found that merchandising influences 84.1 percent of retail consumers. As both Taiwan and India are largely considered emerging economies, hence this finding is found to be endorsing the argument of Tsai and Huang (2015).
- Further, in this study we found that merchandising of products on the shelves of retail stores needs to be taken care of, as it was found as an eminent factor that influences the consumers of emerging economies like India. National and international retailers should focus on strategizing their retail policies for emerging retail markets with utmost attention given to efficient merchandising.

Limitations and future research

Every study has its own limitations, hence this study too falls in the same category. The foremost limitation

of this study is that only 107 sample sizes were selected to conduct this study. But there are some studies (Kaur and Singh, 2007; Singla, 2010) that have been published in journals of repute having almost the same sample size, which minimizes this constraint to a much lower extent.

This study manifests that there is a scope for more research in the emerging cities of emerging economies because the developed cities of emerging economies have already been tapped by the retailers (backed by fast consumerism). It should also be noted down that the shopping motives of the retail consumers of emerging economies are different from the retail consumers of developed economies. In addition, more strategic planning is needed on the retailer's and marketer's end for improvising the packaging and merchandising of products in retail stores.

References

- Abbott, R. (1997), "Food and nutrition information: a study of sources, uses, and understanding", *British Food Journal*, Vol. 99 No. 2, pp. 43-49.
- Aday, M.S. and Yener, U. (2014), "Understanding the buying behavior of young consumers regarding packaging attributes and labels", *International Journal of Consumer Studies*, Vol. 38 No. 4, pp. 385-393.
- Alam, F. and Sahdeo, S. N. (2021), "History, evolution and socio-cultural aspects of organized retail economy in India", *Voprosy Istorii*, Vol. 12 No.5, pp. 221-228.
- Ali, J., Kapoor, S. and Moorthy, J. (2010), "Buying behavior of consumers for food products in an emerging economy", *British Food Journal*, Vol. 112 No.2, pp. 109-124.
- Ali, S. W. and Sudan, S. (2018), "Influence of cultural factors on impulse buying tendency: A study of Indian consumers", *Vision*, Vol. 22 No. 1, pp. 68-77.
- Amaldoss, W. and Jain, S. (2010), "Reference groups and product line decisions: An experimental investigation of limited editions and product proliferation", *Management Science*, Vol. 56 No. 4, pp. 621-644.
- Baker, J., Parasuraman, A., Grewal, D. and Voss, G. B. (2002), "The influence of multiple store environment cues on perceived merchandise value and patronage intentions", *Journal of Marketing*, Vol. 66 No. 2, pp. 120-141.
- Clement, J. (2007), "Visual influence on in-store buying decisions: an eye-track experiment on the visual influence of packaging design", *Journal of Marketing Management*, Vol. 23 Nos 9/10, pp. 917-928.
- Coulson, N. S. (2000), "An application of the stages of change model to consumer use of food labels", *British Food Journal*, Vol. 102 No. 9, pp. 661-668.
- Drichoutis, A. C., Lazaridis, P. and Nayga, R. M. (2006), "Consumers' use of nutritional labels: a review of research studies and issues", *Academy of Marketing Science Review*, Vol. 9 No. 9, pp. 1-22.

