

## International Journal of SOCIAL SCIENCE & DEVELOPMENT POLICY

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# Economic Development of North-Eastern States of India: Post Globalization Challenges

Nirankar Srivastav<sup>1</sup>, Joel Basumatary<sup>2</sup> and Sino Olive Shohe<sup>3</sup>

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**Abstract**—*The present paper highlights some of the recent developments and trends in the service sector of this region. This also analyze the structure of the service sector and the changes among the sub-sectors of the service sector from the period 1980–81 to 2002–03. Economic development is a continuous process and an outcome of intentional and well-designed efforts to achieve welfare objectives. This paper further deals with the possibility of the growth of service sector in the NE region. Our endeavor will be to identify some of the service sector suitable for this region, which will generate the additional employment opportunities along with its contribution to the faster regional economic growth. The plan of presentation of this paper is as follows: we first highlight in Section II some of the important and distinctive inter-state socio-economic features, sectoral economic structure and trends in past two decades in the region. Section III describes the economic structure of the NER states. The further decomposition of service sector in to sub-groups and their interstate comparison is discussed.*

**Keywords:** *Economic Development, North–Eastern Regions, Trends In Service Sector*

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## INTRODUCTION

Economic development is a continuous process and an outcome of intentional and well-designed efforts to achieve welfare objectives. The need to attain the faster economic development is wide spread among the majority of the nations of world in the later part of twentieth century. The realization was felt among many countries to boost the international trade and cooperation. This process was termed as globalization. In this context, most of the economies of the world are passing through the various stages of the process of globalization in the last three decades of the twentieth century.

During this regime, a definite and distinguished pattern of structural transformation among service sector to the Gross Domestic Product is continuously rising. Mukhopadhyaya (2002) has shown on the basis of world development indicators that the economies of High Income Countries like USA, Japan and France were dominated by the service sector, as the share of this sector to GDP was well above 50% in 1980. Furthermore, this is depicting a rising trend and share of service sector has reached to above 60% in 1999.

This phenomenon is also being observed among the South Asian (relatively lower income) countries like India, Pakistan, Bangladesh, Sri Lanka and Nepal

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where the regional average of the share of service sector was 37% in 1980, which has increased to 47% in 1999. Specifically, in case of India this share has increased from 36 to 46% during this period. This clearly shows the growing importance of service sector during the era of globalization. The expansion of this sector expected to play a vital role in generating employment, trade and business opportunities in the most of the economies of future. In the era of post economic globalization, India is passing through in a transitional state where this process is changing the entire economic scenario of the Indian Economy. There has been a significant difference in the growth performance of the various states and regions of India. It is observed that inter and intra-state performance disparities are growing in last three decades. This raises some conceptual and analytical issues and made us to realize that states and regions have to play a more prominent role in new economic environment, and are forced to engage in competition in their venture to augment their growth profile. This calls for important role that regional dimension has to play in explaining the overall growth performance of the Indian economy.

In this back ground, it would be interesting to study the process and progress of economic development and the role of service sector in the economies of the North-Eastern (NE) states of India. The present paper highlights some of the recent developments and trends in the service sector of this region. We also, analyze the structure of the service sector and the changes among the sub-sectors of the service sector from the period 1980–81 to 2002–03. An attempt is also, being made to compare the structure of service sector of NER with other Indian states.

This paper further deals with the possibility of the growth of service sector in the NE region. Our endeavor will be to identify some of the service sector suitable for this region, which will generate the additional employment opportunities along with its contribution to the faster regional economic growth. The plan of presentation of this paper is as follows: we first highlight in Section II, some of the important and distinctive inter-state socio-economic features, sectoral economic structure and trends in past two decades in the region. Section III describes the economic structure of the NER states. The further decomposition of service sector in to sub-groups and their interstate comparison is discussed in Section IV. The concluding remarks are presented in the last section.

## **SALIENT FEATURES OF THE NORTH-EASTERN STATES OF INDIA**

The northeastern region of India comprises of seven states.<sup>2</sup> These states are Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. The region as a whole accounts for 7.7 per cent of the total geographical area of the

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<sup>2</sup>*Sikkim has also been included in NER, under the jurisdiction of North-Eastern Council since 1997. However, as basic statistics on Sikkim is not yet published by the North-Eastern Council (Basic Statistics of Northeastern Region: 2000), therefore, we have excluded Sikkim as the part of NER in this study.*

country and has 3.88 per cent of the total population. The states Mizoram, Nagaland, Meghalaya and Arunachal Pradesh have predominantly tribal population. This region is rich in natural resources like land, water and forests resources, of which larger proportion is underutilized. Assam is, relatively speaking, a more economically active state surrounded by less economically active and smaller states. Population is mainly concentrated in Assam, where other states are sparsely populated. Process of urbanization, which was initially slow before the independence, got momentum afterwards with the reorganization of administrative units. Urban nodes became service center and place for government jobs. Some industrial estates also developed in and around urban centers. The level of urbanization measured in percentage of urban population to total population is 13.89 per cent in the region, which is significantly lower than the all India level of 26.13 per cent in 2001. Assam Tripura and Nagaland are least urbanized states while Mizoram is most urbanized state (46.10%).

Economy of NER is predominantly agriculture based. There are the places where still most primitive form of cultivation i.e., slash and burn, is being practiced and there are the places in the plains where modern techniques are increasingly being used in cultivation. The variety in economic structure and distribution has significant impact on social settings, which is reflected in the behavior pattern of the people of the region.

Industrial sector is not very much developed in the region. There were only 177 large and medium scale industries in 2001, out of which 72.3% were in Assam alone, the other six states were sharing only 27.7% industries. Tripura, Nagaland and Mizoram were least industrialized states sharing less than five per cent of industries. The distribution of small-scale industries (SSIs) was depicting the almost similar picture where almost a half of SSIs of the region are located in Assam, while Arunachal Pradesh, Meghalaya, Mizoram and Nagaland are sharing less than 10% industries in each state. So, Assam is industrially active state, relatively speaking while the other states of the region are yet to be industrially developed.

