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ISSN 2278 8425

International Journal on
GLOBAL BUSINESS MANAGEMENT AND RESEARCH
Volume 7, Issue 1, February 2018

Rajalakshmi Institutions

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Annual Subscription Details ***India (Rs.500)*** ***Overseas (US$15)***

IJGBMR, is a print bi-annual journal (March & August) by Department of management studies.

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ISSN 2278 8425

International Journal on Global Business Management and Research
Volume 7, Issue 1, February 2018
A Bi-Annual Journal Published by Rajalakshmi Institutions

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IJGBMR
Published by
Rajalakshmi Educational Trust, Thandalam,
Chennai-602105. Tamilnadu, India.
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February 2018
ISSN : 2278 8425

Published by

Rajalakshmi Educational Trust
Rajalakshmi Nagar, Thandalam,
Chennai-602105.
Phone – 044 3718 1111
Fax – 044 3718 1113
URL- www.rajalakshmi.org

Printed at

Rajalakshmi Engineering College,
Rajalakshmi Nagar
Thandalam, Chennai-602105.
Tamilnadu, India. www.rajalakshmi.org

International Journal on Global Business Management and Research (ISSN 2278 8425)
Volume 7, Issue 1, February 2018
A Bi-Annual Journal Published by Rajalakshmi Institutions

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Socio Economic Profile and Investment Risk Perception of Salaried Employees

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Abstract

Traditional finance portrays all the investors as rational when it comes to investment decision making but it has been proved false by behavioral finance studies. The research study was based on primary data, generated through a formally structured questionnaire. Results of the study found that the female respondents were willing to take more risk in investment decisions than male respondents and income level did play a significant role in the willingness to take risk.

Key words: *Behavioral Finance, Investment Decision,.*
JEL Classification: *G02, G11*

I. Introduction

Investment is utilization of idle funds, with the aim of earning maximum returns. It is also a method of sacrificing the present value of money, in anticipation of earning future reward. Important attributes of the investment are safety of principal amount, capital appreciation, low risk and liquidity. Numerous investment avenues are available like shares, bank deposit, insurance, real estate, postal savings, sovereign bonds, gold and silver and so on. Majority of investors invest their surplus funds, based on their awareness and perceived risk level, in the investment avenues. Investments such as bank deposit, chit fund, postal savings, life insurance, company deposits and government bonds, yield returns, based on the predetermined rate of return, in the form of interest, with low risk. But investments in shares and mutual funds are associated with market risk though they yield higher returns in the form of dividends.

The objective of investment is to maximize the financial welfare of the investors in the long run. Welfare of the investors is associated with maximization of their wealth combined with safety of their wealth. Sometimes, investor's decision is influenced by biases, which arise due to lack of knowledge about the investment and risk associated with the investment they made. Investment in stock market is a highly risky option for individual investors, who possess no experience in stock market investment because their investment pattern and preference is based, on the respective risk tolerance level, which influences their attitude towards risk in investment. Brasoveanu *et* al. (2008) reported that investors in Asian countries are more averse to risk than investors in western countries. Understanding the investors, who are more averse to risk, offers a different perspective for developing risky portfolios. it will also be helpful for financial planners, consultants, researchers and investors, to identify the risk tolerance levels, before investing in a risky investment like shares.

Demographic and socioeconomic elements, related to the investors, play a significant role in developing their approach towards risk. There is increasing trend towards research, which emphasizes the influence of demographic and socioeconomic variables, to understand the investor's risk tolerance and perception of risk, towards investment. But the results of the studies are often not helpful to the identification of risk tolerance level of investors. While some studies showed positive relationship towards demographic factors while others indicated negative relationship towards the selected demographic variables. This study proposes to investigate, the impact of demographic and socioeconomic factors on risk tolerance and their perception towards risk in investment.

II. Review of Literature

Numerous studies have been conducted in the area of investor's perception of investment. The selected previous reviews are follows. Dhiraj jain and Nikhil Mandot (2012) studied the impact of demographic factors on investment decision of investors, in the State of Rajasthan and they found that demographic variables like age, marital status, income level and education qualification did have positive impact on investment decision. Bhawana Bhardwaj et al. (2013) studied the income, savings and investment pattern of salaried employees of Bahra University and the result revealed that majority of respondents were aware of investment in stock market securities but they were unwilling to invest in it because it was considered a highly risky investment. Sonali Patil and Kalpana Nandawar (2014) researched about the awareness and preferred investment, among salaried employees, in Pune and the results indicated that male investors were more aware about the risk in investment than the female counterparts. Hoang Tanh Hue Ton and Thi Minh Phuong Nguyen (2014) investigated the impact of demographic factors on investment decision, in Vietnam Stock Market and the results indicated that gender, marital status and experience in investment in stock market did have positive relationship with willingness to take risk in investment decisions. Zipporhnyabokeonsomu (2015) investigated the effect of age on investor investment decisions and results showed that there was a significant relationship between age and overconfidence bias. Sandip Chattopadhay and Rajandas Gupta (2015) studied the effect of demographic and socioeconomic factors on Indian investors and found that Indian investors were more averse to risk, age of the investors influenced their risk tolerance level and women investors were more prone to take risky investment decisions than male investors. The findings contradicted previous studies. Sathyamoorthy and Krishnamoorthy (2015) found that factors like educational qualification, age of the investors and total number of family members exercised higher impact on investment decision. Kavita Chavali and M.Prasanna Mohanraj (2016) found that investment pattern of individual investors were influenced by demographic variables and risk tolerance level. Suzaida Bakar and Amelia NG Chui YI (2016) found that psychological factors such as overconfidence and availability bias exercised significant impact on investment decision making and they also found that psychological factors were dependent of investors, gender.

Above the existing reviews explained demographic factors which influenced the perception of individual investor's investment decisions. Some existing researchers studied the perception level of employees towards various investments and no one analyzed investment risk perception of government employees. Thus the study investigated the investment risk perception of government employees in Tiruchirapalli City, Tamil Nadu.

III. Research Design

Statement of the Problem

Decades ago, investment was confined to the rich people but recently, this pattern has been changed. Salaried middle class investors are actively taking part in investment rather than in bank deposits and insurance. Making an investment decision remains a problem for budding investors because investors have different intentions while making investment, Some investors see investing in stocks as risky due to its volatile nature while others perceive it as a way to make abnormal returns. For budding investors, various investment avenues are available such as post office schemes, insurance, bank deposit, share market and mutual funds but they invest their funds, based on the risk tolerance level and their awareness about the investment. It was against this background that the researcher took up this theme. Various studies have found that gender of the investor plays a significant role in making investment decisions. Numerous studies have found that men are prone to take more risk in investment while female are more conservative in their approach to the investment decision. Hence there is need for research work, in this area of investment pattern and awareness, among salaried employees.

Objectives of the Study

The objective of the study was to identify the awareness and risk perception, about investment avenues, among salaried employees.

- To investigate the effect of demographic/socio economic variables, on the risk perception of salaried employees, towards investment avenues.
- To study the influence of demographic/ socio economic variables, on the awareness level of salaried employees, about investment avenues.

Hypotheses of the Study

NH_{01}: There is no significant difference in the gender of the respondents and risk perception about investment avenues.
NH_{02}: "There is no significant difference in the marital status of the respondents towards Intention to take Risk in Investment".
NH_{03}: There is no significant difference between Education of the respondents and risk perception about investment avenues.
NH_{04}: There is no significant difference between Income of the respondents and risk perception about investment avenues.
NH_{05}: There is no significant difference between gender of the respondents and Awareness about investment avenues.
NH_{06}: There is no difference between Education of the respondents and awareness about investment avenues.
NH_{07}: There is no difference between Income of the respondents and Awareness about investment avenues.

Methodology

The present study was based on empirical and analytical approach, supported by both primary and secondary data. Primary data were collected through systematic process of data collection, by administering a structured questionnaire. Questionnaire contained three segments. The first segment measured the socio economic variables of the respondents. The second segment of the questionnaire measured the awareness level of the respondents and the third segment measured the risk perception of the respondents. The sampling technique, adopted for this study, was simple random probability technique. Therefore, 100 samples were used for this research study and the respondents were government salaried employees. Statistical tools, used in this study, were Cronbach's Alpha Test , T-statistics and ANOVA.

IV. Results and Discussions

Table - 1 Results of Reliability Statistics

Cronbach's Alpha	N of Items
.625	19

Source: primary data computed in SPSS

The Table-1 shows the results of Reliability Test, which was carried out to test the consistency of the questionnaire. Reliability of the instrument, for each item, was examined by using the Cronbach's Alpha and the results are presented in the Table. The Cronbach's Alpha value was found to be 0.625, which showed the overall reliability of the questionnaire. In other words, it was 62% reliable. This indicated that the questionnaire, used for the study, was consistent and therefore, it could be used to collect data.

Table-2 Results of Independent T – Test for Gender and Intention to take risk among respondents

	Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Equal variances assumed	2.723	0.102	-2.391	98	0.019	-0.433	0.181	-0.793	-0.074
Equal variances not assumed			-2.468	92.098	0.015	-0.433	0.176	-0.782	-0.085

Source: primary data computed in SPSS

The Table -2 shows the results of Levene's Test for Homogeneity of Variance and the findings of Independent Sample 'T' Test. The t test assumes homogeneity of variances, across observations. While observing the results of Levene Statistics, it was found that the 'p' value was insignificant at 5% level (0.102), with Levene statistic value being 2.723. Hence accept the H0: "The two groups do not have equal variances". This evidences the use of the independent sample 'T' test. With respect to the results of 'T' test, negative 't ' statistic was observed with a value of -2.391, with 'p' value being 0.019. The 'p' value was less than 0.05, indicating the results to be statistically significant. Hence reject the H01: "There is no significant difference in the gender of the respondents towards Intention to take Risk in Investment".

Table-3 Results of Independent T – Test for Marital Status and Intention to take risk among respondents

	Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Equal variances assumed	0.033	0.856	1.171	98	0.245	0.252	0.216	-0.175	0.68
Equal variances not assumed			1.252	40.344	0.218	0.252	0.202	-0.155	0.66

Source: primary data computed in SPSS

The Table-3 shows the results of Levene's Test for Homogeneity of Variance and the findings of Independent Sample 'T' Test. The t test assumes homogeneity of variances, across observations. While observing the results of Levene Statistics, it was found that the 'p' value was insignificant at 5% level (0.856), with Levene's statistic value being 0.033. Hence accept the H0: "The two groups do not have equal variances". This evidences the use of independent sample'T' test.

With respect to the results of 'T' test, negative 'T 'statistic was observed, with a value of -1.171, with 'p' value being 0.245. The 'p' value was greater than 0.05, indicating the results to be statistically insignificant. Hence the Null Hypothesis H02: "There is no significant difference in the marital status of the respondents towards Intention to take Risk in Investment", is accepted.

Table-4 Results of ANOVA for Educational qualification of respondents and Intention to take risk in investment

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2.983	4	0.746	1.233	0.302
Within Groups	57.457	95	0.605		
Total	60.44	99			

Source: primary data computed in SPSS

The Table-4 shows the results of analysis of variance, for identifying the difference between educational qualifications of the respondents and intention to take risk in investment. The sum of squares value, between groups, was 2.983 and within groups, it was 57.457. F statistics was found to be 1.233. The significant value was 0.302, which was greater than 0.05 at significant levels. Hence accept the null hypothesis, "There is no significant difference between Educational qualification of the respondents and Intention to take risk in investment".

Table-5 Results of ANOVA for Income of the respondents and intention to take risk

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Between Groups	5.926	4	1.481	2.582	0.042
Within Groups	54.514	95	0.574		
Total	60.44	99			

Source: primary data computed in SPSS

The Table-5 shows the results of analysis of variance, for identifying the difference between income of the respondents and intention to take risk in investment. The sum of squares value, between groups, was 5.926 and within groups, it was 54.514. F statistics was found to be 2.582 The significant value was 0.042, which was less than 0.05 at significant levels. Hence the null hypothesis, "There is no significant difference between income of the respondents and Intention to take risk in investment", is rejected. The results indicated that income of investors did affect the intention to take risk in investment.

Table-6 Results of ANOVA for Education of respondents and awareness

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Between Groups	1.141	4	0.285	1.321	0.268
Within Groups	20.525	95	0.216		
Total	21.667	99			

Source: primary data computed in SPSS

The table-6 shows the results of analysis of variance, for identifying the difference between educational qualifications of the respondents and awareness about risk in investment. The sum of squares value, between groups, was 1.141 and within groups, it was 20.525 F statistics was found to be 1.321 the significant value was 0.268, which was greater than 0.05 at significant levels. Hence the null hypothesis, "There is no significant difference between educational qualifications of the respondents and awareness about risk in investment", is accepted.

Table-7 Results of ANOVA for Income of the respondents and awareness

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	0.378	4	0.094	0.421	0.793
Within Groups	21.289	95	0.224		
Total	21.667	99			

Source: primary data computed in SPSS

The Table-7 shows the results of analysis of variance, for identifying the difference between income of the respondents and awareness about risk in investment. The sum of squares value, between groups, was 0.378 and within groups, it was 21.289. F statistics was found to be 0.421. The significant value was 0.793, which was greater than 0.05 at significant levels. Hence the null hypothesis, "There is no significant difference between income of the respondents and awareness about risk in investment", is rejected. The results indicated that income of investors did influence the awareness of risk in investment.

Findings and Suggestions

- The results of t-statistics indicated that risk profile of the investors was influenced by the gender of the investor. The results contradicted the previous studies that female investors were prone to prefer risk in investment than their male counterpart.
- The study also found that risk profile of the investors was not influenced by the marital status of the investors.
- The results of ANOVA revealed that educational qualification of the investors did not influence the intention to take risk in their investment and the results also implied that the risk profile of the investors was influenced by the income level of the investors.
- Majority of the respondents possessed minimum qualification of a degree and hence educational qualifications did not influence the awareness about risk in investment. At the same time, income of investors did influence the awareness of risk in investment.

V. Conclusion

Objective of the study was to find out the impact of demographic/ socio economic variables on risk perception and awareness level of the salaried employees. Analysis of this study revealed that gender of the respondents did affect the risk perception of the respondents. The reason behind female investors being prone to take more risk than male investors was that respondents' educational qualification and income level were identical. The study suffered from certain limitations. The study was confined to the respondents from the city of Tiruchirapali. The study was restricted to government employees.