- Goswami, P. and Mishra, M.S. (2009), "Would Indian consumers move from kirana stores to organized retailers when shopping for groceries?", *Asia Pacific Journal of Marketing and Logistics*, Vol. 21 No. 1, pp. 127-143.
- Huffman, C., S. Ratneshwar, and D.G. Mick (2000), "Consumer Goal Structures and Goal Determination Processes: An Integrative Framework," S. Ratneshwar, D.G. Mick, and C. Huffman (Ed.s), *The Why of Consumption: Contemporary Perspectives on Consumer Motives, Goals, and Desires*, Routledge, London and New York, pp. 9-35.
- Hui, S.K., Bradlow, E.T. and Fader, P.S. (2009), "Testing behavioral hypotheses using an integrated model of grocery store shopping path and purchase behavior", *Journal of Consumer Research*, Vol. 36 No. 3, pp. 478-493.
- Kaur, P. and Singh, R. (2007), "Uncovering retail shopping motives of Indian youth", *Young Consumers*, Vol. 8 No. 2, pp. 128-138.
- Keller, K. L. (2003), *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*, Pearson College Division, New York.
- Kempen, E., Bosman, M., Bouwer, C., Klein, R. and van der Merwe, D. (2011), "An exploration of the influence of food labels on South African consumers' purchasing behaviour", *International Journal of Consumer Studies*, Vol. 35 No. 1, pp. 69-78.
- Kristensen, K., Martensen, A. and Gronholdt, L. (1999), "Measuring the impact of buying behaviour on customer satisfaction", *Total Quality Management*, Vol. 10 Nos 4/5, pp. 602-614.
- Kumar, N. and Kapoor, S. (2014), "Study of consumers' behavior for non-vegetarian products in emerging market of India", *Journal of Agribusiness in Developing and Emerging Economies*, Vol. 4 No. 1, pp. 59-77.
- Kushwaha, T., Ubeja, S. and Chatterjee, A. S. (2017), "Factors influencing selection of shopping malls: an exploratory study of consumer perception", *Vision*, Vol. 21 No. 3, pp. 274-283.
- Leontitsis, A. and Pagge, J. (2007), "A simulation approach on Cronbach's alpha statistical significance", *Mathematics and Computers in Simulation*, Vol. 73 No. 5, pp. 336-340.
- Lysonski, S. and Durvasula, S. (2013), "Consumer decision making styles in retailing: evolution of mindsets and psychological impacts", *Journal of Consumer Marketing*, Vol. 30 No. 1, pp. 75-87.
- Mehta, R. (2019), "Cost of living in four tier 2 cities: Indore, Dehradun, Thiruvananthapuram, Ranchi", *The Economic Times*, 28 October, p. 7.
- Mehta, S. and Kumar, A. (2019), "Towards inclusive and sustainable smart cities: The case of Ranchi", working paper [ORF Special Report No. 81], Observer Research Foundation, New Delhi, 05 March.
- Mehta, R., Sharma, N.K. and Swami, S. (2013), "A typology of Indian hypermarket shoppers based on shopping motivation", *International Journal of Retail & Distribution Management*, Vol. 42 No. 1, pp. 40-55.
- Minten, B. and Reardon, T. (2008), "Food prices, quality, and quality's pricing in supermarkets versus traditional markets in developing countries", *Review of Agricultural Economics*, Vol. 30 No. 3, pp. 480-490.
- Minten, B., Reardon, T. and Sutradhar, R. (2010), "Food prices and modern retail: The case of Delhi", *World Development*, Vol. 38 No. 12, pp. 1775-1787.
- Naqvi, B. and Soni, S. (2019), "The rise and growth of the Indian retail industry", available at: <https://www.indiaretailing.com/2019/08/29/retail/the-rise-and-growth-of-the-indian-retail-industry/> (accessed 30 November 2020)
- Ojha, N. P. and Ingilizian, Z. (2019), "How India will consume in 2030: 10 mega trends", article, World Economic Forum, Geneva, Switzerland, 07 January.
- Ozdemir, V. E. and Hewett, K. (2010), "The effect of collectivism on the importance of relationship quality and service quality for behavioral intentions: A cross-national and cross-contextual analysis", *Journal of International Marketing*, Vol. 18 No. 1, pp. 41-62.
- Paul, J. (2017), "What determine shoppers' preferences for malls in an emerging market?", *Young Consumers*, Vol. 18 No. 1, pp. 70-83.
- Perrin-Martineng, D. (2004), "The role of brand detachment on the dissolution of the relationship between the consumer and the brand", *Journal of Marketing Management*, Vol. 20 Nos 9/10, pp. 1001-1023.
- Puccinelli, N.M., Goodstein, R.C., Grewal, D., Price, R., Raghurir, P. and Stewart, D. (2009), "Customer experience management in retailing: understanding the buying process", *Journal of Retailing*, Vol. 85 No. 1, pp. 15-30.
- Singla, M. (2010), "Usage and understanding of food and nutritional labels among Indian consumers", *British Food Journal*, Vol. 112 No. 1, pp. 83-92.
- Srivastava, R. K. (2008), "Changing retail scene in India", *International Journal of Retail & Distribution Management*, Vol. 36 No. 9, pp. 714-721.
- Taylor, V. A., Halstead, D. and Haynes, P. J. (2010), "Consumer responses to Christian religious symbols in advertising", *Journal of Advertising*, Vol. 39 No. 2, pp. 79-92.
- Tsai, C.Y. and Huang, S.H. (2015), "A data mining approach to optimise shelf space allocation in consideration of customer purchase and moving behaviours", *International Journal of Production Research*, Vol. 53 No. 3, pp. 850-866.
- Van Trijp, H. C. and Van der Lans, I. A. (2007), "Consumer perceptions of nutrition and health claims", *Appetite*, Vol. 48 No. 3, pp. 305-324.
- Wang, J. and Xiao, J.J. (2009), "Buying behavior, social support and credit card indebtedness of college students", *International Journal of Consumer Studies*, Vol. 33 No. 1, pp. 2-10.