The Infrastructural sector is also less developed in the region than all India level. Per capita consumption of electricity for the year 1995–96 was much below the national average 335.42 KW and lowest among Tripura, Arunachal Pradesh and Nagaland. Similarly, percentage of surface road to total road length is lowest in Assam. The per capita net state domestic product at current prices for the year 2002–03 is also lower than per capita net domestic product at the national level except in Arunachal Pradesh. These observations show that NER is less economically developed than the rest of India.

Agriculture is the major economic sector, therefore, more than 65% rural populations are dependent for earning their livelihood from this sector. As an average 25 to 30% population earn their livelihood from tertiary sector. Level of

urbanization is low except in Mizoram. These states continue to show lower per capita net state domestic products (NSDP) than all India average except Arunachal Pradesh. All the states of NER again except Arunachal Pradesh show slower rate of growth of NSDP than all India during the period 1980–81 to 2002–03. This clearly shows that the economies of NE states are trapped in the state of low equilibrium. This fact is further substantiated by the higher and increasing rates of unemployment among these states (See Table 2).

Despite these economic conditions the literacy rates are significantly higher among these states except in Assam and Meghalaya (See Table 1). But female literacy rate is higher in all the seven northeastern states than all India average. The consequence of this is also reflected in higher female work force participation (FWFP) rate, which is significantly higher in these states except in the case of Tripura.

**Table 1: Socio-economic Indicators of the States in NE Region**

State	Literacy Rate			FWFP	HH Per Sq. Km	Prop. of Workers		U. Level	Average Growth
	Total	Male	Female			Primary	Tertiary		
Arunachal Pradesh	41.59	51.45	29.69	37.49	02	67.44	23.90	12.80	5.63
Assam	52.89	61.87	43.03	NA	49	73.99	20.45	11.10	2.72
Manipur	59.89	71.63	47.60	38.96	13	70.00	20.34	27.52	1.48
Meghalaya	49.10	53.12	44.85	34.93	15	74.81	21.46	18.60	5.49
Mizoram	82.27	85.61	78.60	43.25	06	65.99	28.94	46.10	3.77
Nagaland*	61.65	67.62	54.75	37.96	13	75.26	21.26	17.21	7.02
Tripura	60.44	70.58	49.65	13.16	50	64.08	29.51	15.30	2.90
<b>ALL INDIA</b>	<b>52.21</b>	<b>64.13</b>	<b>39.29</b>	<b>22.27</b>	<b>50</b>	<b>67.53</b>	<b>20.50</b>	<b>25.71</b>	<b>5.50</b>

*Note:* Literacy rate is in per cent, FWFP is female work force participation rate in per cent, HH per Sq. Km is household density per square kilometer, Prop. of workers is proportion of workers in primary and tertiary sectors in per cent, U. Level is urbanization level, in per cent and Average Growth is average growth of SDP during 1987–88 and 2002–03, in per cent. For All India, average growth rate is for GDP.

*Source:* Census of India, 2001 and Economic Survey 2003–04.

**Table 2: Rate of Unemployment (Principal Usual Status) in the NER States in 2004–05**

State	Rural			Urban			All		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Arunachal Pradesh	1.51	0.57	1.11	0.75	5.80	1.48	1.49	0.61	1.12
Assam	6.51	14.56	7.64	6.45	31.80	10.12	6.51	16.43	7.91
Manipur	2.17	0.86	1.74	3.60	3.83	3.64	2.71	1.50	2.37
Meghalaya	0.43	0.00	0.25	1.43	3.51	1.98	0.55	0.21	0.41
Mizoram	1.76	0.73	1.40	0.43	0.74	0.54	1.37	0.73	1.15
Nagaland*	2.46	0.06	1.98	7.12	7.03	7.10	3.80	1.59	3.39
Tripura	1.67	9.32	2.94	6.73	21.06	9.74	2.33	11.29	3.88
<b>ALL INDIA</b>	<b>2.16</b>	<b>1.50</b>	<b>1.97</b>	<b>4.70</b>	<b>8.81</b>	<b>5.43</b>	<b>2.82</b>	<b>2.64</b>	<b>2.77</b>

*Note:* the figures denote the proportion of unemployed persons out of the total labour force (15–59 years)

*Source:* National Sample Survey (NSS) 61<sup>st</sup> Round (2004–05), September 2006

## ECONOMIC STRUCTURE OF THE NER STATES

In the background of above discussed salient features, we now describe the economic structure of the NER states on the basis of sectoral share in NSDP. As shown in Table 3 all the NE states were having highest share of Service sector followed by Agricultural sector in the year 1980–81. The manufacturing sector contributes as an average around 5% share to NSDP. The share of agricultural sector have shown continuously declining trend during the period 1980–81 to 2002–2003. During same period the share of manufacturing sector has declined in Assam, whereas in other NE states it has shown increasing trend. But services sector in all the NE states have shown significant increase in their share to NSDP. These trends give the impression that all is well so far as the structural change follows the trend of other developed and developing economies of other states in India and abroad. But this will not be proven so when we do further deeper analysis of inter sectoral growth patterns for the economies of NE states during this period.