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Value Addition and Technology Enhancement in Indian Seafood Industry-Frozen Sector

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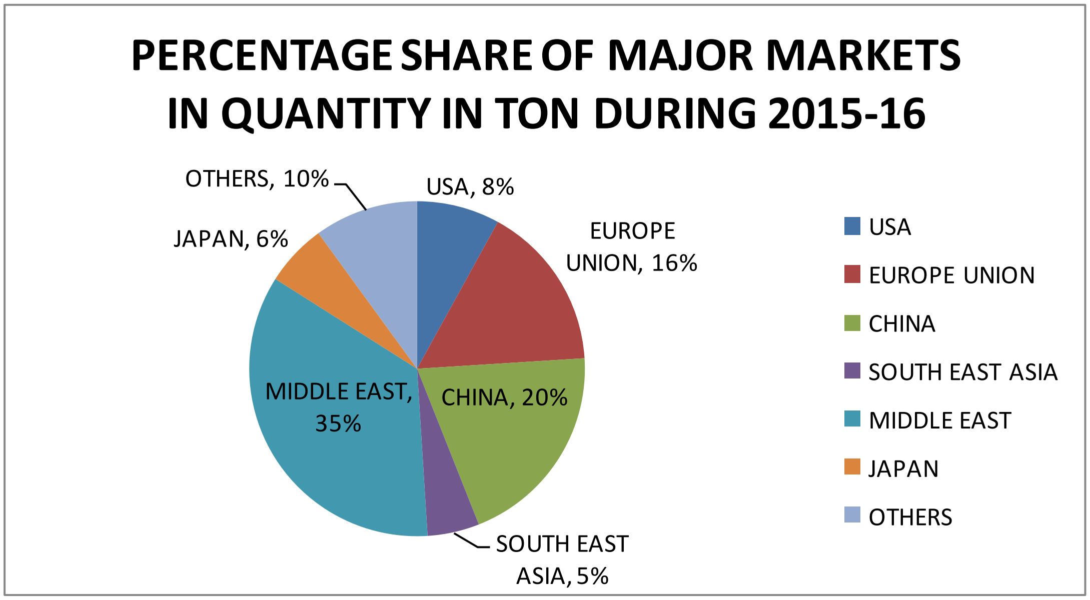
Abstract

India has an expansive coastline and seafood is a natural resource abundantly available. Aside from domestic consumption, most of this seafood is exported globally. Of the total seafood exported, more than 90 percent is exported in the frozen form. Frozen Indian seafood is in high demand all over the world. However, the production styles followed by most of the seafood exporting units are very similar. The technologies used in the export plants have also become obsolete and outdated when compared to technologies used in other countries like China, Vietnam, and USA. The emphasis on value addition is slowly growing among the Indian seafood exporters. They have begun to realize that in order to survive in the industry, they need to keep updating the production styles according to the global buyer requirements. Value addition will only happen when the best of technology is available for production. Technological advancement in any industry is not possible if there is not any support provided by the government. Government, technical people and the exporters, all three, hand in hand, must put their best efforts forward to ensure maximum growth in the export sector of the seafood industry. Any industrial development needs to be kept confidential within the scope of the industry. Only when the production style and the machinery upgradation are kept unique for the seafood industry, the demand for Indian seafood will increase worldwide. Every Indian seafood exporter must build his brand image by creating a specific USP in their production system. Value addition and technology advancement will determine the future of Indian seafood exports globally.

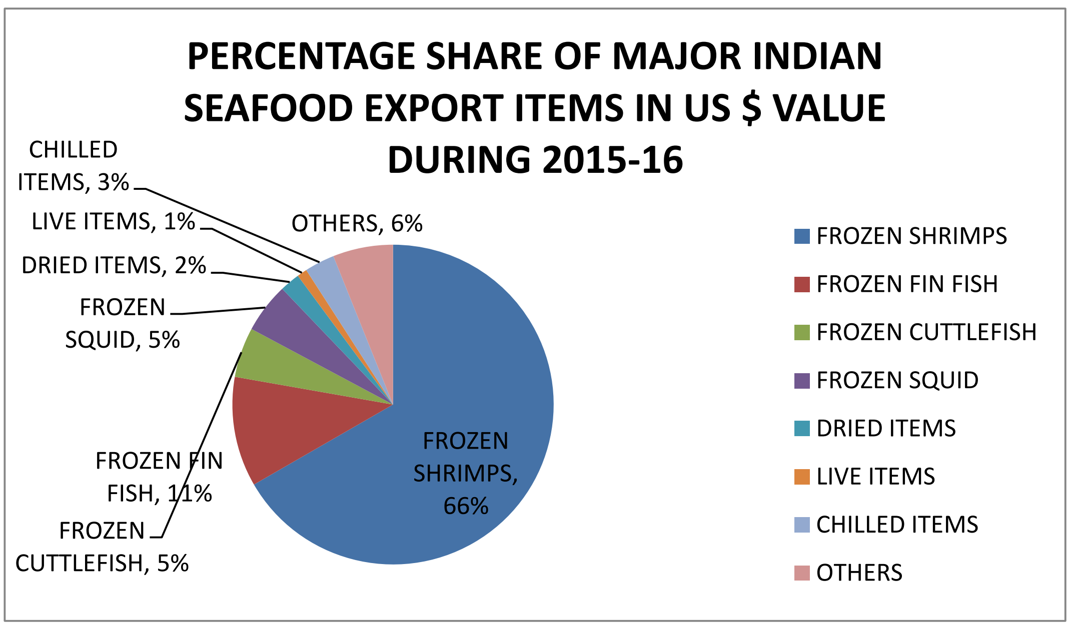
Keywords: Value addition, technology advancement, Indian seafood, export sector

Profile of the Industry

India has a long coastline and vast amount of seafood resources. Only a small percentage of the Indian seafood is consumed locally and major share is meant for global export. The Indian seafood export industry is a rapidly growing sector. The major markets for export are USA, Europe, China, Middle East, Japan and South East Asian countries. USA market is a volume based market. It is the market with the highest share of Indian seafood. China and South East Asian countries are also a volume based export market but most of the seafood is meant for reprocessing. European market is characterized with heavy documentation and colorful packaging. In recent years, Europe Union food authority have become stricter and clearing of Indian cargo at the customs has become difficult. Japan market is mostly dominated by naturally caught shrimps. However, a small percentage of artificially cultured shrimps are also exported. Customers recognize the product by the exporter's brand name rather than Japanese buyer's brand. Middle East market is a mix of value added products and products meant for reprocessing.



The major items exported are frozen shrimps, frozen cuttlefish, frozen squids, frozen fin fish, chilled items, dried items, and live fish.



Current processing style and production technologies

Block Freezing line:

During the early stages of seafood production, the processing style was mainly in blocks. Block freezing is mainly done in pan trays. The seafood are laid on the pan tray and uniformly arranged to have an attractive look after freezing. The freezing time normally takes about 70-90 minutes. This type of freezing has heavy glazing percentage. Glazing is the amount of water content in the product. Glazing is done to prevent the product from degrading. Sometimes if the freezing is not proper, then the glazing percentage will be less and it is called slow freezing. In such cases, the product is again refrozen for better glazing. Most of the seafood blocks are exported for reprocessing. These blocks are thawed and reprocessed and value added and re-exported to a higher value market. Even now this type of production is very prominent in many Indian factories. Block freezing is a very fast line of production and also consumes very less electricity and as the machinery required for block freezing requires only a small amount of current for its working.

Individually Quick Frozen (IQF)

One of the main disadvantages with block processing is that it is meant for the retail market, it is only meant for reprocessing. Block thawing takes a lot of time and to solve this issue, IQF processing is used. IQF processing freezes each seafood product separately and with a minimal amount of glaze around the seafood product. Sometimes, the buyers request for glazing percentage of 25 to 35 percent. However, a minimum of 10 percent glaze is necessary for keeping the product from deteriorating. . IQF generally consists of 2 steps, freezing and hardening. Once the product is passed through the freezing section, it is dipped under water and it goes to the hardening section where the water freezes around the product and a certain percentage of glaze is obtained after it comes out of the hardener. The packing style would be in 500gm, 1 kg, 2 kg, etc., based on the buyer's demands. It is packed and sealed in plain polythene covers generally. However, if buyer requests packing in their brand, then it is done buyer printed colour polythene covers. The thawing time for IQF products generally takes about 5 minutes. The product is directly sold to the retail and whole sale market. IQF pre-processing takes more time than the time taken for block processing since processing is done as single pieces of each product.

Semi-IQF:

This is another type of IQF processing where the seafood item is placed on plastic tray and passed through the freezer. A small amount of water is poured into the tray before freezing. So, when the tray comes out of the IQF machine, it the water would have frozen at the bottom of the tray and the product lies on top of the ice formed. The water is used as glazing for the product. This prevents the product from defrosting. Sometimes a small amount of water is finally sprayed on top of the frozen product to give it a shiny and clear appearance. The bottom tray is then packed with an upper cover and placed into the master carton. In this freezing, hardener does not have any role to play.

Blast Freezing:

This type of freezing is generally used for any type of fin fish. The product is stacked upon many trays. The trays are placed on a roller type of shelf. The shelves are then placed into the blast freezer room. Once all the shelves are set inside the room, then the room door is closed and the freezer fans are switched on. Heavy gushing cold air is produced by the fans and falls on the items placed on the trays. After few hours of freezing the trays are bought out of the blast room and packed in the master carton. Sometimes, after the trays are removed from the blast room, the trays are dipped inside water and again placed onto the blast freezer room for freezing. This water is used for glazing the product. The more the number of times the product is dipped in water and refrozen, the more is the percentage of glazing achieved.

All the above mentioned production styles process the seafood product in the raw state. This means that even after freezing it remains in the raw state. These production styles and technologies have been used in the industry for more than 3-4 decades. The present global market demands more value addition as customers across the world have started experimenting different types of seafood and their tastes have also been changing rapidly. So, the Indian seafood industry also needs to keep itself updated to the current market requirements. Indian seafood production technologies are slowly becoming obsolete and they are slowly picking upon the latest trends of processing styles and technologies.

Latest Processing Technologies

Cooking/Blanching Processing Line:

This type of processing reduces the bacteriological level to a very low percentage. The product is passed through hot air of temperature of 78 degree centigrade and then it is dipped in chill water. Then the product is dried by passing it through a vibrating plate. Then the product is passed through the freezer and the then glazed through the hardener. This entire process is called cooking IQF processing. If the temperature of the hot air is maintained a bit lower about 60-68 degree centigrade and then the remaining processing is the same, then the style of production is called blanching. The final product is devoid of bacteria and other microbiological organisms. Total Plate Count (TPC) is a measure of the level of bacteria in the product. In cooking or blanching, the TPC is maintained from nil to less than 10. Cooked or blanched product is in constant demand by many foreign buyers. After the heating process, the remaining process must be fully automated and there should not be any manual labor involved till the final product stage. There should not be any kind of contamination involved in between any intermediate stages. The Export Inspection Council (EIC) maintains very strict norms for factories having cooking or blanching line. Production systems having a cooking or blanching line are measure of high standard and it attracts foreign buyers because of the strict level of hygiene maintained in the processing.

Marinating IQF line:

In this processing style, the seafood product is placed individually on the IQF conveyor belt. The product then passes through a belt where the marinade is evenly distributed over the outer layer of the product. The coarse particles in the marinade can also be processed in a separate stage. The product is then frozen through the IQF freezer and with a small percentage of glaze through the hardener the product is finally packed. These products are exclusively meant for high-end customers.

Breaded Line:

In this production line, the batter mix is prepared and poured evenly on the seafood product. Then very tiny bread crumbs are spread uniformly over the product. These crumbs give it a very crispy outer layer. The product is then passed into hot oil where it is fried for 10 min with temperature of more than 172 degree centigrade. The fried product is then passed through the IQF freezer and without any glazing, it is packed and stored. This type of production is quite similar to tempura processing line.

Nobashi & Surimi production:

These 2 products are very unique and require some complicated techniques. In Nobashi, shrimps are peeled and un-deveined and placed in a nobashi tray. These trays are designed to hold 10-20 shrimps with a partition between each shrimp. After the shrimps are set, it is passed through the freezer and the frozen product is placed along with the tray into the final master carton. Surimi is a type of seafood paste. The seafood is ground and made into a paste and frozen. Both these products are considered a delicacy across the world.

All these latest production styles require a lot of labour and high end machinery. Preprocessing stages consume a lot of time and labour strength. These processing styles will incur a lot of infrastructure, money, investment too. Apart from the production system, Indian seafood industry must also concentrate on the raw material production stages. Indonesian and Ecuador shrimps are considered to be of the best quality across the world. On the other hand, Indian aquaculture farmers tend to use heavy dose of antibiotics in shrimps to improve their immunity and to better their yield. This has resulted in strict checking of Indian shrimps at customs across all countries. Indian farmers must be educated about good aquaculture practices. Indian fishermen must be aware of sustainable fishing to ensure the proper safety of environment too. Various packing designs and technologies have been recently introduced. Vacuum packing is used to remove the air from the package before sealing. This ensures that degradation can never happen. Shrimp packing takes the shape of the product. Such types of advanced packing must be regularly used seafood exporters to attract the end customers.

In most of the Indian seafood export factories, the freezing is done by ammonia gas. Ammonia gas is very risky when inhaled and causes breathing difficulty. Now, Indian exporters are slowly shifting towards nitrogen freezing or cryogenic freezing. This type of freezing involves very less risk. Some of the cold stores in India have started running on freon gas too. These types of freezing and cold store are very costly and require very sophisticated machinery. Only with the support of the government, Indian exporters can make products of global standards. The government must provide a lot of financial aid and subsidy for exporters to ensure that their export performance reaches new heights. When Indian export trade increases, more revenue comes into India. The processing norms issued by the government must be lenient at the same time it must ensure best quality processing practices. Export Inspection Council (EIC), Marine Product Export Development Authority (MPEDA) and other government institutions must provide their support to the Indian seafood exporters to improve their trade and ensure world class quality products.

Conclusion

Indian seafood production system is on the learning curve and their technologies are slowly upgrading to the global standards. Indian seafood exporters have started to realize the importance of value addition in the current seafood market scenario. With the help of the government and other supporting technical institutions, Indian seafood exports can reach great heights. The seafood production system is not just the factory; it includes a lot of entities like the raw material system, packing machinery, freezing machinery, cold store machinery. Each and every aspect of the seafood export industry must be updated to the world standards to ensure the long time survival of this industry.

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Demonetized Monetary System and Digital Economy: An Analysis with Reference to the Indian Economy.

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Abstract

The discussion on cashless, digital economy, electronic banking, mobile banking, etc, started in wake of the recent demonetization of high value currency denomination from the monetary system in order to accomplish two main objectives, to control the currency flow of the terrorist activities or usage of currency by the enemies of the nation and second to eliminate the black money from the system. There are three types of currency that can be extinguished by the government, one set of currency that is un-accounted or black money, another set of money is the accounted money in circulation and third set of money is the electronic money or money which is in the bank accounts. Here the demonetization will affect the money, which is in circulation both black and white money, whichmade a prolific impact on Indianeconomy, particularly in the downtrodden sectors like construction, rural informal sector and agriculture sector. Most of the sectors of economy have been severely affected due to the demonetization, there is severe contraction of income, consumption, saving and investment structure of the economy, it adversely affects the sectors which normally backed by the cash. Due to the compression of demand there are chances of a rise in price of essential commodities, there is uncertainly of income flowing to the construction sectors etc. There are also many challenges for implementing the cashless society like lack of digital infrastructure like internet facility, development of the telecom sector, improvement in the electricity supply, there should be improvement in banking infrastructure like network, awareness of technology etc.

Key words : Demonetisation, Digital economy, Indian economy

I. Introduction

The government of India implemented historic policy to cleansing the economy by extinguishes of high denominations currency among the less developed, less educated, highly cash ridden, less internet awareness societyetc of the country. Keeping the currency in hand and its usage whenever it is needed are the essential components of the social lifeof the country. Majority of the transactions in the agriculture sector is with the help of the cash and tangible cash provides some safety and security of the people in the poverty stricken, backwards villages of the country. Indian civic society is not capable to do the intangible cash transactions, and their behavior and cultural pattern which they are following since many years are not conducive for cashless ridden transactions. Under these circumstances government should be very vigilant from the migration of one system to another system completely. So the currency extinguishes will be done gradually and new currency or solution will be replaced with immediate effect, otherwise all the transactions in the society will be standstill although it may be temporarily but that short term after affect may not be adjustable to the large sections of the agriculturally dependent family in the country. The reason for the currency implementation wastwofold.To control the currency flow for the terrorist activities or usage of currency by the enemies of the nation. The second important reasons would be to eliminate the black money from the system. The basic objectives of this paper are to provide a brief view on the aspects of cashless society, financial inclusion, and recent monetization in our country. Impact and challenges of the demonetization also added as other objectives of this paper.