New International Economic Order and Emerging Social Challenges: A Review

Dr. Kavitha S. Sharma

Assistant Professor (Guest Faculty), Central University of Haryana, Haryana

Introduction

People and institutions have worked together to attain goals ever from the days of the prehistoric society and throughout all stages of the social economy. The goal of using the numerous production components provided by nature to satisfy people's needs and wants. Each person in the prehistoric society tried to meet his or her own requirements; there was no distinction between classes. Different levels of differentiation and the division of labour emerged as society developed and one economic system made way for another. During this process, some grew in power and began to own the means of production, which occasionally included labour. At every stage of society's evolution, the gap between a small number of "haves" and a large number of "have not's" widened. A sharp gap between the rich and impoverished classes evolved as a result of the growing disparities between the "haves" and the "have not's." Another noteworthy aspect is that as society evolved, the necessity for more trade did not always correspond to the mode of production that kept it alive and eventually led to the collapse of the very economic system that had supported it. A capitalist class that had the resources to carry out larger-scale production for the market thus arose. Technology evolved and labour productivity rose under capitalism. A system of pay and compensation for services was established. The governing powers changed to be commerce and industry.

Only under this framework did international trade grow so quickly. However, there was also greater personal choice available when it came to businesses, production techniques, etc. The growing disparity between the capitalist and working classes throughout time sparked the need for a system in which everyone would be treated equally and possess the means of production. It took place in a socialist society that was built on the ideas of social benefit and welfare. "From each according to his capacity

and to each according to his need" was the guiding principle of this system. The means of production were to belong to the society, and the distinctive feature of this economic system was "planning." However, even such a communist society was unable to completely eradicate imbalances and disparities. This also contributed to the collapse or dissolution of the socialist state system. In order to experiment with a mixed economy, such as a planned economy, many socialist countries first made the transition to a fully capitalist economy. The underlying goal of all economic systems has remained the same throughout history: to establish a just distribution of wealth. This can be seen in the brief study of various economic systems, where it is discovered that all sorts of economic resources were used at every stage. Not only did economic disparity continue throughout, but it also spread and deepened at each step. Positively, each new economic order was accompanied by advances in technology, invention and creativity, and human capital, as well as increases in labour productivity. Economic development, a concentration of wealth and power within a small number of countries and persons within those countries

Globalization

The globalization of the economy is not a recent development. It began with the international trade of goods centuries ago. To meet the continuously rising need for labour, technology, goods, and services as well as raw materials, there has been a steady rise in overseas commerce. International capital mobility really increased in the second half of the 20th century, and this was followed by a rise in knowledge and service mobility as well as a trend toward eventual labour mobility. The goal of the process of "globalisation" is to establish world political and economic stability. Globalization of the economy is not a new occurrence. With the worldwide

trade of goods, it began centuries ago. To meet the always rising need for labour, technology, goods, and services, there has been a continual rise in overseas commerce. Increased information and service mobility as well as a shift toward eventual labour mobility were all factors in the second half of the 20th century that saw a significant growth in international capital mobility. A global economic and political order is what the process of “globalisation” aims to achieve. In fact, it is expected that the wealthy have gotten richer while the impoverished have moved south. The north-south split is still staring us in the face. It is expected that the benefits of globalisation have not actually trickled down to the average person, especially in developing countries, and have instead caused the gap between the “haves” and the “have-nots” to rapidly increase between and even within nations.

Social Challenges

To achieve equilibrium in the distribution of rewards and eliminate inequality, the new systems were put to the test. Every system experienced disruptions and difficulties, which sparked social unrest and led to the collapse of economic systems. Economic and socio-economic factors, such as population growth, the discovery or exhaustion of natural resources, products, skills, or technologies, demand for a resource, unequal geographic distribution of natural resources, wage disparities, the accumulation of economic power by some, and the denial of bare subsistence to others, have all appeared as challenges at various points in time. These political and economic issues. Which, when improperly addressed, had social ramifications, putting us faced to face with some very serious and pressing social issues? These are the social issues that have affected and contributed to the development and disintegration of different economic systems across time. However, they have never been addressed in a direct and suitable manner to the desired extent. Additionally, the newly formed economically powerful groups applied pressure to state governments, which had an effect. As a percentage of total government spending, investments in rural and social sectors have decreased. It has been discovered that this is more pronounced in developing countries. It has been noted that investments in urban infrastructure have taken precedence over the necessity of making social sector investments to elevate the low-income up. Therefore, it is necessary to give globalisation a human face or human dimension.