**Table 3: State-wise Sectoral Shares in Percentage of NSDP at 1980–81 Prices**

State	Sector	1980–81	1990–91	1995–96	2002–03
ARP	Agriculture	36.9	38.2	35.1	31.9
	Manufacture	6.5	6.1	6	6.9
	Service	56.6	55.7	58.9	61.2
ASS	Agriculture	44.2	38.8	38.1	35.1
	Manufacture	6.5	7.1	6.5	5.5
	Service	49.3	54.1	55.4	59.3
MAN	Agriculture	45.6	39.6	32.9	30.8 <sup>1</sup>
	Manufacture	4.6	5.1	6	5.2 <sup>1</sup>
	Service	49.8	55.3	61.1	64 <sup>1</sup>
MEG	Agriculture	37.7	35.5	26.9	21.1
	Manufacture	3.2	3.3	4.1	4.5
	Service	59	61.2	68.9	74.4
MIZ	Agriculture	NA	NA	NA	NA
	Manufacture	NA	NA	NA	NA
	Service	NA	NA	NA	NA
NAG	Agriculture	27.5	27.1	18.5	18 <sup>1</sup>
	Manufacture	2.1	1.7	8	7.9 <sup>1</sup>
	Service	70.4	71.2	73.5	74.1 <sup>1</sup>
TRI	Agriculture	45.8	42.2	37.4	31.3 <sup>1</sup>
	Manufacture	4.6	4.6	5	6.3 <sup>1</sup>
	Service	49.6	53.3	57.61	62.4 <sup>1</sup>

*Source:* Table 29 National Accounts Statistics of India, EPW Research Foundation, Mumbai, December 2004

*Note:* 1 for the year 2002–03

We begin with analyzing the per capita NSDP, which was much below in these states than all India average in the year 1980–81. This should be kept in mind that most of the NE states have lower than national average population density. That is to show that lower per capita NSDP in fact reflects the smaller size of the economy

of these states. During the period 1980–81 to 2002–03 that all India per capita GDP have increased by 163%, while all the NE states have shown increase in their per capita NSDP lower than national average except in the case of Arunachal Pradesh. This shows slower economic growth of NE states and further support the hypotheses that these economies are trapped in lower level economic equilibrium.

**Table 3a: State-wise Sectoral Shares in Percentage of NSDP at 1980–81 Prices**

State	Sector	1980–81	2002–03
Gujarat	Agriculture	36.9	31.9
	Manufacture	6.5	6.9
	Service	56.6	61.2
Goa	Agriculture	44.2	35.1
	Manufacture	6.5	5.5
	Service	49.3	59.3

Source: as in Table 3

Table 4 and 5 show the state wise sectoral composition of services sector on the basis of their percentage contribution to NSDP at factor cost by industry of origin for the year 1980–81 and 2002–03 respectively. First we look the composition of service sector between the NE states for the year 1980–81. Arunachal Pradesh was having highest share of construction followed by the public administration among the service sector. Meghalaya has highest share of public administration followed by construction. Nagaland also, shows similar composition of service sector. Tripura and Manipur show the highest share of construction followed by real estate and business services, while Assam has highest share of trade, hotel and restaurants. Ironically, all the NE states have shown lowest share of banking & insurance and Transport, storage and Communication service sectors.

**Table 4: State-wise Sectoral Composition of Service Sector and their Contribution (in Percentage) to NSDP at Factor Cost by Industry of Origin for the Year 1980–81**

Service Sector	ARP	ASS	MAN	MEG	MIZ	NAG	TRI
Construction	18.7	4.5	6.5	11.7		14.5	4.5
Electricity, Gas and Water Supply	-3.0	0.5	-3.5	-0.3		-3.0	-1.5
Transport, Storage and communication	0.4	2.6	1.5	2.3		1.6	1.9
Trade, hotel and restaurants	4.4	11.7	5.3	10.7		7.6	6.9
Banking and Insurance	0.6	1.4	1.2	1.7		1.3	1.2
Real estate and business service	7.8	11.3	12.8	8.5		14.2	10.1
Public Administration	10.4	3.6	10.0	12.0		18.7	8.4
Other Service	7.0	9.8	12.4	8.4		12.0	7.9
Net State Domestic Product	100.0	100.0	100.0	100.0		100.0	100.0
NSDP (in Rs. Lakh)	<b>9770</b>	<b>229887</b>	<b>19956</b>	<b>17962</b>		<b>10979</b>	<b>26445</b>

Source: National Accounts Statistics of India, EPW Research Foundation, Mumbai, December, 2004

Now, we see that whether this scenario is changed in 1994–95 (better known as post globalizations era). For this we turn to Table 5, where we find that percentage share of public administration to NSDP has increased in Assam, Manipur, Meghalaya

and Tripura. Nevertheless, the share of construction has declined in Assam, Meghalaya and Tripura. Electricity, Gas and water supply have continued to show deficit in Manipur, Nagaland and Tripura. This clearly shows that major portion of growth in service sector shown in table 3 is due significant increase in public administration expenditure among the NE states, which is mainly state financed and sponsored. This implies that these economies are yet to develop the more self-sustaining and growth oriented service sector. The techniques of input-output analysis are helpful in quantifying the employment, output and income linkages of various economic sectors. But such information is not available for the NE states at disaggregated level. But in another study for the other parts of India (Srivastava, 1985), it has been shown that expenditure of public administration has lower employment and output linkages, whereas construction and trade, hotel & restaurant are the service sector, which have relatively higher employment and income generating capabilities.

**Table 5: State-wise Sectoral Composition of Service Sector and their Contribution (in Percentage) to NSDP at Factor Cost by Industry of Origin for the Year 2002-03 at 1980-81 Prices**

Service Sector	ARP	ASS	MAN	MEG	MIZ	NAG	TRI
Construction	22.4	4.4	9.1	10.2		30.6	3.9
Electricity, Gas and Water Supply	0.0	0.1	-3.8	1.9		-2.6	-3.5
Transport, Storage and communication	1.4	3.3	6.9	6.7		2.2	4.4
Trade, hotel and restaurants	6.9	12.7	3.9	12.8		4.4	6.8
Banking and Insurance	1.2	4.3	2.0	3.0		3.1	2.2
Real estate and business service	5.1	11.5	13.1	7.7		7.0	6.4
Public Administration	8.6	5.4	12.2	16.9		9.0	18.8
Other Service	12.0	9.9	15.2	11.8		12.1	22.4
Net State Domestic Product	100.0	100.0	100.0	100.0		100.0	100.0
NSDP (in Rs. Lakh)	<b>27084</b>	<b>375392</b>	<b>37458</b>	<b>32005</b>		<b>28757</b>	<b>54298</b>

*Source:* National Accounts Statistics of India, EPW Research Foundation, Mumbai, December, 2004

In the present context it can be said that for the most of the NE states the growth of service sector may not be translated in to generating additional employment and income generating opportunities. Thus, this type of development may not address the major economic problems of the region for example rising unemployment. Similarly, transport, storage and communication and banking and insurance have higher forward and backward linkages, which in turn generate higher growth impulses, which facilitate the faster economic growth. Both of these service sectors are almost lopsided in NE states. One of the possible reasons may be that these sectors have higher forward linkages with the industrial sector and when industrial sector is not fully developed the inter-dependent service sector is also not developing in these states.