II. Cashless Economy and Financial Inclusion

Cashless economy means the situation in which there is no medium of transaction with the tangible cash and all the transaction will be existing with the non-tangible or digital assets like debit cards, credit cards, net banking, digital wallets, digital currencies including bit coins etc. now a days after the popularization of the smart phones and internet it is becoming increasingly popular among the some sections of the people in the country, but still there is long way to go for fulfilling the cashless society. The world started to think about the cashless economy particularly during the 1990s when internet become popular among the world countries and by 2010s different varieties of digital payments came in to existence. In India working class completely rely on exclusively on cash with about 97% of the total transactions with rupees. In India 93% of the people working in the informal sector and that working class depend on the cash transactions rather than formal corporate transactions. Government of India started a flagship programme with a vision to transform India in to digitally empowered society and knowledge economy. "Faceless, Paperless, Cashless" is one of the professed role of digital India, in order to fulfill this strategy government of India encouraged usage of Banking cards, USSD, AEPS, UPI, Mobile wallets, Banker prepaid cards, Point of sale, Internet banking, mobile banking etc with capacity buildings and awareness programme.

Financial Inclusion may be defined as "the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost"(C. Rangarajan). The term financial inclusion was first time used by the Y Venugopal Reddy, former RBI Governor in 2005. While reorganizing the ground reality one could say that in India, the large sections of poor and backward class people are out of the former banking system like they are not aware of the credit cards, debit cards, internet banking facilities in our country. Whilerecognizing Y V Reddy statement, the concept of financial inclusion got wide publicity in the country and abroad and to fulfill this progamme Reserve Bank of India permitted commercial bank to make use of services of NGOs, SGR, micro finance institutions and other civic society organization to play intermediate role for providing financing and banking services to the poor people in our country.Therewas a committee also formed to promote and strengthen the campaign of this deep financial policy. As a result of this programme some of the states in India like, Pondicherry, Himachal Pradesh, and Kerala announced 100% financial inclusion in their district.Government of India announced the policy of Jan DhanYojna to increase the financial inclusion of those people who never had a bank account, under this scheme 250 million bank accounts have been created. But still some the roadblock like income, very less salaries, illiteracy less awareness among the rural are standing as big challenge to the many states in our country. Thus if one could really improve the system with the improvement in the technology and other infrastructure facilities in the society and banking sector there is no issue with making of the policy like demonetization and cashless society.

III. Electronic Banking/Digital Banking

The argument for cashless society has been started in India after the remarkable decision of the government of India to demonetize the high value currency from the monetary system. The discussion on electronic banking in India is started with the dispersion of smartphone among Indians. The physical transactions in India are very expensive and time consuming that needs improvement of physical infrastructure also. Why there is high demand for electronic transactions because among Indians bank account holders are very less, but mobile phone usages are very high, so one there is enough space for the dissemination of the digital transactions. Some of the important advantages of the e banking are one can save the time for the transactions, reduce the expense for making physical infrastructure, reduced risk of loss and theft in physical assets, commission of transactions is very nominal, user friendly usage of most e banking system and very convenient for transactions of money from one place to another. Although the government of India started the initiative of the cashless society, but cent percentage cashless is not possible even our experts also not in favour the concepts of the complete cashless one, instead one can prefer less- cash society. Some of the studies also reiterate the concept of less cash society. In developed countries 20% are using cash based transactions and as per the survey conducted by Gall up in USA shows that 24% of the people are doing cash based transactions despite the high proliferation of mobile technology, e commerce and advanced technology. But the electronic banking system is not free from criticism from many points of view due to some grave concern to make society cashless one. One should change the mindset of the people to familiarize the concept of intangible financial transactions rather than age old tangible cash transactions. Some of the important constraints for making digital transactions are lack of awareness and clarity regarding transferring money from one account in to another, the fruadality and fears of hidden charges also un avoidable. For the dissemination of large scale of digital payments, e commerce should be very ubiquitous and underlying platform like internet and smart phone facilities should be held together. When we look at the merchant's side many were distrustful about the payment service provider and customer, that condition of dubious must be removed in order to make system enhanced.

Government of India is tries to do many effort to fulfill the idea of digital economy, but one of the major concern is the there is no comprehensive legislative framework to the protect the consumer rights. As more and more Indians for digital the rights of consumer should be strengthened and government should make privacy law. Government of India also waived or removed transactions fees for buyers on credit and debit card payment. The four important wallet facilities in India also growing after the demonetization like Airtel, Mobiwkik, Paytm, SBI Buddy etc. the number of downloading and usage also increase particularly after the process of digital economy. RBI endorses the concept of Aadhaar ATM card in order to strengthen the financial inclusion in the rural areas. it can reach up to 350 million Indian who do not access of mobile facilities and 93% of Indians are having the Aadhar card.

If one do all the transactions through digital, there would be having some limitations like number of transactions will be limited and there will be hidden and concealed fees. In the matter of security, India is known for fraudulent in internet and there are chances for being hacked the mobile security. Information related to balance in the account, transactions details are stored in the data base of the bank, so there are chances to leak the information. Internet is the major platform for the digital economy, so if there is any difficulties happened in the internet, the economy will be in dead like situation.

Mobile Banking

Mobile banking is an important component of the electronic banking in India. The discussion on electronic banking in India is started with the dispersion of smartphone among

Indians. It would be more beneficial since the mobile accessibility among Indians is higher and almost all mobile service providers also giving the internet facility. This can also reduce the expense, save the time; reduce the transactions charges, hidden charges etc. With regard to the transactions, according to the HDFC bank for the last two years 40-45% of the transactions were happened in the bank branch but now it has reduced to 18%. Bank has gradually moved from offering non-financial services to the financial services through mobile phones. RBI has allowed using semi closed wallet by mobile companies, through this people can send and spend money through the mobile network but can't withdraw money. Airtel, Vodofone and idea are offering such service. Mobile banking is bank for the future because of the cost effectiveness and ability to reach customers. Despite the large scale use of mobile phones in India the smart phones penetration is limited less than 20% which restricts the full scale mobile banking. According to RBI one can person can have only bank account and the limits for transactions limited to 50000 per month. Digital infrastructure like, electricity, internet and telecom facility should be strengthened in almost all the areas of the country. India is still need to connect many villages with electricity connectivity. Technological awareness should be given to all in order to develop the system more economically viable and socially worthwhile.

E wallet

As part of the government of India initiative for the promotion of digital transactions and campaign for the cashless society, E wallet system has been familiar among Indians. E wallet means the digital wallet and any time one deposit and withdraws the amount from it. It is like invisible wallet where one can store his money and make transactions whenever he/she wanted to make. This e wallet is an important component of the digital transactions. Some of the Telecom Company, private entrepreneurs, private bank and public bank offer the facility of the e wallet in our country. Some of the e wallet provide the facility of transactions of the money from wallet to bank account by the instructions of the reserve bank of India and some of them just provide only purchasing and other kind of purchasing and digital transactions. The wallet like paytm, Mobiwkik, Oxygen wallet, Citrus wallet, Itzcash, Airtel Money, ICICI Pockets, mrupee, SBI Buddy, Vodafone M-pesa, HDFC PayZip offers all kind of transactions including the transfer money from wallet to bank account. While some other e wallets like Freecharge, Axis bank Lime, JioMoneyetc just offers digital transactions excepting money transfer to bank account. Now a days it has been playing a significant role for making and promoting the digital economy.

Advantages of cashless transactions

Control over the black money in the country: The process of demonetization to extend may curb the black money in our country. but the people who know how to keep the money in stash, they also might be know how to convert to other assets, since there is no legal issue to transfer to other assets like gold and land. Demonetization leads to the clean and transparent transaction and can control cash based parallel shadow economy.

Control over the fake currency circulation in our country: as per the various reports, there are high percentages of counterfeit currency are circulating in our country, which is largely printed from our neighboring nations. One can expect that demonetization will reduce the counterfeit currency in our country. Money laundering can be controlled because money can be traceable very easily

No funding for enemies of the nation: The sudden currency extinguishes will reduce the money in the hands of enemies of national who wants to defame the progress and economic development of the nations. This also will improve climate for foreign investments, since faith of the foreign corporate companies to our economic system will increase.

Proper tax payment: if the proper accounting by the banks the avoidance of tax payment can be reduced to so extend. After the policy black money can also reduce enormously.

Illegal use of money by the political parties: In India one fact is that high share of black money used various political parties in our country, no party is exemption from this allegations and also there is nexus between political parties and business class in our society which is known as the crony capitalism. For the election campaign various parties funded by the business class and one they come they may make policies in favor to them. So all these flow of money is basically un-accounted money. So the sudden disappearance of money will impact on the storage of these kind of money at least for some extend.

Avoid wastage of currency: if there is large volume of currency in our society, it will be foiled after some stage of medium transactions. It is also high responsibility to destroy the foiled currency. So the new policy can reduce the waste of currency.

Save the money for printing the currency: one can save the time and money for printing the currency.

*Strengthen the process of financial inclusion:*Credit can access through bank and one can linkage all the welfare programmes through bank accounts and it will increase the sense of faith in the banking system.

Cash Crime can be reduced: If people carry cash, it will leads to crime and theft might happen at any time even if it will keep in home or in bank. There is evidence that in developed countries the electronic cash leads to reduction of crime

Improve Economic growth: Influx of large amount of money in to the bank leads to the reduction of interest rate there by reverse process of flow of money can be happen which leads to the increase in economic growth of the country. When people started to use debit/credit it will leads to the increased consumption there by Indian economic growth further strengthened.

Demonetization/Currency Extinguishes

In India the process of demonetization has been introduced recently in order to curb the corruption in India. As part of the demonetization government the scrapped the high valued currency in our country which constituted the 86% of the total currency in circulation in our country. In India the 90% of the cash transactions taking place through cash. Some of the other objectives are to maintain the price stability, to make a cashless society through cashless transactions, to restrict fund flowing for the terrorism purposes and other illegal activities. There is also another aim for the demonetization is the financial inclusion, for this government of India announced the policy of Jan DhanYojna to increase the financial inclusion of those people who never had a bank account, under this scheme 250 million bank accounts have been created and Bank increased their branches by 5% and debit cards, credit card and ATMs also doubled during the period between 2012-16.After the immediate scraping of the high denomination currency it had badly affected the sectors like agriculture, real estate, rural informal sector etc, as per the world bank of report of 2010 it was estimated that, in India black money constituted one fifth of the Indian GDP. There are three type of currency that can be extinguishes by the government. One set of currency that is un-accounted or so called black money, another set of money is the accounted money of circulation and third set of money is the electronic money or money which is the bank accounts. Here the demonetization will affect the money which is circulation both black and white money.

Short term impact of currency extinguishes

The fortnight policy of extinguishes of high valued currency leads to the nightmare of the sectors which normally back with cash, especially the sectors like agriculture, construction, and other informal sectors of the country. Let explains some the immediate impact of demonetization in the country

- Since income and consumption are intrinsically related to the transactions in the economy, the demonetization would lead to severe contraction in the income and consumption and this would severely affect the people who receive income in cash rather than through account.
- It will affect all the sectors of the economy where it is usually backed by cash. For example transport services, kirana fruits and vegetables and all other perishable would face compression in demand which is backed by the purchasing power.
- Due to the compression of demand by the consumers, there are chances of rise in price level in the economy (once the stock of commodity is got over)
- Compression of demand by non-essentials by all the agents in the economy in the face of uncertainty in the availability of cash. This would transmit to the rest of the sectors as well.
- There will be uncertainly of income flowing to the real estate where unaccounted income where placed. So the contraction of income from the real estate will be having adverse impact on the income and employment.
- The farmers in India carried out their sale and purchase in the economy by using the cashand with the elimination of cash from the economy the sale of khariff would be difficult. During the sowing time farmers may not able to access the input required from the market.
- In the construction sector, payment to workers as well as the variety of purchases would be might be carried with the cash. So on the supply side the sector will be affected adversely on the other hand on demand side the demand for the construction of house and buildings would be appear as non-essential goods. So both in demand and supply side there would be significant negative impact on the demonetization.
- The number of agents who are doing the medium of exchange through cash and if the number of agents if they are moving for the digital version of currency or money that, it will get longer time for the people to familiarize with new version of digital transactions.
- The currency extinguishes will leads to the accounted and unaccounted money will accumulate in the bank and that will have more capacity to support Indian economy.

Impact on the consumer:

- The spending behavior of the consumer might be change once started to use cash substitutes. It may increase the spending habit of the consumer.
- Credit and debit card is associated with more spending and more debt as well.
- The massive use of credit cards and debit cards will leads to the increase in spending for the non-essential commodities.
- It may create the situation where more expense less saving and investment

Thus these kinds of changes will be having long term impact on the economy, as well as budgets, priorities of agents in the economy. This kind of situation will push the economy further the collapse of the system. So the suitable managements and other expert's collaborative efforts required in order to save the system from complete collapse.

Table:1 Growth of Ditital Economy

	Nov.8, 2016	13-Dec-16
E wallet	2.2m	5.6m
USSD	97	2444
RuPay	0.37m	1.85m
POS	5.02m	9.81m
UPI	3721	67225

USSD: Means

Challenges and transition issues in demonetization

Digital Infrastructure issues:

There will be considerable improvement and development must be done in the field of digital infrastructure like banking sector, telecom sector and electricity sector. Now days these sectors are very much interlinked. The limitation of one sector will leads to the impact on the other sector. In many parts of the country the electricity and mobility connectivity is not in a position to support the digital infrastructure in order to enhance the medium of exchange through the non-cash mode.

Online/Internet Issues:

The one who starts for the online transactions, cyber security must be strengthened. India is one of the country is having high leakage data. There is usual hacking is also happens among in the cyber space which loose the hard-earned money of vulnerable Indians. People in the country do not want to take of the risk of being in cyber space. In the matter of connectivity, there is poor internet connectivity in the rural areas and poor people do not capable to afford with high internet cost too. The poor Indians might not be capable to purchase their high expensive smartphone to make online transactions.

Consumer Behavior issues.

Apart from the digital infrastructure issues there are other issues like consumer behavior should change in order to cope up for conducting accepting and receiving the money through cash substitutes. The consumer should be enough educated to move from tangible cash to non-tangle electronic cash transactions. And also both agents should have considerable rely on the technological transactions and the future of the cash substitutes depends on this reliability among agents. There is high unemployment, poverty and lack of literacy among Indians. Among poor Indians cash in hand leads to the safety and security.

Accessibility in Language:

In most of the bank's ATM, they have configures with two or three languages mostly, but in large crowded areas or city like metro Politian diverse crowded one can find out. So it has to be configured with multiple languages in order to smooth functioning of the system.

Banking issues:

Banking system in India is needed to be restructured with the non-cash transactions. The employees of banks must be acquaintance with the new system and they should have enough technological awareness for dealings in cash substitutes.Banks have to remodel their investment decisions corresponding to a given level of deposits as people may not withdraw their money in cash instead some percentage of money will keep in the bank itself or transfer another bank and in reality it will keep in the bank as non-transitory.There will be mismatch between people's preference for cash and the availability of cash.

Suggestions to strengthen the system

- The digital infrastructure must be improved both in rural and urban areas so that one can do process of financial inclusion very smoothly.
- Government tries to give awareness programmes with the help of AkshayaKendrsa, GrammaSabha, Local schools etc
- Government should be provide digital literacy with adequate financial incentives in order to strengthen the cash less transactions, but now a days it shows the discouraging efforts from the banking side.
- Privacy of the people if they keeping money in the bank, should be maintained and strengthened
- One has to do the financial inclusion gradually in place like infrastructure is highly developed like urban areas and it should be spread to other areas very gradually.
- A strong banking sector is inevitable for the cash less transactions with high networking
- Cyber security must be strengthened by the government in order to protect people's money in their account. India is one of the countries having cyber security is not that much strong.
- There will be chances for people getting unemployed. The one who employed cash related activities will be replacing by the machine so people get unemployed
- If people investment un-accounted money in property and gold, it will less effective for the demonetization of currency.