Marginalization of identities of Nations and Minorities within Nation

Developing countries may become economically, socially, politically, and, in certain cases, ethically and morally helpless as a result of globalisation, and their

identities may be marginalised. Therefore, it is important to properly balance a nation’s territorial and non-territorial requirements. A significant difficulty resulting from the phenomena of globalisation is maintaining equilibrium between national identity and regional autonomy, both of which are inalienable in a federal state but are constantly in peril. One of the biggest social challenges facing a country that is going global is the powerlessness of minority groups or the marginalisation of their identity. Additionally, inequality has grown both inside and between nations. In 1997, there was a 74-to-1 economic disparity between the fifth of the world’s population living in the richest countries and the fifth in the lowest, up from a 60-to-1 disparity in 1990. It is implied that they are being excluded. However, it is nearly often the case that these nations have not participated in the process of globalisation, with limited commerce and minimal investment. It is imperative to include them in the global economy.

Result on the Environment

According to popular belief, globalisation has put the Holocaust, slavery, and apartheid in the past. However, it is also thought that new types of slavery are emerging as a result of globalisation. It is inciting wars against the environment, natural resources, the underprivileged, and the physically frail, such as children and women. Both our biosphere and civil society could be in danger. In poorer nations, indoor air pollution causes 2.2 million deaths yearly. It has sparked a hidden conflict between monocultures and diversity, bigness and smallness in national corporations and MNCs, the powerful and the powerless, etc. Chronic environmental degradation endangers people globally and threatens the livelihoods of at least 500 million due to the unsustainable, reckless chase of money. Depleted stocks are a result of the expanding export market for goods like fish, shrimp, paper, and many more. fewer forests and less biodiversity.

Growing Divide between Rich and Poor, Industry and Agriculture

Only the industry and services sectors of economies stand to benefit, if at all, from the chances that will be presented, according to the globalised economic model as it currently stands. First and foremost, it aims to eliminate economic dualism—the coexistence of a sizable traditional sector and a small modern sector—which will continue to exclude the vast mass of society. Second, it is crucial to implement structural reforms and adjustments.

Impact of employment

Many people also miss out on work possibilities. The global labour market is becoming increasingly

interconnected for highly skilled individuals with high mobility and compensation, such as corporate executives, scientists, entertainers, and the numerous other members of the world's professional elite. But the market for unskilled labour is severely constricted due to national restrictions. In order to address the issue of unemployment in wealthy nations, pressure is also placed on the government to alter immigration and outsourcing laws.

The Globalization Paradox Plenty but poverty

The biggest problem facing humanity is poverty in a world of plenty, and this battle must be waged effectively. Technology development and global integration should be used to the benefit of the underprivileged. It is necessary to redefine poverty to encompass not just low income and consumption but also low income and low consumption. But also poor performance in the areas of education, health, nutrition, and other human development, such as lack of authority, restriction on their ability to express themselves, and vulnerability to natural and economic disasters.

Mahatma Gandhi correctly observed that "the world has enough for everyone's need but not for everyone's greed." The world has the resources to speed up human development for everyone and completely abolish the worst kinds of poverty. Empowering the underprivileged and giving them options are key components of the fight against poverty and social exclusion. It is now widely acknowledged that the only way to achieve social uplift and the reduction of poverty is by combining targeted welfare programmes with economic growth. Without the other, neither will have much of an impact. Therefore, as globalisation increased, it was considered that rules and norms for the unrestricted free flow of commodities and services needed to be established. The laws governing economics needed to be regulated. As a result, numerous trade agreements and international organisations such as the UN, GATT, IBRD, IMF, and WTO were created. However, the WTO was established with broad support to make a global economy a reality. But once more, it seems that the economically powerful nations and groups within them have succeeded to design a system that benefits them more than others. Therefore, the "international meeting of experts on the new "International Economic Order-Philosophical and socio-culture implications" held in Vienna in April 1979 decided that an interdisciplinary approach to the new international economic order was required in order to more thoroughly and meaningfully research its socio-cultural implications as well as its philosophical, ethical, and legal foundations.

What has globalization achieved?