For the purpose of comparison, Table 6 demonstrates the ranking of sectoral composition of service sector on the basis of their contribution to NSDP for the year 1980-81 and 2002-03 for the NE states. Rank 1 denotes the highest and rank 8 denotes the lowest percentage share to the NSDP of respective states. It is evident

by analyzing the Table 6 that the ranking orders of the various service sectors have not changed much during this period. This implied that the basic structure of the service sector has not changed despite the significant growth in the share of service sector to the NSDP for the NE states. It is evident, therefore that the post globalization situation and state incentives have not been able to generate sufficient push and pull to transform service sector which is required for more vibrant and growth oriented development for the economies of NER.

**Table 6: State-wise Ranking of Sectoral Composition of Service Sector on the Basis of their Contribution to NSDP for the Year 1993–94 and 2002–0**

Service Sector	ARP	ASS	MAN	MEG	MIZ	NAG	TRI	Guj	Goa
Construction 1980–81	1	4	4	2	-	2	5	3	5
1993–94	1	5	4	4	-	1	6	4	7
Electricity, Gas 1980–81	8	8	8	8	-	8	8	8	8
& Water Supply 1993–94	8	8	8	8	-	8	8	8	8
Transport, Storage 1980–81	7	6	6	6	-	6	6	6	2
& Communication 1993–94	6	7	5	6	-	7	5	5	1
Trade, Hotel & Restaurants 1980–81	5	1	5	3	-	4	4	1	1
1993–94	4	1	6	2	-	5	3	1	2
Banking and Insurance 1980–81	6	7	7	7	-	7	7	5	7
1993–94	7	6	7	7	-	6	7	2	3
Real estate & Business ser. 1980–81	4	2	1	4	-	3	1	2	3
1993–94	5	2	2	5	-	4	4	4	6
Public Administration 1980–81	2	5	3	1	-	1	2	7	6
1993–94	3	4	3	1	--	3	2	7	5
Other Service 1980–81	3	3	2	5	-	5	3	4	4
1993–94	2	3	1	3	-	2	1	3	4

*Source:* National Accounts Statistics of India, EPW Research Foundation, Mumbai December, 2004

*Note:* (1) Rank 1 denotes highest and rank 8 denotes lowest sectoral percentage share to NSDP

(2) For Mizoram it cannot be calculated, as sectoral distribution of NSDP is not available

(3) This Table is derived from Table 4 and 5 except for Gujarat and Goa

## SERVICE SECTOR STRUCTURE: AN INTER-STATE COMPARISON

We now look for the possibility of comparison of the structure of the services sector of NE states with the other states of India. We are aware that NE region has six smaller states and one relatively bigger state i.e., Assam. For the purpose of comparison we look for one bigger and one smaller states but relative more economically developed. We select for this purpose the Gujarat and Goa located in the west most part of India.

We are fully aware of the limitations of such type of comparison. It is important to note that the purpose here is not to compare Assam with Gujarat and Meghalaya with Goa as such. But what we are looking for that how the structure of service sector looks like in a relatively economically developed state and transforms along with time. If we compare Table 3 with Table 3a, we find that Assam does not have a very different economic structure with that of Gujarat and Arunachal Pradesh with Goa. And structural changes are also revealing almost similar trends. This may mislead us to think that the economies of NE states are also marching ahead on the



right path of economic development. But when we compare the service sector structure with that of Gujarat and Goa we notice a significant difference.

In Gujarat, trade, hotel and restaurants have highest contribution to service sector, followed by construction and real estate and business (See table 6, column 10). What is more important is the rising of the rank of banking and insurance sector has increased from 5 to 2 in case of Gujarat and from 7 to 3 in case of Goa during 1980–81 to 2002–03. Public administration has almost bottom rank among the services sectors. Similarly, electrical, gas and water supply continue to show either deficit or lowest percentage wise contribution to the NSDP in all the NE states in 2002–03, but in Gujarat, it is not only positive but significant contribution to NSDP. This shows that Gujarat could effectively implement the economic reforms in this sector and could revise the service charges to cover the economic costs; we are yet to make these reforms in most of the NE states.

So, it is evident that in relative more economically developed states in India, the service sector is growing towards more growth, employment and income generating sectors and giving stimulus to economic growth. As a result of which per capita NSDP of Gujarat is more than double and in Goa it is more than triple of the per capita NSDP of Assam in the year 1994–95.

## **CONCLUDING REMARKS**

We have analyzed the economic structure of the North Eastern States of India on the basis of National account statistic published by Central Statistical Organization, Government of India. These statistics were available only for the six NE states and not available for the Mizoram. So, we could not include Mizoram in our present study.

It was found that NE states are showing the trends of reduction in the share of agriculture sector and increase in the share of service sector to the NSDP during the period 1980–81 to 2002–03. But further structural analysis of service sector it is evident that major contribution towards the growth of services sector is due to increase in public administration expenditure. Though, construction and trade, hotel & restaurants sectors are also started developing in some of the NE states. But other important service sectors like transport, storage & communication and banking & insurance are yet to develop fully in this region.

Inter-state comparative analysis shows it clearly that the states which are adopting more focused approach towards economic growth by implementing state level economic reforms policies will move ahead in future to give better employment and income generating opportunities and thus better standard of living to their people. For marching towards the balanced and sustainable economic development, the NE states have to adopt and implement more focused growth oriented policy measures.