IV. Conclusion

One can conclude the paper, the recent currency demonetization and its impact on the society generally and on the economy particularly is highly discussing topic among the academicians and researchers in the interdisciplinary research areas. There are three types of currency that can be extinguishes by the government. One set of currency that is un-accounted or so called black money, another set of money is the accounted money of circulation and third set of money is the electronic money or money which is the bank accounts. Here the demonetization will affect the money which is in circulation both black and white money. Normally the sudden and instantpolicy impacted on the sector which is normally backed by the cash like rural informal sector, construction, real estate, automobile etc. but this policy implemented without considering the ground reality in our country that majority people are surviving with lack of literacy, lack of proper food, poverty etc, and it has implemented without giving much awareness programme to change the behavioral attitude of the people to adapt the highly intangible transactions. One could really improve the system with digital infrastructure like internet, online transaction awareness among the poor for the cashless economy. Another fact is that if the accounted money kept in property and gold rather than cash, one cannot say it will completely wipe out the unaccounted money. Thus one could say that the economic loss due to the demonetization will be greater than economic gaining due to this policy and demonetization is the short-term solution to lifelong issues in India.

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Economic Transformation through Entrepreneurship
"A Hidden Worth in Waste From Rural"

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Abstract

Hair industry is one of the fast growing export based business in India. There is hidden worth from waste and it's become unpopular in export industry. Human hair is export from India to so many countries and capturing new market from like Rangoon. Myanmar, Africa etc. Remy and Non Remy hair is exporting to so many countries and its create direct and indirect business and entrepreneurship opportunities. Sourcing of human hair is one of the biggest challenge in hair trade business. Temples are playing an important role for procuring quality Remy hair. Now a days the hair collectors are travelling all aroundthe villages and collect the human hair from house hold women's. This article is articulates about the hair industry and present trend of hair export is analysed and revealed the business and entrepreneurship opportunity in hair trade. Entrepreneurship is started in hair industry from rural. Indian is covered with more rural areas. The hair industry must pay more attention to improve the hair trade business through encouraging women's, youngsters and unemployed in rural.There is an excellent scope for the Indian hair industry to improve and support for the economic development through promoting Entrepreneurship in Hair business,

Key words:- Human Hair, Remy and Non Remy Hair, Temple hair, village hair.

I. Introduction

"HAIR" are you think it's worth or waste. It is good time to explore about the wonders happening in the Hair Industry. In general hair is waste when its go out and we don't give much importance after its cut or removed from head. But there is a hidden business boom is going on in hair industry and entrepreneurial activities is started in many places particularly in Tamilnadu. Because Chennai is one the hub for exporting of human hair. It is good opportunity to various entrepreneurial seekers to step into this industry. India is one of the leading country in exporting of human hair in the world, due to the practice on tonsuring their hair. This article explore the reality of ongoing hair business and its entrepreneurial opportunity in Tamilnadu, based on the article and information published in various sources.

An Overview on Hair Industry

Human hair export from India is a 2,500 crore business and the country is a key player in the global beauty industry (GireeshBabu, AN, 2016). Hair Industry is one of the wealthy industry by exporting of various hair and hair products from India. India having advantage in procuring long hair and other types of hair from various places. Indians are having a practice to tonsuring their hair as sacrificeto god for thanks giving. Particularly Chennai is one of the hub for exporting of human hair. Human Hair is harvested from temples, villages (household women's), and barber shops. Industry people procure the human hair from Tirupathi and other temples from TamilNadu. Tirupathi is one of the world number one source place for human hair**.**

Even now more peoples are unaware about this industry and what is happening in this business and industry profile. Reha Almeida said (2017), Indians are not familiar with large human hair export industry brimming. Many cosmetics related industries are depending the hair and hair products to strengthen their industry and keep their customers consistently. Compare to India with western and other countries, more number of cosmetic industry is engaged to full fill the customer needs like wigs, hair clips, colored hair and other hair varities.

Hair industry is now moving forward in technology and focusing on capturing new market. The list of exporting countries are adding year by year. Rhea Almeida, 2017, said that, India also sells it top notch product to Rangoon, Myanmar Africa etc. Godrej consumer products in India even announced their plans to acquire the South African based company Friska, who specialize in a wide range of quality hair extensions.He also state, Indian Hair, with its thick, dark, slightly way texture, is very popular in the hair extension industry. Indian hair industry is suffered due to smugglers.

An overview of Hair Export

Human hair is exporting so many countries from India. Human hair processing industry setup is large level but with compare to China, it is less. Human hair is process at certain categories and export to many countries. Hair and hair products are more demanded items in cosmetic industry. It is one of the major items in cosmetics particularly western countries. Nowadays western culture were scattered all over the country and places. The cosmetic industry is most wanted and booming industry all over the world. There are different types of hair is exporting to various countries at different prices. There are two types of human hair is harvested in India i.e., Remy Hair and Non Remy hair. Remy hair is collected from temple. After processing it create natural look. Non Remy hair is collected from various holds and not like natural look and it's useful for so many hair products like wigs, hair pieces etc. the price of raw human hair is approximately around INR 3000 to INR 4,000. Processed hair is around INR 8000 to INR 12,000 based on the length and quality. The demand for human hair is increasing and the business is absolutely booming in India.

Table-1 Human Hair Exports

2008-09	2009-10	2010-11	2011-12	2012013
$179mn **(Rs 970 Cr)***	**$194mn** **(Rs1,050cr)**	**$188mn** **(Rs1018 Cr)**	**$278mn** **(Rs1505 Cr)**	**$370mn** **(Rs2000 Cr)**

Source-http://www.thehindubusinessline.com/companies/where-hair-makes-for-heady-returns/article4512981.ece

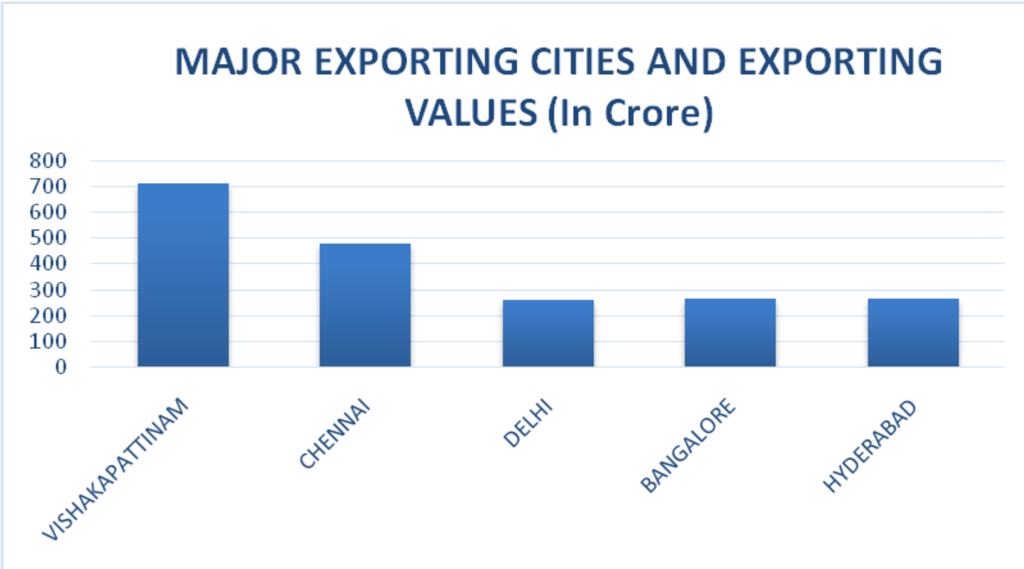
The above table shows that every year the value of human hair export is increasing. It is understood that the human hair industry is growing and the demand for the product is increasing continuously. So it is good opportunity to step into this industry in this right time. India is one of the biggest player in the human hair industry and export up to $400 million worth of human hair every year(www.smallstarter.com). The following tables are depicts that the major exporting ports and hair importing countries and the value of exports.

Table-2 .Major Hair Exporting cities and values

S:No	Port	Quantity (in Tonnes)	Values (INR-In crores)
1	Vishakhapatnam	1388	710
2	Chennai	525	481
3	Delhi	507	262
4	Bangalore	387	268
5	Hyderabad	387	268

Source: EXIM data from www.tofler.in

Chart-1 - Major Hair Exporting cities and values



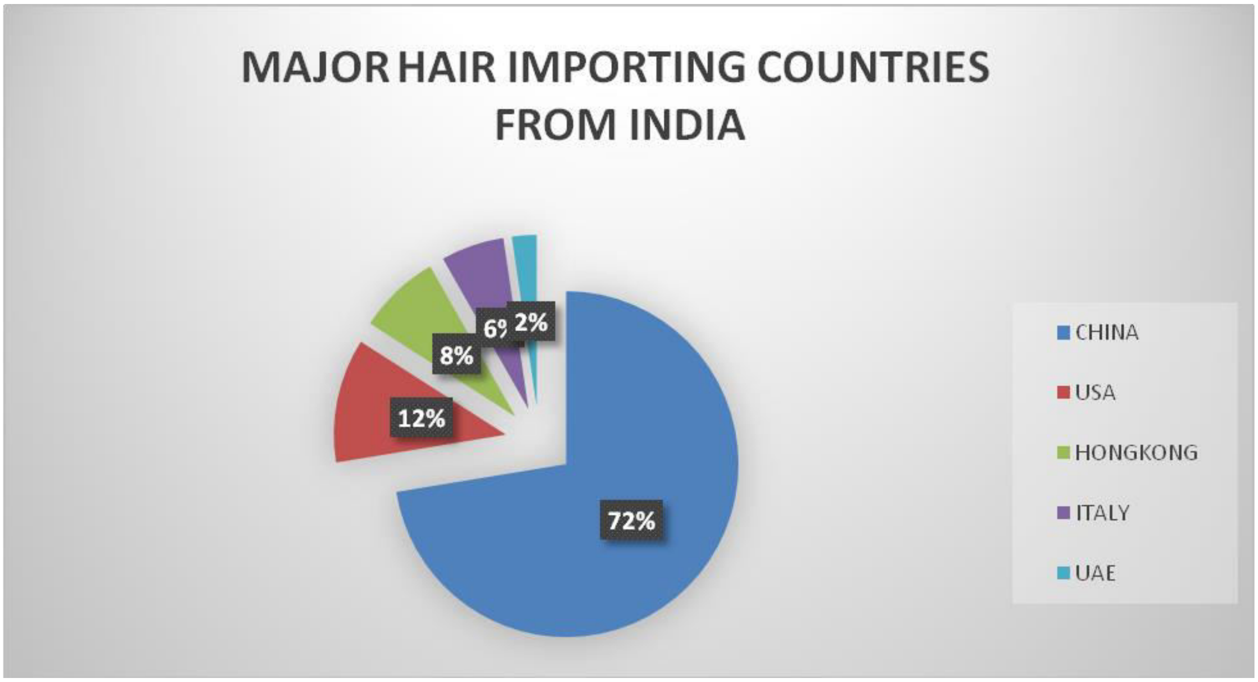
The above table and chart shows that,the human hair is exporting from various popular cities in India and their values. It is understood that there is an opportunity to start hair business based on the sourcing place of human hair. Tirupathi is major source of Remy human hair and it is one of the largest in world.Vishakhapatnam is located in the same district, so the value of hair export from Visakhapatnam is higher than other. Chennai is one of the major port it is located in Tamilnadu and border of Andhra and near to Tirupathi and it is the major port for rest of Tamilnadu. In hair export ports are playing important role and most of hair export is carried out through port compared to air.

Table-3. Top five Human Hair importing countries from India

S:No	Country	Values (INR- In crore)
01	China	1213
02	USA	195
03	HongKong	129
04	Italy	99
05	UAE	39

Source: EXIM data from www.tofler.in

Chart-2. Top five Human Hair importing countries from India



The above table reveals about the top five hair importing countries according to its value of imports. The major importers of Indian hair are China, United States of America, Hong Kong, Italy and UAE and its value. The importing country list is more, now a day's new market is boomed for hair market. The beauty is China imported human hair from India is high and its exported to many countries and its play as big human hair industry in the world. According to world trade organization china exported 75% of the human hair and it's continue to dominate the international trade in human hair industry. Recently Africa is one of the booming list in import of hair and hair product from India.Massive demand for human hair in Africa has made a lot of entrepreneurs and investors rich. The market for imported human hair is booming in Africa is because millions of people, predominantly women are demanding for it. Definitely hair industry is booming and entering in to all over the country.India having tremendous opportunity to strengthen the hair trade business in forthcoming year.

Opportunity to Step-in to Hair Business

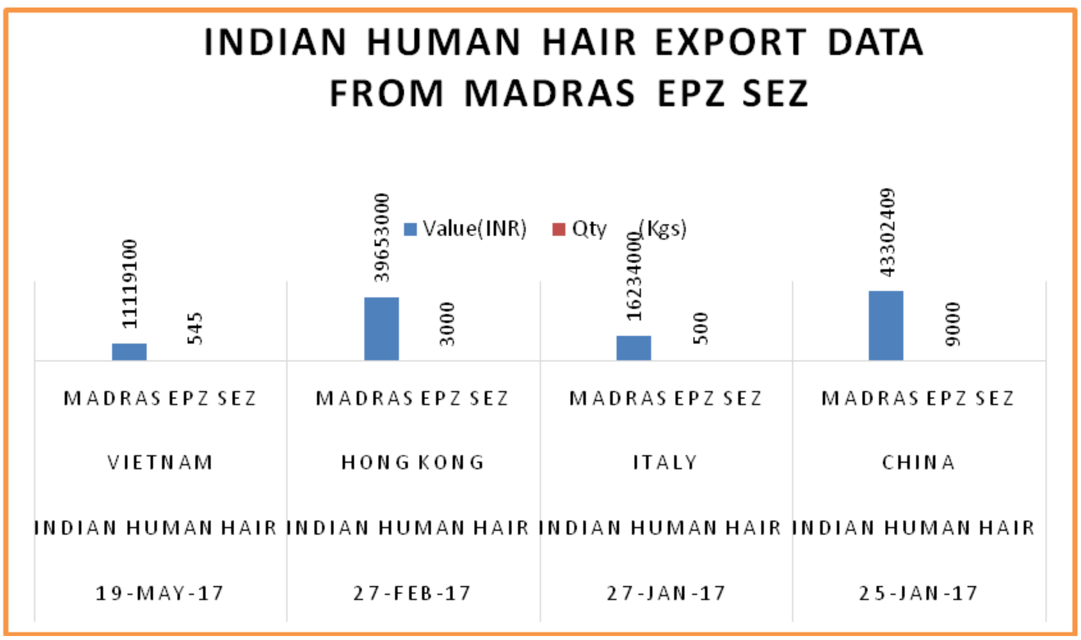
Exploring of trading and entrepreneurship opportunity in human hair business is more in present business scenario. Business seekers and entrepreneurship mind setters are must know about this industry information and jump in to this wonderful money making industry. And explore to the unknown world and create more changes in hair industry.

Table -4 Hair Export (Sample- Madras EPZ SEZ)

Date	Product Description	Foreign Country	India Port	Value (INR)	Value (USD)	Std Unit	Qty
19-May-2017	Indian Human Hair Non Remy Doubledrawn Black 18 - 30	Vietnam	Madras EPZ SEZ	11119100	174828.77	KGS	545
27-Feb-2017	Indian Human Hair 10 Up	Hong Kong	Madras EPZ SEZ	39653000	599441.12	KGS	3000
27-Jan-2017	Indian Human Hair Remy Single Drawn16-26	Italy	Madras EPZ SEZ	16234000	240860.53	KGS	500
25-Jan-2017	100 Pct Human Hair 12 - 16	China	Madras EPZ SEZ	43302409	642469	KGS	9000

Source- http://www.infodriveindia.com/india-export-data/human-hair-export-data.aspx

Chart-3 Hair Export (Sample- Madras EPZ SEZ)



The above sample export data table and chart represent that, how much of Indian Human Hair is exported to other countries from Chennai EPZ, SEZ. This is only a sample data to understand the export opportunities and the demand for the hair business in Chennai. Chennai is one the major city in India for engaging hair export business. Now days in Tamilnadu particularly in Chennai, the hair (Non-Remy- Village Hair) collection business is start to rising and some awareness are spread over.