However there are some very positive and bright facets of the process of Globalization. Various studies reveal that in a couple of decades, about a billion people in the developing world have been lifted out of poverty to a better life. Poverty has declined more in the last 50 years than it did in the previous 500. This trend seems to be continuing and it is crucial that it does since 1.2 billion people still live on less than a dollar a day. The number of unemployed in the developing world is estimated at 750 million. One critique of globalisation is that some of the least developed and poorest nations have not yet left the starting line and some have even suffered negative effects. The Human Development Report from 2001, for instance, details how developing countries have performed over the previous 30 years. A few extracts from the same are reproduced below to highlight some of the many beneficial effects of globalisation. In 1975, there were 650 billion and 1.6 billion individuals in the globe with high and medium levels of development, respectively. By 1999, those numbers had risen to 900 billion and 900 million, respectively. The low range, however, has dropped from 1.1 billion in 1975 to 500 million now. The average lifespan at birth has risen. The number of persons who are undernourished, the infant mortality rate, and the under-5 mortality rate have all decreased dramatically. Along with a growth in the overall enrollment ratio in elementary and secondary schools, more people are now literate and have higher levels of education. The per capita incomes of developing nations have increased, and income inequality has decreased. Today, there is a greater availability of wealth and technology, as well as a stronger dedication to a flourishing global community. People's lives are becoming more interdependent, which necessitates a dedication to universal human development as well as common ideals. The need for certain disparity to serve as an incentive system for quick growth is also up for dispute.

Advanced Social Problems

Social Anxiety

Greater security for citizens in many nations has been one success of globalisation. But in a world where borders are dissolving, time is passing more quickly than space. New dangers to human security are also being faced by people, including abrupt, harmful interruptions in daily routines. Both rich and poor countries are facing increasing dangers to human security as a result of globalisation. Their economic insecurity and financial volatility have risen. Uncertain capital outflow, erratic financial markets, which lead to bankruptcies and job

losses, put strain on government, local government, and individual education and health budgets. Their social structure is eroding, there is social discontent, and domestic violence is increasing.

Jobs and unstable income

both in rich and impoverished nations. Increased employment and income insecurity has resulted from relocations brought on by economic and corporate restructuring as well as the weakening of social protection agencies. Global competition pressures have influenced international labour agreements.

Medical Uncertainty

HIV/AIDS and other diseases are spreading due to increased international travel and migration. By the end of 2000, there were more than 34 million HIV/AIDS patients in underdeveloped nations, with approximately 6 million new cases occurring in 1998 alone. And the epidemic is currently moving quickly to other areas. like the CIS, Eastern Europe, and rural India. 95% of the 16000 affected people were divers in developing nations. AIDS has turned into a disease of the poor, drastically reducing life expectancy and undoing previous advancements in health security.

The effect of culture

Because of globalisation, people's lives are more exposed to culture, all of its creativity, and the exchange of ideas and knowledge. But the emerging global market's new ethos is unsettling. I don't want my house to be walled in on all sides and my windows to be stuffed, as Mahatma Gandhi said so beautifully earlier in the century. As much as possible, I want the cultures of all the world to permeate my home. But I won't let any of them knock me off my feet. However, the flow of culture in today's world is neither completely uneven nor highly biased in one direction, from wealthy to developing nations. One could argue that if modern technology have given the policeman wings, then so too have crimes. It's also true that opening windows lets fresh air in along with bugs and mosquitoes. To prevent the negative and dangerous substances from entering, one must open the door but install a screen or filter. The single biggest export sector for the United States is entertainment, not autos or aircraft. A potent new medium with a global audience has emerged as a result of the development of international media networks and satellite communication technologies. Such invasions of foreign culture have the potential to threaten cultural diversity and instil in individuals a fear of losing their cultural identity. To enable them to coexist peacefully with other cultures, it is necessary to foster indigenous and national traditions.

Personal insecurity

Anti-social elements are also reaping the benefits of globalization. Deregulated capital markets, advances in information and communications technology and cheaper transport make flows easier, faster and less restricted not only for capital and technology but also for drugs, black money and weapons. Illicit trade in drugs, women, weapons and laundered money is contributing to the violence and crime that threaten neighborhoods around the world. Drug related crimes increased from 4 per 100,000 people in Belarus in 1990 to 28 in 1997 and from 1 per 100,000 to 8 in Estonia. The weapons trade feeds street crime as well as civil strife. In South Africa machine guns are pouring in from Angola and Mozambique. The traffic in women and girls for sexual exploitation 500,000 a year to Western Europe alone is one of the most heinous violations of human rights, estimated to be a \$ 7 billion business. The Internet is an easy vehicle for trafficking in drugs, arms and women through nearly untraceable networks.