Furthermore, the un-even and slow growth of NE States economies and low levels of industrial activity in volumes/ quantity and investment opportunities highlights the prominent role of the state governments to promote these states. The need is further emphasized to generate a positive economic environment for the enhancement of competitiveness. This is possible by the acquisition of competitive assets with proactive policies, such as in infrastructure, complimented by competitive process. Such a policy matrix will be required if some of these states are to overcome negative investor friendly perceptions in the mind set of prospective investors for earning sustainable potential returns on investment.

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# The Impact of Foreign Direct Investment on Poverty Reduction in ASEAN Countries

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**Abstract**—*Since the past several decades, the Association of Southeast Asian Nations (ASEAN) countries had witnessed an increasing foreign direct investment (FDI) inflow, which made them one of the leading capital inflows among the developing nations. This study investigates the link between FDI inflows and the poverty alleviation problem in the ASEAN-5 countries namely Malaysia, Indonesia, the Philippines, Singapore and Thailand for the period 1980–2010. By applying the FDI net inflows and United Nations Development Programme (UNDP)'s Human Development Index (HDI), this study confirms a positive and strong significant relationship between FDI inflows and poverty reduction in the ASEAN-5 countries. Results are largely consistent with the previous literature.*

**Keywords:** *Foreign Direct Investment, Poverty, Human Development Index, Panel Method*

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## INTRODUCTION

Poverty is a universal problem, in which many people in this planet are experiencing or at a risk in some point of time in their lives. Thus, the world is putting in huge efforts to reduce poverty which is deemed to be more essential than ever. However, in some regions the expected results from the initiatives of many developing projects is not promising such as the Millennium Developing Goals (MDGs) and other financial inflows which remain the same. The Sub-Sahara African region is considered first in the world in which the people in those nations are living below the poverty line. Nevertheless, there are also many poor people in the region of ASEAN and it is estimated that 76 million people with an income of only \$1.25 per day<sup>3</sup>.

Hence, to level out this issue, a significant amount of capital investment are needed. Foreign direct investment (FDI) is considered one of the crucial sources of capital investment. This is due to the fact that the ASEAN countries had witnessed an increasing FDI inflow which is estimated at US\$52 billion<sup>4</sup> which made them one

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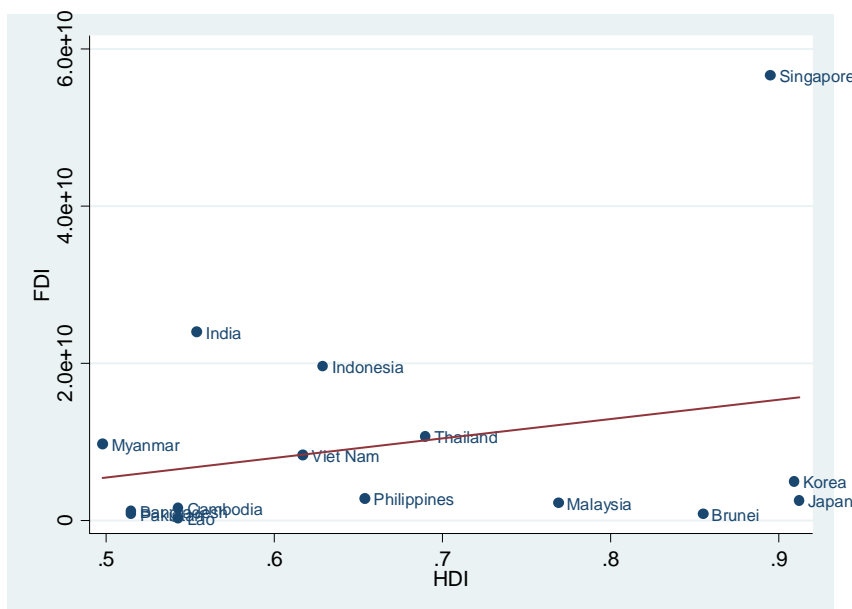
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<sup>3</sup>*In 2009, the World Bank Revised the International Poverty Line from US\$1 to US\$1.25.*

<sup>4</sup>*Based on United Nations Conference on Trade and Development (UNCTAD), 2012.*

of the leading capital inflows in the developing nations. Moreover, based on the United Nations Development Programme (2012), Human Development Index (HDI) as well as real Gross Domestic Product (GDP) per capita has been improving. Therefore, the increase of FDI appears to be associated with an increase of welfare or poverty reduction. Fig. 1 demonstrates there is a positive relationship between FDI and HDI in Asia countries.



**Fig. 1: Scatter Plot for FDI and HDI in Asia Countries, 2012**

*Note:* Fifteen Asia countries had been included based on data availability.

China had been excluded because of the extremely high FDI amounted to US\$2.5E11.

*Source:* World Development Indicator (2014).

In the literature there are considerable studies regarding the issue of FDI and poverty alleviation which concentrates both in micro and macroeconomic aspects. Furthermore, the focus of the macroeconomic centralized on the causal relationship between FDI and economic growth [e.g., Alfaro (2003), Alfaro *et al.* (2004, 2010), Carkovic and Levine (2005), Apergis *et al.* (2008), Hansen and Rand (2006), Chowdhury and Mavrotas (2006), Jallilian and Weiss (2002)]. These studies analyzed the FDI's effect on the economic growth by assuming that there is a positive correlation between welfare and growth rate. However, this assumption has been challenged by Anand and Sen (2000), they argued that economic growth with income disparity may increase or maintain the level of poverty in a nation. More precisely, even if economic growth is necessary for the welfare of the country it should be pro-poor in order to tackle the inequality problem; otherwise it will negatively affect the overall well-being of the nation as pointed out by Ravallion (2007).

Moreover, the limitations of measuring welfare and economic development lead to the availability of restricted literature in this area. The two common indicators that have been used are GDP per capita and poverty incidence. The former exists and used in some literature although it only captures one aspect of development. On the other hand, the latter is a better measure of overall well-being but the data are not obtainable for all countries. UNDP's HDI has been recognized globally as a measure of development since the last three decades. This study will use FDI and HDI as principle variables to investigate the association between FDI and poverty reduction in ASEAN countries. The HDI is used as a key of welfare or poverty alleviation indicator as it is an accepted and a comprehensive measure of human development which takes into account of education, economic factors and health care. In order to measure FDI, the net per capita inflows were utilized. GDP per capita will also be used to measure the welfare as well as an alternative variable and to check for robustness. Furthermore, this study is the first in our knowledge to analyze the effect of FDI on poverty alleviation in the region with such model and methodology that will contribute new insight to the current literature. The study is intended to search the link between FDI and poverty reduction in ASEAN-5 countries as well as the contribution of FDI on poverty alleviation.