Human Hair Trade

Procuring of Human hair is one of the major part and challenges in hair industry. Only financially strong industries or traders can engage in this business. The value and demand for Remy hair types is high in nature so it is procured through auction from temples.

Village hair(Non Remy) is procured from various households from all around rural areas. In general women fallen hair is safely kept by household women's and it is collected by hair collectors. People like Devagopi in wagaraiyar colony he collect hair from 65 houses, he collects 50 kilos of hair per month (Sudarshsn, 2017). It is great opportunity for the various business seekers, entrepreneurs and other business minders to setup this hair collection process in an organized way. Setting up the hair collection business is one initial start to enter into this business, later having more experience there is good chance to understand the hair processing industry in to hair exporting business.

Figure-1

Ekambaram has been in the hair collecting business since hair was sold at Rs.7 a kilogram. Today, hair is sold by him at the rate

of Rs. 3,400/- rupees a kilogram. He works and lives in this small cubicle in Vellore district. | Photo Credit: Dinesh Krishnan – source- Source-http://www.thehindu.com/news/national/tamil-nadu/the-mane-entrepreneurs/article

It is the right time to wake up and pick up the excellent prospect to develop the rural economic based trade and business. Creating and spreading the awareness to rural based household youngsters, women's, barber shops and temples about the importance and value of human hair and its hidden worth. To overcome the unemployment issues and developing the rural based trade through unemployment women's and youngsters. The human hair exporters, government and local government are encouraging these peoples to step into this human hair business and make it value for therural based economic development aspects.

Creating entrepreneurs in human hair business is a golden opportunity through hair export promotion council and other business association and government. The trading opportunity is exploredto attract the new entrant. In hair export business so many entrepreneurial opportunities are identified. Like human hair collection from villages and temples and sell it to hair processing industries. Procuring of human hair small temples when celebration and function times without many procedures. Small processing units may set up after getting knowledge and experience from human hair processing industry. There are so many ways are open to enter into this waste management industry.

Conclusion

According my previous research in Opportunities and challenges in Export of human hair, it is clearly mentioned that there is many scope to develop and creating entrepreneurship opportunity in hair business. Now after reviewed so many magazines and information from various sources recently, it is clearly understood that the hair business industry is well growing and so many peoples started to engagein hair business. It is golden opportunity to various business seekers to step into and develop this business in an organized and structured way of doing human hair trading. Particularly there is good prospects for rural based women's, youngsters and unemployed person to engage in this growing industry to support the hair export business and economic development.

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Investment Decision for Training of Human Capital – A Study Among HR Managers In Chennai

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Abstract

The 'Dog eat Dog' kind of business environment today requires the business houses to make wise choice of investment to reap better and long- term returns. One of the most important area of investment but is often overlooked is investment in its largest assets "Human capital" – the employees of the organisation. Human capital investment refers to the process of investing in the skills and capabilities of the work force. The transformation from industrial sector to information sector has made knowledge and skills as the crucial factors to attain competitive edge. The careful investment I human capital increases the productivity by providing ample opportunities for the growth of employees through education and improvement programmes.

There are numerous studies on the effectiveness of training and employee performance after training but the least concentrated area is the factors that govern the choice of investment in human factors. The present study aims to analyse the factors that influence the investment decision. The variables are given as statements and the researcher proposed to apply percentage analysis, Factor analysis on the data is collected from 50 HR managers. The findings of the study would provide an insight to the HR managers and for training centres to design their curriculum accordingly.

Key words : Human Capital, HR Managers, Investment Decision, Training

I. Introduction

The 'Dog eat Dog' kind of business environment today requires the business houses to make wise choice of investment to reap better and long- term returns. One of the most important area of investment but is often overlooked is investment in its largest assets "Human capital" – the employees of the organisation. Human capital investment refers to the process of investing in the skills and capabilities of the work force. The transformation from industrial sector to information sector has made knowledge and skills as the crucial factors to attain competitive edge. The careful investment I human capital increases the productivity by providing ample opportunities for the growth of employees through education and improvement programmes.

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Importance of Human Capital Development

Intensified competition among business organisation, drive them towards making wise investments in recruiting, training and human capital development as workforce is the unique factor that carves a niche among competitors. Workforce or the human factor is a vital factor impacts the growth and survival of any organisation. Human Resources is the most complex and crucial factors about which decisions need to be taken after a careful analysis. Tabibi et.al (2011) viewed that, for this reason along, todays organisation pays more attention towards their workforce and try to retain and develop them.

Human capital investment refers to the investment in the employees for their upgradation, development and thereby influencing the organisation is a positive way. The socio, economic, technological changes have place Human capital development on the top priority list of organisations (Nasirpour, 2005).

Need for Investment in Human Capital Development

Human capital refers to the economic value offered by employee to the organisation through their knowledge and skills. On an average 70% of companies' costs account for cost of human capital.

Talent mobility survey 2015 reports that 40% of the organisations do not care for proper investment in their human capital.

The benefits of investment in human capital are;

- Increased employees satisfaction
- Developed employee engagement
- Improved retention rate
- Improved organisational communication
- Better recruitment process
- Positive company culture.

II. Review of Literature

Nakamura (1981, 265), for pre-modern Japan, defines human capital broadly as 'labour skills, managerial skill, and entrepreneurial and innovative abilities-plus such physical attributes as health and strength'.

Krueger and Rouse (1998) investigated workplaceeducation programmes in two Americancompanies in the service and manufacturingsectors respectively. The programmes includedlearning of generic skills such as reading, writing,and mathematics as well as more occupationalskills such as blueprint maths and blueprintreading. The results indicated that participating ingeneric training classes had no significant impacton employee wage growth. Occupational trainingclasses, on the other hand, yielded a positiveimpact.

Malihe Mohamedi & Masoud Ghorban Hosseini (2015) in their study titled "Identifying and Measuring Factors Affecting Human Capital Development in Social Security Hospital of Saveh City" concluded that the factors commitment, planning and organisational factors positively and significantly affect human capital development process in any organisation. Their study was conducted among 190 employees of social security hospital of Saveh using factor analysis.

In the opinion of the business enterprises ten to invest in their psychological and professional assets (i.e.) Human resources of an organisation to enhance their potential to contribute to the organisation growth. This investment can be for general training and development or for development of a specific skill set.

Kucharakova, A, Vodak, J.E. (2011) classified the costs of human developed as training need analysis cost, training cost, evaluation cost, cost of teaching aids, technologies cost etc. Further the study stated that the organisation will also be influenced by cost, time to achieve the required rate of return, qualitative and quantitative benefits, attitude of trainees, quality of trainees etc.

Dubcova & Foltinova (2012) identified the factors governing the investment in human capital development as cost factor, return factor, profit factor, human capital value added and human economic value-added factors need to be considered while deforming the investment for workforce development.

Josef Drabek, Slivia Lormcova & Jana Javorcikova (2017) investigated the factors, governing investment in Human Resource, concluded that nu saying that cost factors, motivation factors, faced back of employee, and corporate benefits are the factors that support optimal investment in human capital.

Aguinis and Kraiger (2009) the outcome of such earlier investment influences the decision to invest in human capital. Explicit results such as profitability, effectiveness, operating revenue per employee etc. influences the managers to argument the investment in human capital.

The emergence of knowledge economy, rapid technological advancements, and the diversification of work nature.

Sherman et al., (1998) states that any investment in human resource development would be beneficial only if they are formulated in the specific objectives and targets.

Brum (2007) opined that the rate of employee turnover plays a crucial role in deforming the investment in human resource. Higher the rate of labour turnover, lesser in the investment as the employees does not wish to take risk and vice versa.

Coetzer and Susomirth (2013) found that the participants of a training programme showed greater interest in other external training programmes and the main reason was their interest for updating the latest trends in the industry.

Objectives

- To study the theoretical back ground of variable.
- To identify the factors that govern the human capital investment decisions.
- To rank the factors influencing human capital investment decisions.

Research Methodology

A questionnaire with appropriate statements were circulated among 100 human resource managers and their opinions are collected. The researcher applied percentage analysis, factor analysis and ranking test are going to be applied.

TABLE SHOWING THE RESULLTS OF FACTOR ANALYSIS
Rotated Component Matrix(a)

			Component		
		1	2	3	4
VA5	Employees' present level of knowledge	0.734			
VA7	Employees' interest to update and learn	0.728			
VA2	Results of training need analysis reveal additional investment in human capital	0.670			
VA13	Requests from employees to enrol for further education for career development	0.664			
VA21	Employees competencies provide space	0.659			
VA20	Reports from self -assessment process of employees	0.626			
VA4	Organisational intention to leap forwards		0.694		
VA10	It is an effort to employee retention.		0.691		
VA1	It provides smoother way for attaining organisational objectives.		0.621		
VA14	It is necessary for succession planning.		0.615		
VA18	Availability of funds by management		0.565		
VA3	The attitude of management towards employee training and development		0.557		

VA9	Organisation wishes to take up the role of change agent		0.445		
VA17	The rate of return is high.			0.731	
VA15	It produces long lasting impact on organisation.			0.608	
VA22	The overall organisation image is increased			0.482	
VA12	It results in generation of valuable assets			0.450	
VA19	The competitive scenario of industry compels HCM				0.622
VA6	Technology development intensifies the need for HCM				0.572
VA16	Benchmarking standards require initiation of investment in HCM				0.552
VA8	To make the employees skills on par with employees of other companies				0.547
VA11	Legal implications make investment in HCM mandatory				0.532

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

The above table shows that the variables are grouped into four major factors. The factors are :

The first group of factors indicate the participation, involvement and commitment of employees who are the major players and target of human capital management process. Hence this factor is termed as “User Involvement and Commitment”.

The second group of variables are related to the attitude of management and statements related to management. Hence this particular factor is termed as “Management values”.

The third group comprises variables relating to the outcomes enjoyed by the employees and organisation as well as a result of additional and careful investment in human capital of a company. Hence this factor is named as “Expected returns”.

The fourth groupof variables relate to the external forces or uncontrollable forces that mandate an organisation to invest in human resource of the organisation mainly in the form of training and development. Hence this factor is termed as “Industry requirements”.

Table showing ranking of factors based on mean value

Factors	Mean	Rank
Industry requirements	4.20	1
Management values	4.18	2
Expected returns	3.98	3
User Involvement and Commitment	3.65	4

The above table clearly shows that the organisations undertake the human capital development work based on the requirements of the industry. Based on the requirements, the organisation plans accordingly regarding the amount of investment to be made after assessing their position in the industry. After deciding on the amount and process of investment the organisation calculates the expected returns from such process. The employees interest are least taken care of and the employees as a mandate requirement to survive in the job undergo the training process.

Conclusion

Based on the findings and discussions on the factors affecting the investment decisions in the human capital development, the researcher recommends that the managements should allocate adequate resources for the implementation and maintenance of the Process on continuous basis. HR managers should play a proactive role to support the organizations. They should convince top managers and managementon the importance of HCM. They also have to allocate time and budget to train people on how to use and leverage the uses of the proposed training modules and other technology updates, and on how to gain competitive advantage through effective HCM. The top management needs to be convinced by the values and the strategic benefits of Human Capital Management in order to offer the required financial and moral support for such implementation.

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Gender based study on the Implications of Behavioral Biases in Investment Decision making

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Abstract

Decision making plays a vital role in all aspects of life. Savings and investments are the only shield to overcome uncertainties. But decision making differs from individual to individual, as they differ from each other. This paper deals with the psychological biases of male and female and its influence on decision making through review of literature. The objective of the study is to investigate whether an individual follows any behavioral pattern while making decisions. Behavioral pattern in the order of occurrence such as mental accounting, familiarity, local/home bias, representativeness, overconfidence, over optimism, over trading, loss aversion, disposition effect, regret, anchoring & herding are the variables used for the study. Risk acts as a mediator in the process of decision making. Findings of literature provide a foundation for individual investors to know their behavioural biases in each phase of investmentdecision which is the cause for inefficient investment strategy. This will help the individual investors to attain their investment objective irrespective of the risk and return trade off. Future research implication is also discussed in the study.

Key words: Behavioural biases, decision making, gender, investment strategy, risk.

1. Introduction

An individual is induced to save, to sustain the standard of living, satisfy future needs and to meet the uncertainties.Savings refer to the portion of income which remains after all expenses are met. The quantum of savings depends upon the level of income and the life style of an individual. Savings are needed for an individual to maintain either the same standard of living in times of crisis or tomeet an unexpected need (Vedantam &Sriram, 2008).

However, when one level of need is satisfied, human beings have the tendency of moving forward to satisfy the next higher level of need. For this, just savings for the future is not enough. Thesesavings need to bring in additional income to the individual, which can be done by investing the savings in some investments (Nurkse, 1954)

Investment is defined as "the commitment of money or capital to purchase financial instruments or other assets in order to gain profitable returns in the form of interest, income or appreciation of the value of the instrument". Investments may be in the form of cash, bank deposits, gold, cash equivalents, financial instruments and money market instruments. There are both risk free investments and risky investments.An investor prefers to have marketability, liquidity and safety in all his investments in addition to risk and return characteristics (Ansari &Moid, 2013)

An individual achieves financial satisfaction through savings and investments

(Sahi,2013) which leads to satisfaction in their life (Diener, 1984).This financial satisfaction can be achieved through proper management of cash, credits and savings (Xiao et al., 2009). These savingsled investments help the country to flourish with micro and macro economic growth (Anderson, 1990; Khan &Reinhart, 1990; Chow, 1993; Blomstorm et al., 1996; Narayan P.K. & Narayan S, 2006) as well as increase the personal wealth of an individual. The investor is at the discretion to decide, the type of investment to be made,so as to maximize his income and wealth.

Classical decision theory states that people are rational. An individual has more choices before him. He has to choose the one which gives him the maximum utility / satisfaction in the presence of constraints. But decision making in times of uncertainty,in addition to risk exerts great pressure to an individual as he/ she is risk averse and unable to predict the effect of uncertain situation. Under these circumstances, an individual prefers to select the one which provides maximum utility. (Ackert, 2014). Hence, investors consume time to make financial decisions so as to maximize returns and minimize risk (Jain et al., 2012)

Such decisions arepreluded by financialplanwhichmatches their investment objective but differs from individuals. Researchers found evidence that men and women exhibit differences in financial planning, allocation of funds for investments, preference towards an investment, risk profile and expected return which has an impact on the investment decision making (Shiller, 2004)Hence , the present study focuses on the impact of gender in the process of investment decision making. This will be helpful for the investors to better understand their biases and frame efficient investment strategy.

2. Behavioral Biases and Decision making:

Decision making plays an integral part while making investments. Previous researchers found that individuals deny processing the market information and stick to insights or follow herd behavior while making decisions, which leads to irrationality in their behavior (Jain et al.,2015). Hence decisions differ across gender & time (Hossain & Nasrin 2012), risk and other psychological factors such as mental counting,familiarity, local/home bias, representativeness, overconfidence, over optimism, over trading, loss aversion, disposition effect, regret, anchoring and herding.

2.1Mental Accounting:

In General an individual framesdomestic budgets and allocates funds for various expenses. The money kept aside for a particular task is not utilised for any other purpose, instead they borrow loans to meet other expenses.(Shiller, 1997; Abhijeet, 2010) Consequently, Individuals create separate mental accounts for variousinvestments (Shiller, 1997) allocate funds for the same, evaluates the outcome of such investments and monitor the trading activities (Thaler 1999 , Talha et al., 2015) with the intention that the investments will perform well. But if the same perform poor , then they consider the loss as annoyance and hesitate to sell it, rather they wait for the specific stock to perform well in the market (Thaler, 2001) as individual considers gains and losses as separate mental accounts (Shefrin & statman,1985; Thaler, 1985; Frazzini, 2006; Chang , 2008).