Political and community Insecurity

Global crime groups have the power to Criminalize Politics, business and the policies, developing efficient networks. Extending their reach deep and wide closely related to many other forms of insecurity is the rise of social tensions that threaten political stability and community cohesion.

Communication and Information Gap

With the cost of communications plummeting and innovative tools easier to use, people around the world have burst into conversion. New information and communications technologies are driving globalization, but polarizing the world into the connected and the isolated. The exclusivity is creating parallel worlds. Those with income, education and literacy connections have cheap and instantaneous access to information. The rest are left with uncertain, slow and costly access. When people in these two worlds live and complete side by side, the advantage of being connected will overpower the marginal and impoverished, cutting off their voices and concerns from the global and impoverished, cutting off their voices and concerns from the global conversation.

Technological and Knowledge Diving

Liberalization, privatization and tighter intellectual property rights are shaping the path for new technologies, determining how they are used. Privatization and concentration of technology have led to corporations defining research agendas and tightly controlling their findings with patents, reaching to lay claims to intellectual property. Intellectual Property

Safeguards are very essential to promote the human spirit of invention and innovation but the way in which the world is progressing is a matter of deep concern. Poor people and poor countries are being pushed to the margin in this proprietary regime controlling the world's knowledge. Tighter property rights raise the price of technology transfer, blocking developing countries from the dynamic knowledge sectors.

Impact on labour

The relentless pressures of global competition are squeezing out care, the invisible heart of human development. Caring for labour the human capital by way of social security nets and providing for children, the young and the elderly, as well as all the rest of us, exhausted from the demands of daily life is an important input for the development of human capabilities. It is also a capability in itself. And it is special for nurturing human relationships with love, altruism, reciprocity and trust. Without enough care, individuals do not flourish. Therefore, there is an urgent need for a social dialogue on labour and labour welfare related issues. But today's competitive global market is putting pressures on the time, resources and incentives for the supply of caring labour. Women's participation in the formal labour market is rising, yet they continue to carry the burden of care women's hours spent in unpaid work remain high. All need to make a strong commitment to preserving time and resources for care, and the human bounds that nourish human development.

What need to be done to meet these challenges effectively

The challenge of globalization is to fling the rules and institutions for stronger governance local, national, regional and global-to preserve the advantages of global markets and competition, but also to provide enough space for human, community and environmental resources to ensure that globalization work for people, not just for profits. The opportunities and benefits of Globalization need to be shared much more widely, that is Globalization with:

Ethic - less violation of human rights, not more

Equity - less disparity within and between nation, no more

Inclusion - less marginalization of people and countries, nor more

Human security - less instability of societies and less vulnerability of people, not more

Sustainability - less environmental destruction, not more.

Development - less poverty and deprivation, not more.

The global economy is not yet underpinned by rules based on shared social objectives. To make globalization a successful phenomenon, it is imperative that governance at local and national level improves and so does the collective governance at the international level, particularly for challenges that are beyond reach of any State acting on its own. This does not imply a world government or the fall of individuality of Nation State, but it calls for the strengthening and empowerment of States, which draw strength from each other, Governments will have to approach the "Civil Society" to make this happen. Developed economies should realize their social role towards the international economy. Some like, the British Government have announced to treble the development assistance to India in the context of poverty alleviation.

The World Bank's study on poverty recommends

Expanding economic opportunity for poor people by stimulating overall growth and by building their assets like skills, education, health and land, and ensuring increased returns on these assets through a combination of market and non-market action; Enhancing transparency, accountability and responsibility towards society of state institutions. Empowering people, increasing people's participation in decision making and removing distinction of gender/ethnicity/race/religion and social status. Ensuring an effective security net to mitigate the impact of personal, national, economic calamities. Each country therefore has to evolve its national strategy. The antipoverty programmes need to be redesigned, with better targeting and greater participation of beneficiaries to make them more effective. An action plan, for eradication of inequalities and poverty, as suggested by the World Bank, should have following:

- Promoting financial stability;
- Opening markets of rich countries to agricultural goods of poor countries along with manufacturers and services;
- Bridging technology and information gaps;
- Providing financial and non-financial resources for public goods internationally,
- Increasing aid/debt relief to developing countries to help them end poverty;
- Encouraging participation of poor countries and poor people in global forums.
- Rapid economic growth which could significantly improve the income level of people.