This paper is structured as follows. Part 2 reviews the literature on FDI and economic growth as well as between FDI and welfare. Part 3 discusses the methodology and describes both the variables and the sample size of the countries. Part 4 presents the empirical results of the analysis of the relationship between FDI and welfare in ASEAN-5 countries.

## **REVIEW OF LITERATURE**

Since the last decades, some of the world economies witnessed an increasing of FDI inflows to both the developing and the developed countries. However FDI's impact on economic development has been questioned. The results varied due to a number of conceptual and methodological factors such as the lack of comprehensive and harmonized dataset as well as different definitions of both FDI and difference in econometric models applied. In this section, we will look at the existing literature of welfare and FDI. Besides that, we will also discuss the relationship between economic growth and FDI. Finally, we will review the role of financial institutions on effectiveness of FDI in the host countries.

## **FDI AND WELFARE**

A considerable amount of literature discussed the reasonable ways that FDI may affect the well-being of host countries. Ranis, Stewart and Ramirez (2000) investigated the links between human development and economic growth from two perspectives. The results indicated a significant relationship in both directions. The public expenditures on education and health particularly female is especially

important in the chain from economic growth to human development; and the investment rate and income distribution on the other hand is significant in the human development to economic growth chain. This gives rise to vivacious or virtuous cycles, in which a good or bad performance on human development and economic growth will reinforce each other.

By testing panel dataset of Indonesian manufacturing establishments, Blalock and Gertler (2008) examined the welfare gains from foreign direct investment through technology transfers to local suppliers. They found strong evidence from the markets that supply foreign entrants for being a great source of competition; productivity gains and lower prices among local firms is observed. The technology transfer is Pareto improving-value added and output increase for firms in both the supplier and buyer side. Furthermore, they also found that the technology transfer creates an externality that benefits buyers in other sectors downstream from the supply sector as well. This externality may give a justification for policy intervention to promote foreign investment.

## **FDI AND ECONOMIC GROWTH**

Alfaro (2003) studied a cross country data for the period from 1981 until 1999. The findings indicated that FDI has different effect on the growth of various sector of the economy mainly the primary, manufacturing and service sector. In the primary sector, FDI associated negatively with growth, while manufacturing sector tend to have positive effect on growth. However, the effect of FDI on service sector is ambiguous. Recently, Alfaro *et al.* (2010) develop a theoretical model to formalize a mechanism that emphasizes the role of local financial markets in enabling FDI to promote growth through backward linkages. Their calibration exercises lead to similar findings with the previous work.

Borensztein *et al.* (1998) investigated FDI's impact on economic growth in a cross-country analysis. By applying the data of FDI inflows from the industrial countries to 69 developing economies over the last two decades and it is concluded that FDI is crucial for technology transfer where it contributes relatively more than domestic investment. Furthermore, this study also finds that absorptive capability of technology in host country is precondition for FDI effectiveness in host country. By employing a time series data, Ghosh and Berg (2006) examined whether FDI inflows in US stimulates its economic growth. They have found that FDI in US is significant, positive and has economically important impact on US growth. Moreover, the simulation equation model (SEM) estimates disclosed that FDI growth is income inelastic. The findings imply that: (1) Even if the country is technologically advanced also benefits from FDI, and (2) FDI benefits are significant in the long run.

## THE ROLE OF FINANCIAL INSTITUTIONS ON THE EFFECTIVENESS OF FDI

Many researchers and policy makers are not only interested the link between economic growth and FDI but also the role of financial systems on effectiveness of FDI in the host countries. Hermes and Lensink (2003) investigated how developed financial systems contribute to economic growth in 67 countries in Asia and Latin America with a data set of 37 years. The findings suggest that sufficiently developed financial systems contribute positively to economic growth and crucial prerequisite for FDI to directly affect economic growth. Countries with developed financial system relatively benefited from the technological diffusion that is similarly experienced from FDI inflows.

Dutta and Roy (2008) empirically investigated the role of political risk in the association of financial development and FDI. Using a panel of 97 economies, they found that the relationship is strictly non-linear and the effect of financial development on FDI becomes negative beyond a threshold level of FD. The authors also found that political risk to be a contributing factor affects the relationship by altering the threshold level of financial development.

Eller, Haiss and Steiner (2006) examined the impact of financial sector FDI on economic growth by estimating a panel data model for 11 Central and Eastern European countries (CEECs) between 1996 and 2003 in a cross-country growth accounting framework. The results clearly indicated that there can be a relationship between financial sector and economic growth. Approaching a medium degree of financial development, mergers and acquisitions is rewarded by higher economic growth after two periods. Beyond it, financial sector FDI seems to spur economic growth depending on a higher human capital stock. Financial sector FDI induced knowledge spillovers to domestic bank can be an explanation for this phenomenon. However, above a certain threshold, the crowding-out of local physical capital caused by the entry of foreign bank seems to hamper the economic growth.

Alfaro (2004) empirically investigated the effects FDI on economic growth using cross country data with a time frame of 20 years. He found that FDI alone plays an ambiguous role in economic growth but the countries with well-developed financial markets gained significantly from FDI.

Zakaria (2007) empirically investigated the causal relationship between financial development and FDI in 37 developing nations in a multivariate framework. The results have shown a little evidence of FDI's contribution to the development of domestic banking sector in developing countries. Furthermore, the study also found that FDI has no impact on the development of the domestic banking sector. There is also little support for the case that the development of the domestic banking sector causes FDI.