However, individuals consider losses together and gains separately (Lim, 2006) The use of such mental accounts may lead to decision bias (Thaler, 1985) and could result in non- diversification of assets (Talha et al., 2015) Bias is referred to as a tendency or a feeling that is preconceived by an individual.

Before making investment decisions, an individual gathers information about investments, anlayse market conditions and then proceed to invest. But due to the accessibility of massive information, investors hesitate to analyse and act on the available information. They decide using mental shortcuts or rule of thumb, to process the information and ignore the element of risk which paves way for incurring losses. (Riccardi&Rice, 2000; Abhijeet, 2010; Jain et al.,2015)

2.1 Familiarity:

After the allocation of funds, an individual prefers to make investments in the assets which are familiar to them. They assume that familiar investments may acquire more returns as well as provide safety of funds (Ivkovi & Weisbenner, 2000; Benartzi & Thaler, 2001)This Familiarity bais leads an investor to prefer local stocks (Zhu, 2003)as it is an effortless task to obtain locally available information and make good returns out of it (Benartzi, 2001; Liang &Weisbenner, 2002) Studies also prove that around 50% of the stock market holdings in any investment portfolio is of local stocks(Ivkovi & Weisbenner, 2000). Individuals employ the past events to forecast the future of the stock marketalong with reference from family, friends, social media and expert advice for making investment decisions. They refer the past events as a bench mark to predict the future and make investment decisions without considering, the rationale for the happening of such events (Abhijeet , 2010; Jain et al.,2015; Talha et al., 2015)

2.3 Confirmation:

Many a times anindividual investor seeks information which is best suited for their belief, andthis leadsto Confirmation bias.This is done to evade the information which doesn’t suit the beliefs (Lovric et al., 2008). By referring to such single sided information and not considering other aspects will not provide optimum returns and may lead to deprived decisions (Talha et al.,2015) Individual investors overreact or under react for the new information and frame a pattern on their own to make investments (Lovric et al., 2008)

2.4 Overconfidence:

Subsequent to the confirmation, an investor embarks to invest with over confidence to earn more returns with less risk. Over confidence is defined as “an overestimation of the probabilities for a set of events. Operationally, it is reflected by comparing whether the specific probability assigned is greater than the portion that is correct for all assessments assigned in that given probability” (Mahajan, 1992) In an investigation by Oberlechner& Osler, 2009 it was found that investors overestimate their predictive skills and underestimate uncertainty.

2.5 Over Optimism:

An individual who is overconfident in his skills and predicting abilities (Odean, 1998; Torngren & Montgomery 2004; Tapia &Yermo2007) overreact to market information(Daniel et al., 1998; Barber & Odean ,1999) behaves Over optimistic, assumes that the market could be beaten,underestimate uncertainty (Torngren & Montgomery, 2004; Oberlechner & Osler, 2009) He /she is hesitant to find out the real outcome which is uncertain (Camerer & Lovallo,1999, Daniel et al., 2001, Glaser & weber, 2003,Tapia & Yermo,2007; Jain et al., 2015, Talha et al., 2015) and unable to predict the stock market (Torngren & Montgomery, 2004)

2.5.1 Overtrade:

Over optimism leads an individual to over trade in the market, which pushes an investor to decide whether to buy or sell shares (Odean, 1999; Jain et al., 2015). Overtrading will not fetch good returns over a period of time as the investor has to incur more brokerages and taxes, which eventually lead to low returns (Tapia & Yermo,2007; Talha et al., 2015; Jain et al., 2015)

2.6 Disposition Effect:

The decision to buy or sell vests in the hands of the investor. There is also a possibility of the market to downturn, wherein an investor has to face high risk which may lead to heavy loss (Talha et al., 2015) Forecasting done during such periods leads to misleading in investment decision (Jahanzeb et al., 2012)Due to market conditions, the stocks may not perform well and may incur loss. When the value of shares goes up, an investor prefers to sell the stock to earn good returns. But when the value of shares decreases, the investor tries to hold the stocks or purchase additional shares of the same expecting for a hike in the future (Bloomfield, 2006; Ambrose & Mutswenje, 2014). This, Disposition effect has an effect on price changes, which creates anomaly in the market (Hong & stein, 1999; Frazzini, 2006):

2.7 Regret & Loss Aversion

An investor is affected by this bias due to loss aversion, as the pain of loss is more than the pleasure of gain (Talha et al., 2015). But as the stocks are held for a long period of time, the value of shares goes downfurther which lead to heavy losses.

At this stage, an investor regrets that, he should have chosen another alternative, so that he would have escaped from loss. The loss incurred by an investor is an impact of his decision making (Ritov & Baron 1995; Fogel & Berry 2006) Decision making is influenced by the feeling of regret, which leads an investor to hold the stocks for a long time and earn low returns (Pareto, 1997;Riccardi& Helen, 2000; Talha et al., 2015)Investors even blame themselves for having made a bad decision (Connolly & zeelenberg, 2002) This type of error occurs due to the omission or commission of certain acts in trading (Chang, 2008; Jain et al., 2015).

Fogel & Berry (2006) defines regret as a"negative emotion evoked by the knowledge that a different choice would have led to a better outcome and thus, regret can only be experienced fully after the fact, although it can be anticipated before an action". Regretis state of emotion experienced by an individual after realizing that they have made a wrong decision (Ambrose & Vincent, 2014; Abhijeet, 2010) It is observed as a factor of disposition effect in the frame work of Shefrin & Statman (1985)

2.8 Anchoring

When an individual designs for the subsequent investment plan,they fuse to previous information and are reluctant to change for the new information prevailing in the market. (Talha,2015; Hoguet, 2005) This is due to the effect of loss incurred in the previous investment, by the individual. Sometimes they under react to the new information thereby ignoring the risk involved in it (Jain et al., 2015; Abhijeet, 2010)Anchoring bias will lead an investor to miss a good investment opportunity or have a bad entry or exit in the market (Talha 2015)

2.9 Heuristics

Shefrin (2000) refers heuristics as the rule of thumb which is used by an individual while processing information and they make investment decisions in a trial and error method. While making investment decision, an individual pass through beliefs and preferences. Out of the available alternatives, he may choose according to his preference with the belief that the particular stock may perform well in the market, though risk is involved in it. But there exists a bias between the stage of belief and preference (Lovric et al. 2008; Tversky&Kahneman, 1974) found that biases such as representativeness, anchoring and availability are involved in the process of decision making under uncertainty.

2.10 Herding

Generally, individuals follow other investors which leads to herd behavior or make decisions on rule of thumb. Contrary to this findings, Jaiswal &Kamil, 2012 found that investors may follow others but the choice of investments differ from each other. The tendency of herding is to conceal the loss incurred by them in their investment or to neglect a quantitative or fundamental analysis of the securities traded in the stock market or frame an investment strategy on their own (Jaiswal&Kamil, 2012) Herding behavior of the individual influences fluctuations in the stock market. (Bikhchandani & Sharma, 2001; Talha, 2015)

3. Risk and Decision making:

As risk perception and the ability to take risk differs among individuals, the level of risk that can be tolerated has to be assessed before making investment decisions**.** Individuals prefer to have a minimum acceptable return in all investments. When this limit turns downside, they consider it to be risk (Chandra &Abhijeet, 2010) Individuals earn more returns when the level of risk and time horizon is more and vice versa (Donkers et al.,2001; Lovric et al.,2008) Kahneman&Tversky, 1979 classified individuals as risk averse, risk tolerant and risk neutral. Risk averse behavior arises out of the pain experienced in the past and risk seeking attitude arises out of the pleasure of rewards earned during the past investments. (Camerer et al, 2005; Lovric et al., 2008) Longer the period of investments lesser will be the portfolio risk (Donkers et al., 2001)

4. Gender and decision making:

The propensity to take risk depends on age and gender. An individual prefers less risk when he/she becomes older. (Byrnes et al., 1999, Donkers et al., 2001; Lovric et al., 2008) and prefers to invest on less risky assets so as to ensure safety of investments. Barber &Odean (2001) evidenced that male trade frequently than women. It is also proved that male are overconfident than women in making investment decisions. (Kumar & Goyal, 2016)

5. Discussions & Suggestions

Individuals begin their investment process by allocation of financial resources through mental accounting and aim for high returns over a period of time. Further apportioning of funds to various investments is done based on reference groups information, familiarity towards a product, past experience etc. After such allocation, an individual identifies various avenues of investments, then select the alternatives for investments.

Because of ascertaining much information, before investments an individual becomes overconfident in his decision and initiates to trade too much which involves more transaction cost and brokerages which inturn leads to poor returns. At times, an individual makes incorrect decision of holding the losing stocks, to escape from immediate loss and selling the winning stocks to earn immediate gains. They hassle about future gains and losses, as they are risk averse and loss averse. The feeling of disposition effect makes them regret their past decisions.

They try to follow other investors through herd behavior or makes decisions on rule of thumb without analysing the informations. They even make decisions on trial and error methods. All these are caused due to the effect of the emotional and psychological biases which exists among each individual.

Thus, Emotional and psychological biases, which is also referred as behavioural biases influences an individual in the process of investment decision making. These baises not only confound them in decision making, but also leads them to earn poor returns or to meet up with heavy losses. The effect of such losses definitely will have an impact on future investment decisions, leading to the same biases, irrespective of the type of investments they choose. To overcome these biases and achieve their investment objective, research has to be carried out to compare the behavior of male and female, identify whether they are affected by the same biases and the extent to which they are affected by these biases are to be studied. Moreover, cross cultural samples and cross sectional samples can be tested for the study.

6. Conclusion:

Savings leads to investments which help an investor to earn more returns, satisfy all needs and lead a better life. But decision making for investments is a tedious task.

An individual prefers to have maximum utility in addition to the risk and return characteristics involved in an investment. Maximum utility leads to maximum satisfaction, which can be derived through proper investment plan. Individuals are expected to act rational to achieve this satisfaction. But they behave irrationally under certain circumstances due to biases involved in the process of decision making.

In the initial phase, an individual allocates limited funds (mental accounting) to achieve hisinvestment objective. They prefer investment avenues which are familiar to them (familiarity bias) and give more importance to local stocks (home /local bias), with reference to family, friends, Social Medias, expert advice and depend on past events (representativeness) to make investment decisions. An individual alsotries to find out the informations which suits his investment decision (confirmation bias)

At this stage, an individual considers himself to be more knowledgeable and skilled and thinksthat he can beat the market (overconfidence).He also believes that, the stocks will always perform well in the market (over optimistic) and trades too much, which leads to more brokerages, moretaxes and less returns.

There is a possibility of the stocks to underperform in the market and the price of the stocks may decrease. At this stage, an individual investor tries to hold the losing stocks and sell the winning stocks (disposition effect). The investor continues to hold the stock for long period of time as he /she is risk averse, expecting the price of the stocks to increase in the near future (loss aversion). But if the prices of the stocks do not increase, they incur heavy loss. The investor feels that he/she should have chosen a better alternative so that, there wouldhave been a possibility of earning good returns (regret aversion)

In the next phase of investment, he is anchored by the past events (anchoring) of the stock performance and tries to follow other investors (herding) so as to avoid losses. He doesnot consider the factors or the events in the past, which made the stocks to perform well or perform poor in the market. The investor tries to justify the judgment in consideration with other investors, as he /she is not willing to convey that they have incurred loss in their investments (availability bias) Thus an individual investor is influenced by these factors in the process of decision making. To overcome these biases, they should frame an effective investment strategy considering the need to make investments on such stocks, duration of investments, expected return from such investments, the reaction of the individual when the stocks over performs or underperforms in the market , the level of risk that can be tolerated, the effect of disposition at that point of time etc., After evaluating such constructs, an individual investor is able to rectify the errors committed during the process of decision making which will help them in reducing mental mistakes. (Helen, 2000) which in turn lead them to achieve their investment objective.

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Unequal Growth Trajectories: A Brief Analysis of Growth Experience among the Indian States.

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Abstract

India economy has been facing chronic regional imbalance among the states and that is prevalent since India got independence. Some of the state's move very fast while some other states still is creeping and lingering with many problems. A region may be backward due to the large number of people living below poverty, excessive dependence on people in agriculture sector, large share of people living in the rural areas, technological backwardness, resource scarcity, high degree of under employment, low productivity of agriculture and cottage industry, absence of basic infrastructure facilities, poor nature resources etc and likewise a region may be forward because of less dependence of people on agriculture, high share of people depends in secondary and tertiary employment, technological development, less share of population living under below poverty line, employment opportunities, urbanization, less population in rural areas, rich natural resources etc. along with these reasons, social-economic and political reasons aggravate the existing problems. Due to these problems it makes a negative impact on India's unique growth strategies. This paper particularly examines, what is the trajectories of growth among states while taking some social-economic and demographic variables. Variables like, decadal population growth among states, sex ratio, literacy, life expectancy, density of population, birth rate, death rate and people living below poverty line are using from the data of RBI Handbook of Statistics of Indian States 2016-17. Here for better results taking data in between 1951-2011. For the analysis part major states in India are classifying according the geographical areas, and are getting small states, medium states and large states and then tries to find out what is the growth experience among the states by analyzing above mentioned variables.

Key Words: Inclusive Growth, Sex ratio, Literacy rate

I. Introduction

India is facing chronic regional imbalance among the states and that is prevalent since India got independence. Some of the state's moves very faster while some other states still is creeping and suffering with lingering problems. A region may be backward due to the large number of people living below poverty, excessive dependence on people in agriculture sector, large share of people living in the rural areas, technological backwardness, resource scarcity, high degree of under employment, low productivity of agriculture and cottage industry, absence of basic infrastructure facilities, poor nature resources etc and a region may be forward because of less dependence on agriculture, high share of people depends in secondary and tertiary employment, technological development, less share of population living under below poverty line, employment opportunities, urbanization, less population in rural areas, rich natural resources etc. The study conducted by 19 states in India shows that, there is serious regional imbalance of development is exists among Indian states. There were some of the best performing states like Gujarat, TN, AP, Kerala and Punjab and some of the other states worst performing states like Odessa, Jharkhand, UP and Bihar. All the states evaluated on the basis of infrastructure, social service, fiscal performance, justice, law and order and quality of legislature etc. The states which performing well are located in the south and western India, but the poor performing states are locating in the eastern India and north India. If there does serious imbalance exist among the

Indianstates. If this kind of severe imbalance existing among the Indian states and that will emulate to national level too.

There are various reasons for the imbalance in the development. The presence of British India looted Indian economy physically that affects major cities of India. They developed certain pockets of India in which they are getting benefit result there were development of irrigation, transport, communication and other physical infrastructure, examples are Maharashtra and West Bengal. There was massive drain of wealth from India to England in large scale that leads to the severe imbalance in the infrastructure development of the states. While some other states in India are having geographically different from each other. Some of the states are happened to be surrounded by the difficult terrain like dense forest, hilly areas, and dense forest etc, states like Himachal Pradesh, Uttarghandetc are and these kind of states are backward in their natural resources, so that they cannot make any financial benefit out of the these resources, this impact will affect the all areas of the economy like industry and agriculture areas of the country. India is having the planning to ensure the economic stability among different states; due to this mechanism some of the states get high allocation of funds while some other states did not. Thus this system failed to make economic stability of the regions by the equal allocation of funds to the all states. Some states in India are having social and infrastructure development tremendously, and by using that they are economically and technologically rich while other states did not developed their social engineering result they remained as backward states in India. Political instability in many states in India is leads to the backwardness of the region and economic instability of the respective states. This kind of instability also will reflect to the national level. Terrorism, insurgency, law and order problems, failure of state machinery etc are some other reasons that will push the economy to the backwardness.