A number of centripetal and centrifugal forces are continuously at work in support and against the New

International Economic Order, which is emerging from the process of globalization. These are, according to some, encouraged by declining sovereignty and political power of National States. A possible solution lies in administrative decentralization for empowerment of the grass root level bodies and agencies like the Panchayats and other self over earning people's bodies in states, the social empowerment and development of civil society and reduction in disparities to improve the quality of life not only in urban areas but also the rural areas. Humanizing the process of globalization is essential to meet the challenges. As Shri. Atal Bihari Bajpayee, former Prime Minister of India, has rightly said that globalization has yet to demonstrate that "It is a phenomenon of the people for the people and by the people." In this context, stronger policies and International Corporation to protect and promote human development comprising literacy, education, training, health, gender equality, and justice poverty eradication are the need of the hour. A social policy that will reorient the economy and ensure common good of the masses will act as an antidote against the marginalization syndrome of the market fundamentalism. Literacy programmes are equally essential, as no country with poor literacy has recorded sustained high growth. Thinkers like Rousseau had said. "An illiterate democracy is an absurdity". Spurred by rapid advancements in IT, globalization has caused the transformation of political, social and cultural institutions along with economic systems. As a result international movements on human rights, democracy, environment and social development concerns should be considered to be a part of globalization. As far as financial stability is concerned, institutional reforms and an effective regulatory mechanism are a pre requisite. Capital controls particularly in the external sector of the economy would not be out of order. Inequalities were endowed by nature in the context that world resources are notoriously unequally distributed, greater foreign and for poorer nations therefore is required more enthusiastically. Globalization may counter some of these challenges, poverty and inequalities in particular, through fresh flow of capital and technology, especially so via the MNCs. A free flow of labour could be a powerful force to reduce inequalities. Civil societies need to design new arrangements for care in the global economy. The traditional model of a patriarchal household is no solution and therefore a new approach must build gender equity into sharing the burdens and responsibility for care. New institutional mechanisms, better public policy and a social consensus are needed to provide incentives for rewarding care and increasing its supply and quality :

- Public support for care serviced- such as care for the elderly, day care for children and production of social services during crises.
- Labour market policies and employer action to support the care for children and protection of social services during crises.
- Labour market policies and employer action to support the care needs of employees.
- More gender balance and equity in carrying the burden of household care services.
- Public services deteriorated markedly as a result of economic stagnation, structural adjustment programmes or the dismantling of state services, especially in the transition economies of Eastern Europe and the CIS.

There should be mechanisms for making ethical standards and human rights binding for corporations and individuals, not just governments. In short, stronger national and global governance is needed for human well being not for the market.

Global governance requires a common core of values, standards and attitudes, a widely felt sense of responsibility and obligations-not just by individuals, but by governments, corporations and civil society organizations.

The core values like respect for life, liberty, justice, equality, tolerance, mutual respect and integrity underline the Charter of the United Nations and the Universal Declaration of Human Right. They now need to be the guiding objectives of globalization with a human face.

Global governance needs to be built on concepts and principles of human development and social protection.

Pragmatism rather than ideology should guide economic policy-making. Standards and norms that set limits and define responsibilities for all actors' multilateral agreement, international human. Rights regimes, national governance, within national borders, supranational global actors, and international institutions are the need of the hour. In short challenges should include the agenda for action to meet the social, national international action. Strengthens policies and actions for human development, and adapt them to the new realities of the global economy. International as well as national efforts to reduce threes of financial volatility and all their human costs. Stronger global action to tackle global threats to human security. Enhance public action to develop technologies for human development and the eradication of poverty. Prevent the marginalization of the poor as well as the poor countries. Efforts to remove the imbalances in the structures of global governance

with new efforts to create a more inclusive system. Build more coherent and more domestic architecture for global governance in the 21st century.