Adam and Tweneboah (2009) study the effect of FDI on the stock market development in Ghana by using multivariate error correction model and multivariate cointegration. The findings indicated that there exists a long-run association between FDI, stock market development and nominal exchange rate in Ghana. Furthermore, they also found that a shock to FDI significantly influence the development of stock market in Ghana.

In summary, the literature studies comprises the causal link and the relationship between economic growth and FDI by assuming that GDP growth is a good proxy for welfare, which is not always true; also it takes into account the role of sound financial systems on FDI's effectiveness in the host countries. Generally, the studies that empirically investigated the link between FDI and GDP have mostly show positive results.

On the other hand, financial institution contributes great part to the effectiveness of FDI in the host economies. Commonly, most of the literature regarding the role of financial systems on effectiveness of FDI found that sufficiently developed financial systems contribute directly to economic growth and also it is an essential prerequisite for FDI to positively impact economic growth. Furthermore, developed financial systems contribute to the technological diffusion associated with FDI inflows. Although, FDI alone plays an ambiguous role in economic growth but the countries with well-developed financial markets gained significantly from the FDI inflows.

## **METHODOLOGY**

### **DATA DESCRIPTION**

This research incorporated the net inflow of FDI while the HDI and the GDP per capita as main variables to explain the impact of FDI on welfare besides employing a number of other control variables.

FDI is measured by FDI net inflows which include the value of outward direct investment made by residents of the reporting economy to external economies. The value of the outward direct investment consists of the reinvested earnings, intra company loans, net of receipts from the repatriation of capital and repayment of loans. This study uses per capita FDI or the ratio of FDI net flows over the total population (FDIPOP).

GDP per capita and poverty incidence are variables that have been used by the literature to measure country's progress toward improved welfare. GDP per capita only measures the economic dimension of well-being while development is a multidimensional phenomenon. Hence, welfare or wellbeing do not only depend on the economic factors but also include the education, health care and as well as other factors. Although, poverty incidence is comprehensive measure of country's wellbeing but it is not recorded annually and is too country-specific to be



aggregated across counties. Therefore, HDI is chosen in this study to measure welfare which is defined by the UNDP, as a composite statistics of education, health and standard of living to rank countries into four tiers of human development. Education is measured by a combination of the adult literacy rate and the combined primary, secondary as well as tertiary gross enrolment ratio and the standard of living by GDP per capita. Due to the limitation as per indicated, GDP per capita is used as an alternative variable in order to check the robustness of the results besides as a comparison to the previous literature.

Followed the study of Gohou and Soumare (2012), this study considers five control variables. First and foremost, is the government expenditure to GDP ratio in which the government spending is expressed as percentage of GDP (GOVERSPEND) and it is also used to capture government's size? Next, is inflation whereby it is measured as a percentage change in the GDP deflator. Furthermore, the infrastructure variable is also taken into account in this research which is the phone measured by the number of fixed and mobile phones per 100 people and the internet refers to the internet users per 100 habitants. Moreover, the Corruption Perception Index (CPI) of international transparency is also considered to gauge transparency. Last but not least, the stock market capitalization over GDP (MKTCAP) is also included.

### MODEL SPECIFICATION

In order to empirically examine the FDI's effect on welfare (poverty reduction), the following regression is utilized and is adopted from Gohou and Soumare (2012).

$$w = \alpha + \beta FDI + \sum \gamma_{1j} \times \text{Economic \& Policy var}_i + \sum \gamma_{2j} \times \text{Business Env. \& Inst. var}_j$$

Where  $w$  is represented by the HDI and the GDP per capita is used as an alternative variable. On the other hand, the FDI is measured by the per capita FDI net inflows. Besides that, the economic and policy variable consists of the GOSVP which represents the government spending ratio, INF is the inflation proxy by CPI, PHONE is phone measured by mobile phones per 100 habitants and INTERNET indicates the number of internet users per 100 habitants. Furthermore, the business environment and institutional quality variables comprise of the Corruption Perception Index (CPI) which gauges the transparency and the MKTCAP represents the stock market capitalization over GDP.

The HDI measures the outcome of developing countries' investment in health, education as well as countries economic performance. First and foremost, the FDI is expected to be positively related to welfare. Next, government spending is also expected to have positive effects on the wellbeing of the society. This is due to the fact the majority of the residents in the developing nation needs are basically

ensured by government spending. Government spending such as public investment on education and health generally improve the welfare of the nation. But the relationship between fiscal policy and economic growth is a subject of debate. Much of the theoretical literature stresses that deficit-financed government purchases lower growth by introducing distortions in product and financial markets and by crowding out private investment. Other analytical studies, however, emphasize that fiscal deficits are not necessarily bad for growth, as, holding taxes constant, higher public spending has the potential to raise the productive capacity of the economy by improving the quality, and/or increase the total supply, of all input factors (Goulas and Zervoyianni, 2013).

Besides that, inflation is included to measure the macroeconomic instability and expected to have negative effects on welfare. This is because high inflation increases the price of basic goods and it will then directly effects to the poor. Moreover, the infrastructure variables consisting of both the phone and internet expected to have positive impact on welfare as expenses on infrastructure provides better living conditions. Finally, better business environment and high institutional quality is expected to have positive effects on FDI and in turn the welfare of the nation which is represented by the stock market capitalization over GDP (MKTCAP). On the other hand, CPI is expected to have positive relationship with welfare because a decrease in the CPI represents higher level of corruption which will then lead to a decrease in the welfare<sup>5</sup>.

This study runs the panel regression and three models are considered: 1) pooled Ordinary Least Squares (OLS), 2) random effect, and 3) fixed effect. This research focuses mainly on ASEAN-5 countries namely Malaysia, Indonesia, Singapore, Thailand and The Philippines. The sample comprises of ASEAN-5 countries for the period from 1980 until 2010. The descriptions and sources of data are presented in Table 1.