This particular paper is tries to explainthe growth trajectories of Indian states since independence. For that some of the socio-economic and demographic variables have been using like growth rate of decadal population, sex ratio among the states, literacy rates, life expectancy, density of population, death rate, birth rates and poverty rates among the state. For this analysis first of all dividing the states like small states, medium states, and large states according the areas and then applying all the above mentioned variables for getting the growth trajectories among the states.

II. Classification of States.

In India there are many states and each states are different in different dimensions of the economy. Some states in India are growing very fastly, while other states remain backward. Likewise some other states in India having rich in resources but cannot utilize its optimum level. Indian states having high imbalance in the growth trajectories. Some of the literatures tells that south Indian are far ahead in terms of human development indicators when compare with the north Indian states. There may be many economic, social, cultural, social, political reasons will be there for the imbalance among the regions in India. So this particular paper tries to divide the states like small, medium and large states. This division is purely based on the geographical area of states.

Table:1 Classification of Indian states according to the area wise.

Small States		Medium States		Large states	
Kerala	38,863 km2	Arunachal Pradesh	83,743 km2	Karnataka	191,791 km2
Haryana	44,212 km2	West Bengal	88,752 km2	Gujarat	196,024 km2
Punjab	50,362 km2	Bihar	94,163 km2	Jammu and Kashmir	222,236 km2
Uttarakhand	53,483 km2	Tamil Nadu	130,058 km2	Uttar Pradesh	240,928 km2
Himachal Pradesh	55,673 km2	Chhattisgarh	135,191 km2	Maharashtra	307,713 km2
Assam	78,438 km2	Odisha	155,707 km2	Madhya Pradesh	308,245 km2
Jharkhand	79,714 km2	Andhra Pradesh	162,968 km2	Rajasthan	342,239 km2

Source: RBI Handbook of Indian states 2016-17

Thus here classified the 21 states like small, medium and large statea according to the geographical areas of the respective states. According to these table small states consists of Kerala, Haryana, Punjab, Uttarghand, Himachal Pradesh, Assam and Jharkhand. While in the case of medium states, Arunachal Pradesh, West Bengal, Bihar, Tamil Nadu, Chhattisgarh, Orissa, and Andhra Pradesh.Large states consist of Karnataka, Gujarat, Jammu Kashmir, Uttar Pradesh, Maharashtra, Madhya Pradesh and Rajasthan.

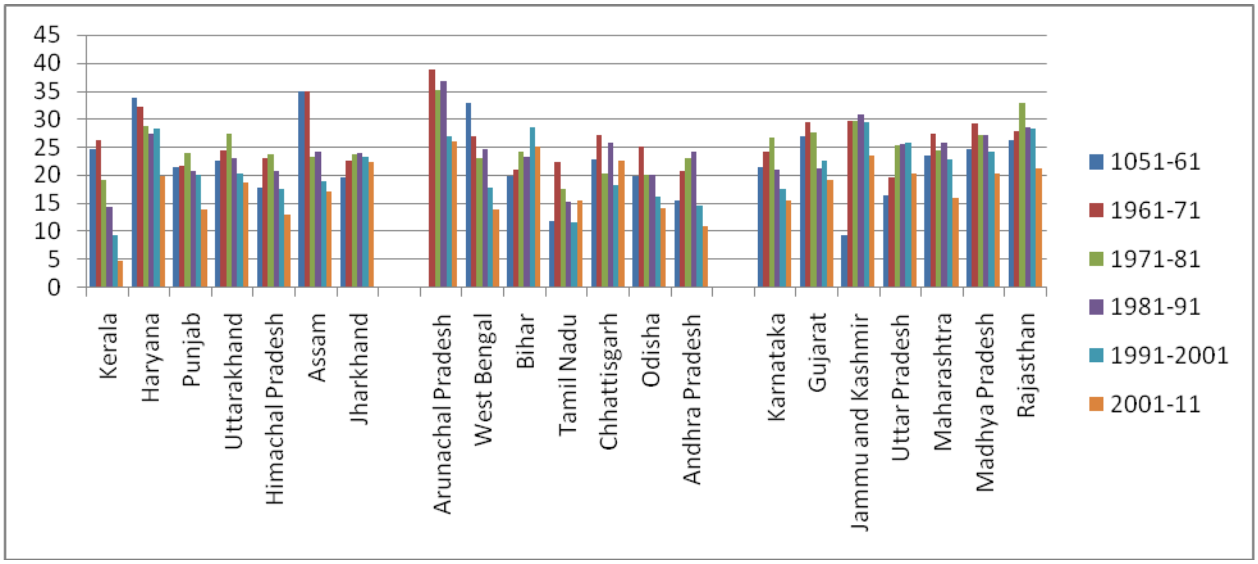
III. Classification of States with some selected Indicators.

In this section author tries to explain what is the differences between major states in India on the basis of some selected indicators. For that decadal growth rate of population, decadal growth rate of sex ratio among the states, growth rate of literacy among states, growth rate of density, growth rate of life expectancy, birth rate, death rate and poverty rate among the major states in India.

III.1 Decadal Growth Rate of Population

In terms of decadal population growth as per the government of India census 2001, it was 21.15% while the latest report of census it has reduced to 17.64%.The calculation of population growth in India for the last 10 years is one of the important components of vital statistics. Uttar Pradesh is of the state having the large share of population in India, which is equal to the population of Pakistan and that is the fifth largest populated country in the world. Now let explains what is the trend of decadal population growth among Indian states.

Graph:1 Decadal growth rate of population among state wise.



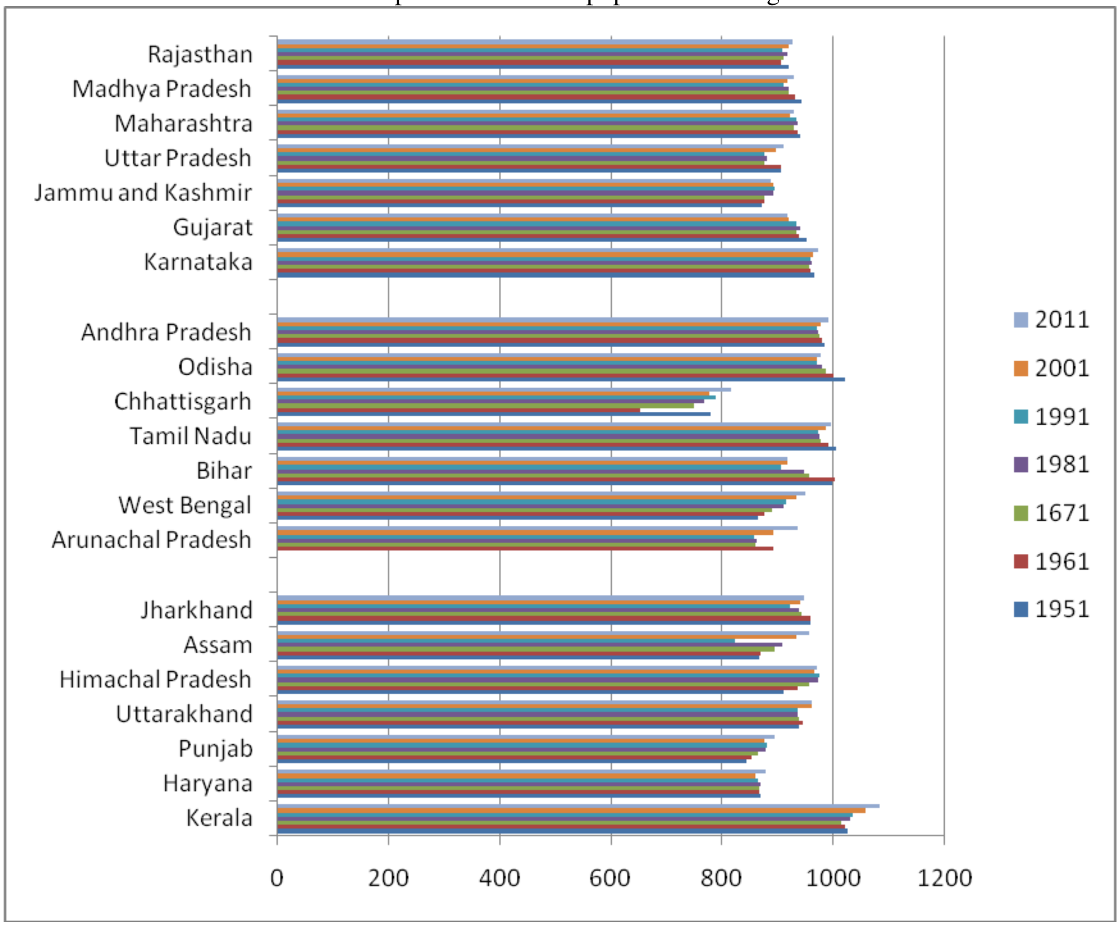
Source: RBI Handbook of Indian states 2016-17

The above table explains the decadal growth rate of population among three categories of states in India during the period of 1951-2011. As per this table one can observe that medium states shows better performance in the growth rate of population and low performance showed in the higher states. Among the small states Kerala, HP and Assam showed the better performance when we compare with rest of the states in the same categories. Among the higher states most of the states recorded higher growth rate of population and Jammu Kashmir showed the higher growth rate of population. UP also is having the high rate of population growth the last decades. From this Jammu Kashmir, Bihar and UP is having the highest decadal growth rate of population. Rather than decreasing the population it shows the increase in the decade growth rate of population.

III.2 Decadal Growth rate of Sex ratio among states

Sex ratio means that how many females per thousand males. It is one of the important tools to analyze the women empowerment among states. In India some of the states having higher sex ratio and some of the state's lower sex ratio. The sex ratio in India shows that upward trend since 2011 census. In 2001 the Indian sex ratio is 933 per thousand males and in 2011; it is 943 per thousand males. India is the country having low sex ratio in the world. During the period of independence or immediately after the period of independence, there was stability in the sex ratio while after that it started to decline. Thereligious, social, cultural, political and economic backwardness of India are the main problems for the low sex ratio. There were massive actions for ruination of women foetus through illegal method. There was also the case of massive abortion of women foetcide in some of the Indian states. The data also shows that there is positive relationship between the high social and economic improvement and positive sex ratio. It also shows that, eastern and southern states sex ratio is come under the normal natural range while northern and western states in India, there are massive decline in the sex ratio. The states like Haryana, Maharashtra and Jammu Kashmir are having very low sex ratio among Indian states. The tendency of the low sex ratio is not antiquated practice, but it is prevalent among the educated and urban areas of the country. Let explain how the trend of sex ratio among Indian since 1950.

Graph 2: Sex ratio of population among state wise.



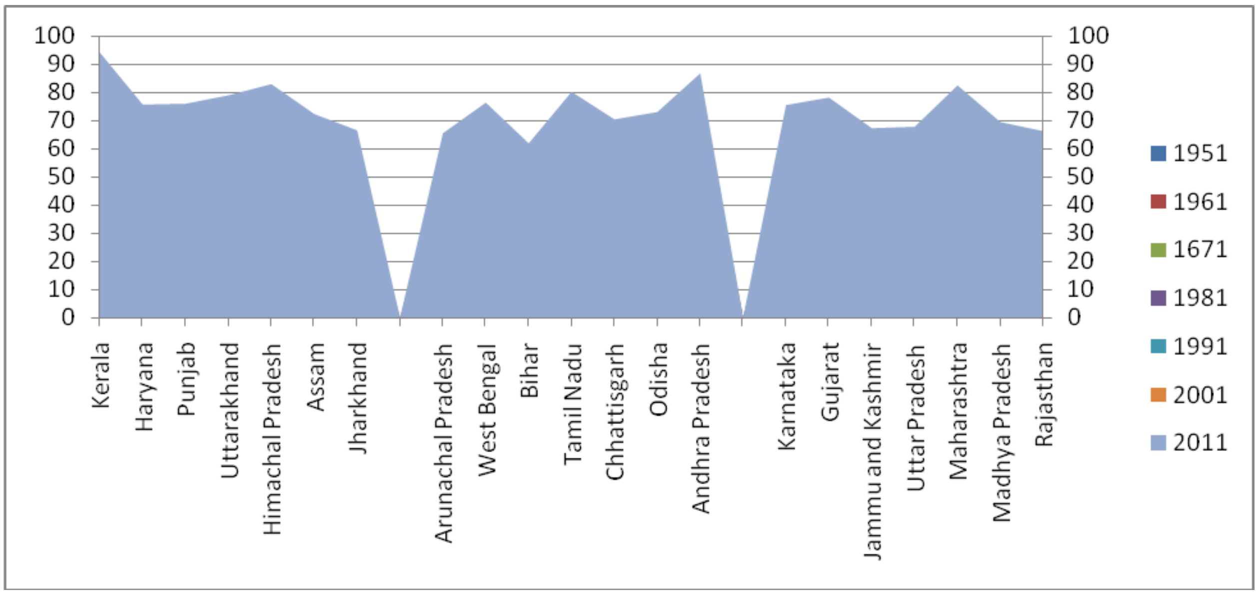
Source: RBI Handbook of Indian states 2016-17

Regarding the sex ratio among Indian states, in larger states UP and Jammu Kashmir is having somewhat same level which means lowest among the group of higher states while Karnataka and Gujarat is having highest among group. Among medium group states, Chhattisgarh and Arunachal Pradesh shows the lowest rate of growth of sex while Odessa, Tamil Nadu and Andra Pradesh shows the highest among the respective states.Among the small states, Punjab and Haryana having the low share of sex ratio while Kerala shows the highest. Himachal Pradesh also shows the better performance from the last six decades.So one can conclude here by saying that high growth rate of sex ratio have been recorded in the large states, it also shows some uniformity for the growth process. The small states performance in the sex ratio among states is not satisfactory.

III.3 Growth rate of Literacy among India states

Education development is one of the important indicators for society in all the aspects. As per the government of India record, a person is literate means he should be aware of reading and writing in any of constitutionally recognized language in India and his mage must be having above 7 years. The study shows that women education and literacy rate of the states are highly interrelated. Wherever there is high women literacy, there is also having high literacy rate generally. Life expectancy of people also related with literacy rate among people. Wherever there is high life expectancy there is also high literacy too.

Graph 3: Literacy rate population among state wise.



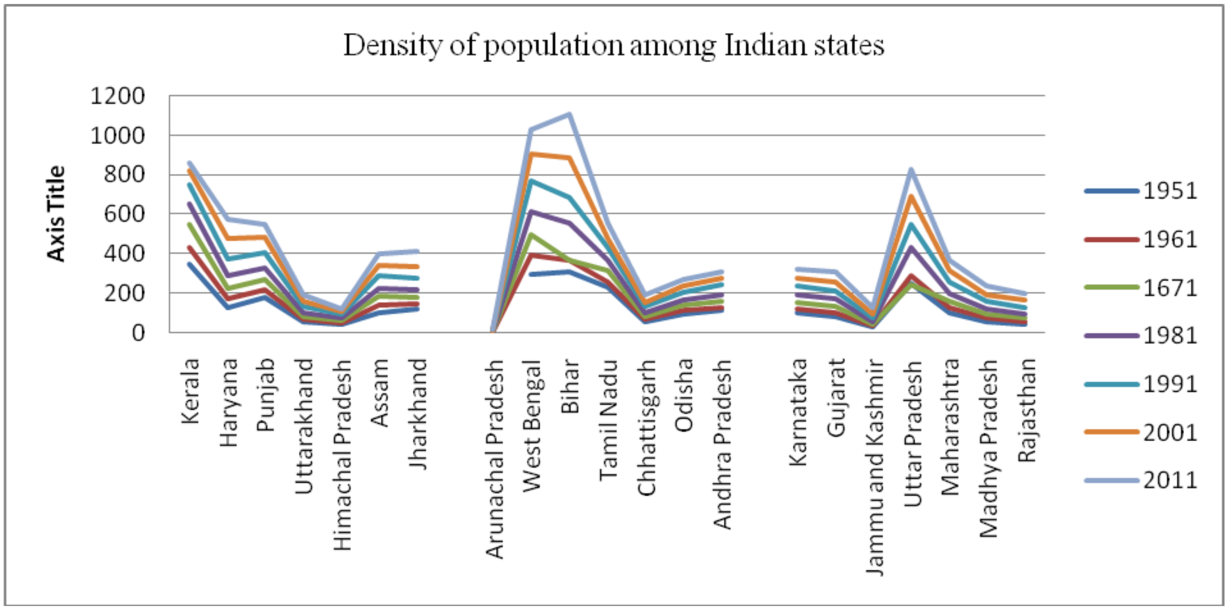
Source: RBI Handbook of Indian states 2016-17

In case of growth rate of literacy among Indian states, except Jharkhand and Assam all the states in small states having good performance while Kerala and Himachal Pradesh having the highest share of literacy growth rates. Among the medium states Bihar is in lowest position while Andhra Pradesh is having the highest share of literacy growth rates. And in large states the higher share of growth rate of literacy has been recorded in Maharashtra, then it is followed by the Gujarat. So one can say that small states are having better performance in growth rate of literacy then it is followed by the medium states.