Indian Context

India had opted for Planned growth in 1950s this was also the need for the time since resources like capital, entrepreneurship and skill were limited and therefore government intervention in how to produce what to produce and how to distribute the production was imperative. But during the planned period which was based on controls and licenses, huge capacities were accumulated. The government began to realize that business on commercial basis was not its cup of tea. By late 1980s foundation for liberalization & policies has begun to be laid. And in 1990-91 India too embarked itself on the path of globalization. This step was more in the nature of crisis management in order to get over the fiscal crisis. Accordingly the focus was largely on the performance of the national economy an individual sector like industry. Manufacturing and services to achieve rapid economic growth. The performance of individual states as a result did not figure in the limelight. Today the situation has improved in terms of skills, technology, entrepreneurship and even capital availability. The need of the hour now is to channelize the resources. India therefore had exercised caution. In liberalizing and opening of the economy. The process of liberalisation and globalisation in India is a regulated one. The impact was felt and appreciated when India remained insulated from the East Asian Crisis in 1997-98. Hence, the apparent results of Globalisation are not totally negative as they are perceived on the basis of current rates of inflation, unemployment, poverty etc. It may be argued that the same indicators could have been the same or worse had India not chosen to globalise. However, it may be stressed over her that there is a need for state level reforms in India liberalise the state policies and environment. This is essential to achieve balanced regional development. As a result of the center withdrawing itself and its controls in many areas the onus of development in all spheres now lies with the state governments. Just as some countries were able to benefit from globalising and achieved higher growth and development levels while others grew slowly or even negatively, the trend of growth and development of Indian states has also been similar. It is generally received that the richer states have reacted the benefits of liberalization of the national economy while the poor states have become poor since 1990. A study of the performance of states in the pre and post-reforms period by Shri Montek S Ahluwalia indicates that the growth rates of richest states were lower in 1990s than in 1980s and the poorest states did not actually become poorer as they too had experienced poorest states did

not actually become poorer as they too had experienced low but positive growth rates. The trends in poverty in individual states in the pre and post reforms periods shows that the percentage of population below poverty line in the states has declined steadily. The quality of Human resources as defined to include the educational attainment and skill level of labour forces is an important determinant and indicator of growth. Literacy in slow growing states was low but the role of human skills in promoting growth, which in turn depends on the level of investment contributes to the positive growth rate. Therefore, it is advocated that the state expenditure on social infrastructure facilities like health, training, education and other civic amenities should increase. This will not only enhance significantly factor productivity but also attract private investment in the state and contribute towards development and growth of the state. (Refer Annexure 6 for performance of Indian economy since 1991).

Conclusions

The nature and dimension of economic globalisation, and hence the shape of the emerging international economic order, has been undergoing a dramatically accelerated change towards regulated globalisation, in the last two decades. Alongside the move towards globalisation and perhaps as a result, there is also rising assertion of ethnic or other sub-national identities. This has led to social unrest in some parts of the world and also threatens to cause a lot more upheaval in the coming years. This trend promises to accentuate unless immediate measures are undertaken to redress the grievances and bring about greater equality in the sharing of the benefits of Globalization and economic progress, not only between the developed and the developing world, not only between the economically better-off and the backward regions within a country, but also between people. The quality of life within a nation should improve and should do so in a balanced way Labour-the human capital-should be treated and taken care of as maintenance of other means of production is done. Towards this end we must stress the involvement of State governments as essential and necessary. If the emerging international economic order has to produce equity, social progress and eradication of poverty, it must be founded on the principle and rights enabling people to claim their fair share of the wealth that they have helped to create and generate and to achieve fully their human potential This is the challenge that all of us must accept in our quest for true and all-encompassing human progress and development. We owe at least this much to our future generations. Nation states are required to shed away the mind set of international i.e. discussing global issues to serve national interests only-to tackle the outcomes of

globalisation which have got out the control of national governments. Only then will the process of globalisation, eventually ends in a global order and a global state.

References

- Young's (1997), "Business strategy and the Internationalisation of business Recent Approaches",
Managerial and Decision Economics, 8, 31-40.
- Edward's (1994) The order of liberalization of the External sector in Developing Countries. Essay in International Finance. No. 156. Princeton.
- World Bank (1989-99), World Development Report, Washington D.C.
- Economic Survey (1999-2000) RBI, CSO, CMIE Human Development Report 2001, Washington D.C.
- Patel, I. G (1998) Economic Reforms & Global changes, Macmillan India Ltd.
- Economic Journal (2000-2001) Govt. of India.
- Bhashkra Reddy, C.M. (2000) Economic Reforms in India. An Analytical View IBRS.
- Brahamananda, P. R. (1995-2000) The Economic Ideas of Rajkrishna "The India Economic Journal".
- Kabra, K.N. (2000) Second Generation Reforms Transition towards crony, casino, prompt & Comprador Capitalism AES.
- Mehta Jaya (2000)" Give Poverty a face please ASG-2001.
- Dolly Arra (2000) "Reforms, polarisation & People's struggle IES, New Delhi.