III.4 Growth rate of Population density among states.

One of the important indices of concentration of population is the density of population. It can define number of persons per square kilometer. Density of population is an important to measuring the living standard of people in their respective localities. If there is high density of population it will increase the population pressure that will leads to miserable living conditions for existing surviving people in that locality. If there is less density of people the life will be very smooth and that will increase the living standard of people. In India, eastern region and southern part of the country are having high density while western and northern are having less density when compare with other parts of the country

Graph 4: Density rate of population among state wise.



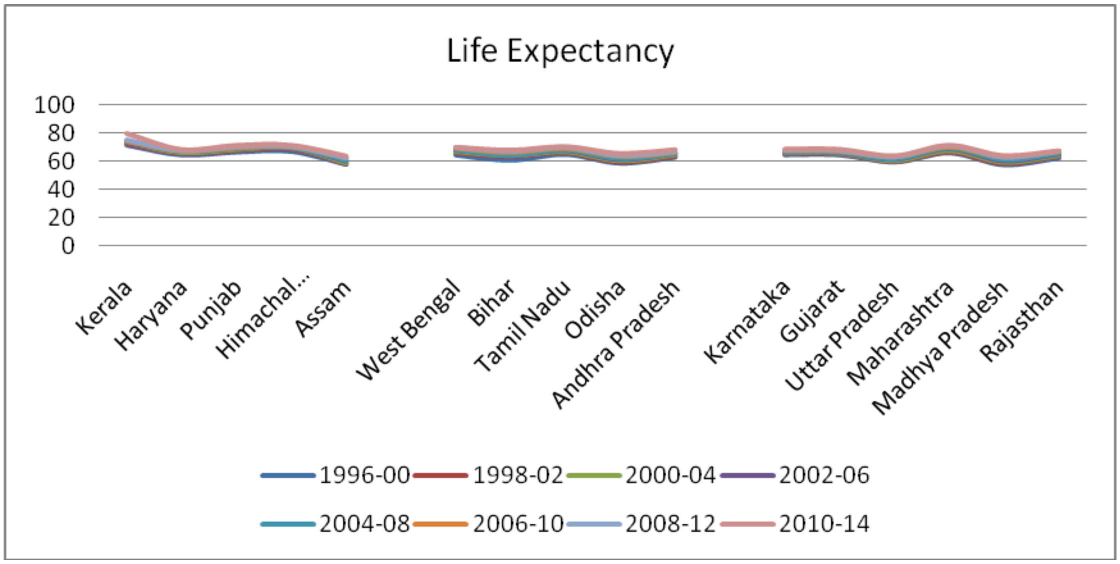
Source: RBI Handbook of Indian states 2016-17

Among the states medium states are having the highest growth rate of density. In these states west Bengal and Bihar are having the highest share of growth rate of density.Next to medium states the highest share of growth rate of density has been recorded in the small states, Kerala, Punjab and Haryana having the highest density of population. In case of larger states only one state, Maharashtra having the highest share of density of population increase and all other states having the less density of population increase.

III.5 Growth rate of Life Expectancy among Indian States

This section author tries to explain the growth of life expectancy of the state wise from the period of 2015 onwards. Life expectancy means that the number of years a newborn infant would live if prevailing pattern of mortality at times of its birth were to stay the same throughout its life. This is one of the indicators for the social improvement. India is of the country is having low expectancy in the world, now it is 68 age in India (2015).

Graph 5: Life Expectancy of population among state wise.



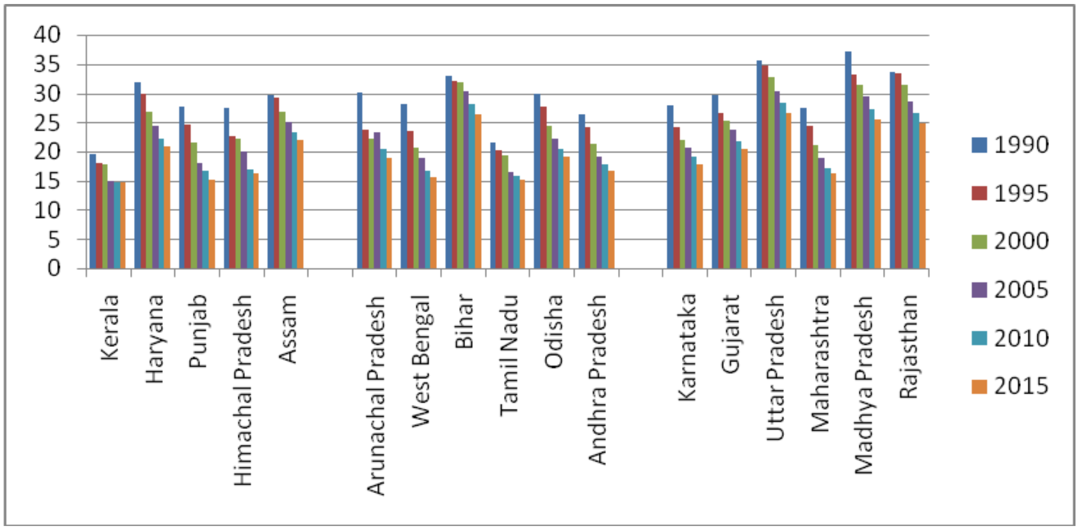
Source: RBI Handbook of Indian states 2016-17

The smaller states having the high life expectancy like shows in the graph, all the states in the group shows that above 60 years age, except Assam. Kerala shows the highest among the all the states. Next one medium state which shows that, Tamil Nadu, West Bengal, and Andhra Pradesh is in better position when compare with other two states. Bihar and Odessa touches age mark of 60 years. Among the large states, Karnataka, Gujarat and Maharashtra shows the better position when compare with other states. UP, MP and Rajasthan shows the low life expectancy. So one can say that, when the size of the states getting larger and larger the life expectancy among the people is getting deteriorated while in the case of smaller states, it is getting improvement. One of the important reasons for the trend could be the resource scarcity. The resources allocation should be reached to large mass of the society while in the case of small states it is very to allocate to the all the people.

III.6 Birth rate trend among the Indian states.

One can define the birth rate as the average annual number of birth during a year per 1000 persons in the population at midyear. It also known as the crude birth rate and it is one of the important instruments for the determining population growth among Indian states. It also depends on the both level of fertility and age structure of the population. India is one of the country is having low fertility, which means that number of children born to women, during the period from 1975-80 to 2015-20 the fertility rate among Indian women has declined drastically from 4.97 to 2.3. The figure 2.2 is generally considered as the replacement level, the rate at which population would hold steady and there is decline in fertility below that point, it is considered as the decline in population.

Graph 6: Birth rate of population among state wise.



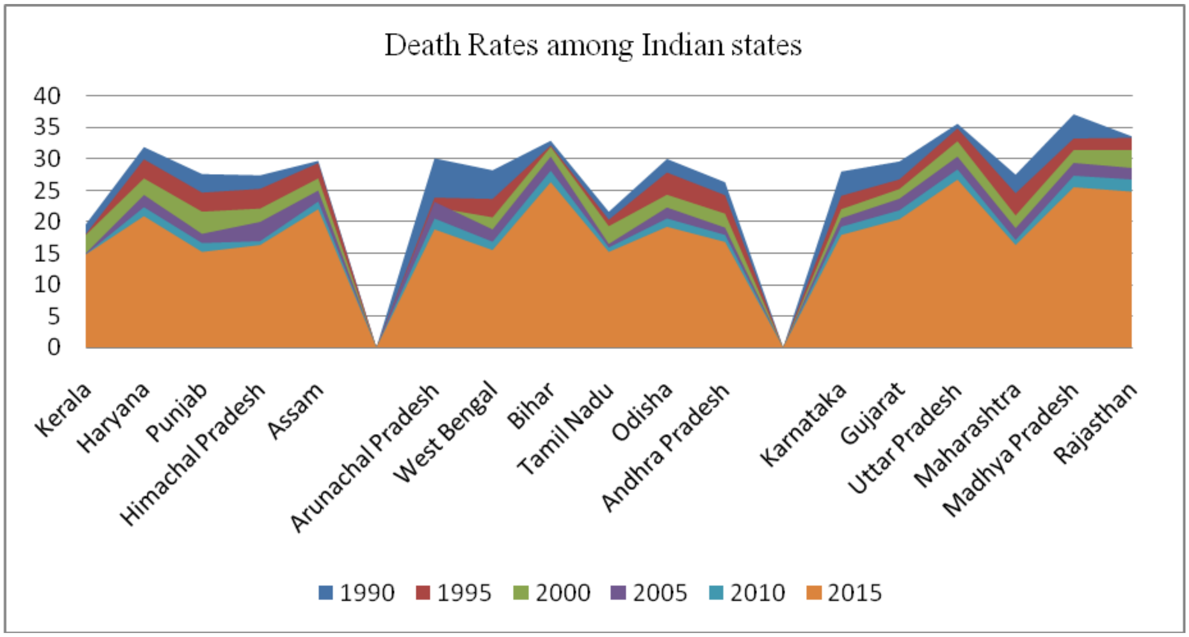
Source: RBI Handbook of Indian states 2016-17

The above table explains the graph of the birth rate among Indian states. Among the Indian states some of the states having higher fertility and replacement when compared with other. In all the states Kerala and Tamil Nadu are having the better performance while MP, UP and Bihar are having higher birth rates. Among the state wise birth rate is less in smaller states, Kerala is having better performance in birth rate while Haryana is having worst performance which means that higher birth rates. The higher states in India are having the high birth rate. Rajasthan, MP and UP are having the high birth rate when compare with others and Maharashtra and Karnataka are having better performance in birth rate in Indians states. The medium states, Bihar is having highest birth rate and Tamil Nadu is low growth rate of the birth rate during the previous decades in India.

III.7. Death rates trend among Indian States

The socio-economic development of a nation is reflected with existing infant and child mortality rates. Death rates one can define as number of death per 1000 population during a particular period of time, it is also known as the crude death rate. As per the literature, Kerala, Tamil Nadu, West Bengal, Maharashtra, Punjab and Himachal Pradesh have performed well in death rate while other states not. In the above table, smaller states performed well for reducing the death rates

Graph 6: Death rate of population among state wise.

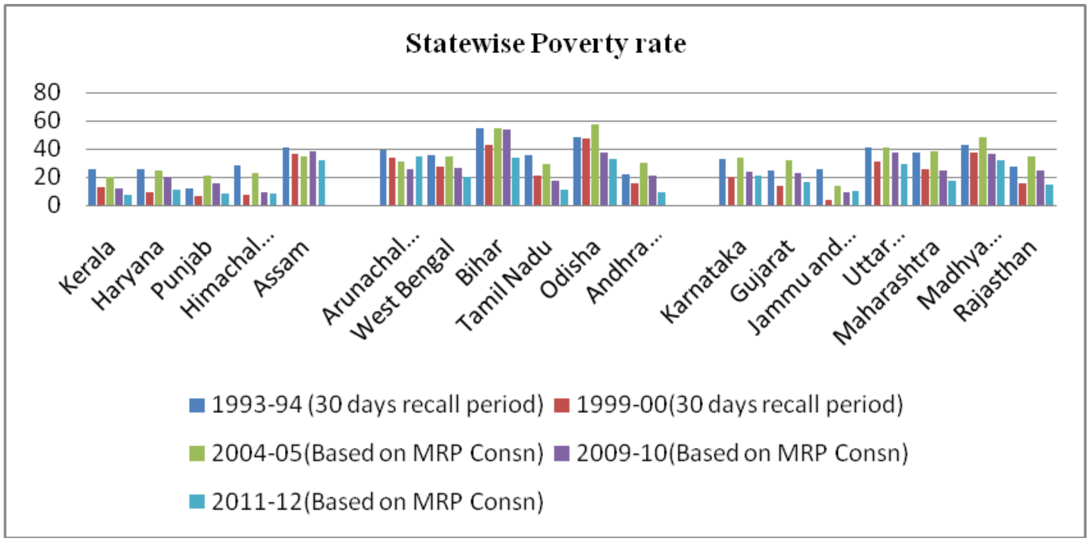


Source: RBI Handbook of Indian states 2016-17

The above table explains the death rate trend among Indian states. Kerala, Punjab and Himachal Pradesh performed well in the reducing the death rate while Haryana and Assam performance not up to the mark. In medium states, Arunachal Pradesh, Bihar and Odessa are having high death rate while West Bengal and Tamil Nadu are having less death rate. In the larger states MP, UP and Rajasthan are having the high death among the population while Maharashtra and Gujarat are having less death rate. It clearly shows that the trend of small states having the less death rates when compare with large states. The socio-economic conditions of the states are directly related with crude death rate of the people in their respective states.

III.8 Poverty rate

Poverty rate is one of the important indicators for the social and economic development of a nation. Despite having the highest growth rate of economy in the world, but poverty remains as one of the important issue In India to challenge the economic prosperity of the nation. Poverty rate means percentage of people living under the poverty. Let explains what the trend of poverty rate in Indian states is.



Source: RBI Handbook of Indian states 2016-17

The above figure explains the poverty rate among the states. As per this figure the low share of poverty rate has been recorded in the small states while somewhat high poverty rates in medium states. The highest poverty has been recorded in the Odissa, Bihar in medium states and in large states the highest share of poverty recorded in the Madhya Pradesh and Uttar Pradesh. Among the small states Assam is having the highest poverty among the states.

IV. Conclusion

For that some of the socio-economic and demographic variables have been using like growth rate of decadal population, sex ratio among the states, literacy rates, life expectancy, density of population, death rate, birth rates and poverty rates among the state.For this analysis first of all dividing the states like small states, medium states, and large states according the areas and then applying all the above mentioned variables for getting the growth trajectories among the states. In decadal population growth one can observe that medium states shows better performance in the growth rate of population and low performance showed in the higher states. In sex ratio among the states one can say that high growth rate of sex ratio have been recorded in the large states, it also shows some uniformity for the growth process. The small states performance in the sex ratio among states is not satisfactory. In literacy among the states one can say that small states are having better performance in growth rate of literacy then it is followed by the medium states and in density of population among the states medium states are having the highest growth rate of density. In these states west Bengal and Bihar are having the highest share of growth rate of density. The smaller states having the high life expectancy like shows in the graph, all the states in the group shows that above 60 years age, except Assam. Kerala shows the highest among the all the states. Among the state wise birth rate is less in smaller states, Kerala is having better performance in birth rate while Haryana is having worst performance which means that higher birth rates. The higher states in India are having the high birth rate. In death rate the small states having the less death rates when compare with large states and in poverty rate the low share of poverty rate has been recorded in the small states while somewhat high poverty rates in medium states.

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