**Table 1: Variables and Sources of the Data**

Variable	Description	Source of Data
HDI	Human Development Index	Human Development Report of UNDP
GDPPC	Real per capita GDP	World Bank's World Development Indicators (WDIs)
FDI	Per capita FDI	World Bank's Global Development Finance (GDF)
GOVSP	Government Consumption/GDP	WDIs
INFLATION	Inflation Percentage Change in GDP Deflator	WDIs
PHONE	Fixed and Mobile Phone users per 100 habitants	WDIs
INTERNET	Internet users per 100 habitants	WDIs
CPI	Corruption Perception Index	Transparency International
MKTCAP	Stock Market Capitalization	Global Development Finance World Bank

<sup>5</sup>The CPI currently ranks 176 countries on a scale from 100 (very clean) to 0 (highly corrupt).

## EMPIRICAL RESULTS

In order to examine the relationship between welfare measured by HDI and FDI, the panel regression using STATA software is applied. The first step is to compare the pooled OLS (POLS) and the fixed effect model (FEM). Since, the p-value of the F-test from the poolability F-test is 0.0371. This indicates that, the null hypothesis is rejected at 5% significance level and concludes that FEM is better than POLS. Secondly, is to check between the pooled OLS (POLS) and random effect model (REM). The Breusch-Pagan LM Test is undertaken in order to determine the better model. Based on the chi-square probability of 0.9775, it is concluded that the null hypothesis cannot be rejected. Hence, from both the test findings it is concluded that FEM is the best model and the following discussion will be based on FEM. The results are as per reported in Table 2.

**Table 2: Results of Panel Data Analysis for Dependent Variable, HDI**

HDI	Expected Sign	POLS	FEM	REM
FDI	+	0.0000***	0.0000***	0.0000***
GOVSP	+	0.0099***	0.0067***	0.0099***
INFLATION	-	0.0003***	0.0005***	0.0003***
PHONE	+	0.0111***	0.0112***	0.0111***
INTERNET	+	0.0015***	0.0015***	0.0015***
CPI	+	0.0084***	0.0048***	0.0084***
MKTCAP	+	0.0002***	0.0001***	0.0002***
Poolability F-Test		85.97 (0.0371)**		
Breusch-Pagan LM Test		0.00 (0.9775)		

*Note:* \*, \*\* and \*\*\* denote significance at 10%, 5% and 1%, respectively. The value in the parentheses denotes p-value.

As shown in Table 2, all of the coefficients in FEM are statistically significant and carried the expected signs, except for inflation. The FDI is positive and highly significant indicates that greater FDI inflow improves a nation's welfare. The government spending (GOVSP) as expected is significant and positively related with the welfare. The infrastructure variable (phone and internet) has a significantly positive impact on welfare. This can be explained by the fact that the new infrastructure improves the standard of living and contributes to the overall level of well-being.

Corruption perception index (CPI) and stock market capitalization (MKTCAP) is significant and positively related to the welfare which means that high level of institutional efficiency and developed business environment encourage FDI inflows which in turn benefits the well-being of the society.

This study found that the inflation is positive and significant which is inconsistent with the conventional view in macroeconomics that low inflation is a necessary condition for fostering economic growth. The result is tallies with Gohou and Soumare (2012). They also found inflation has a positive relationship with HDI,

but not a significant one. Wang (2011) estimated the welfare cost of inflation and reported that it generates a negligible welfare loss. Nosal (2011) argued that the effect of inflation may have positive consequences for welfare<sup>6</sup>.

Since the GDP per capita had been widely used to measure welfare, to compare the results with those of the literature and to check their robustness, this study used real GDP per capita (RGDPPC) as an alternative welfare measure and the results are presented in Table 3. First and foremost, we investigate POLS and FEM. The results from the Pool ability F-test indicate that the null hypothesis is rejected and conclude that the FEM is a better model. Next, is to determine between POLS and REM which is a better model. Therefore, the Breusch-Pagan LM Test is conducted and the findings show that the null hypothesis is rejected which draws the conclusion that REM is a better. Last but not least, the test arrive on a conflicting conclusion an additional test is implemented which is the Hausman Test. This is crucial to determine between whether FEM and REM is a better model. The results indicate that the null hypothesis is rejected and led to the conclusion that FEM is the best model.

**Table 3: Results of Panel Data Analysis for Dependent Variable, RGDPPC**

RGDPPC	Expected Sign	POLS	FEM	REM
FDI	+	2.4380***	1.5516***	2.4380***
GOVSP	+/-	-735.5156***	-293.7929**	-735.5156***
INFLATION	-	-46.7200	9.4425	-46.7200
PHONE	+	-488.4825***	-212.6978*	-488.4825***
INTERNET	+	149.1464***	168.7889***	49.1464***
CPI	+	3705.6751***	1060.2621**	3705.6751***
MKTCAP	+	-15.5054***	13.6161**	-15.5054***
Poolability F-Test			80.28(0.0000)***	
Breusch-Pagan LM Test			34.97(0.0000)***	
Hausman Test			31.06(0.0001)***	

Note: \*, \*\* and \*\*\* denote significance at 10%, 5% and 1%, respectively. The value in the parentheses denotes p-value.

As can be seen in Table 3, the coefficients of FDI, government spending, internet, CPI and market capitalization are both statistically significant and carried the expected signs. The coefficient for phone is statistical significant but inconsistent with the expected signed. The inflation is wrong signed but not significant.

The impact of FDI on real GDP per capita is positive; also the infrastructure variable for internet is significant indicating how infrastructure is crucial in affecting the welfare. CPI and MKTCAP have significantly positive impact on welfare which means that a better judiciary system improves business environment and better protects investor. Well-developed financial institution facilitates investment and business development which indirectly create jobs and improve the standard of living.

<sup>6</sup>The author demonstrates that a policy that makes buyers less choosy, e.g., a departure from the Friedman rule, may increase social welfare.

The coefficient of government spending can be either positive or negative. Table 3 indicates that the coefficient of government spending is negative and statistically significant at 1 per cent. The result indicates that reduction in government spending promotes growth. This result is supported by Gohou and Soumare (2012).

Based on the theory, "phone" has a positive relationship with economic growth. However, our result indicates that the coefficient of phone is negative. This maybe due to the effect of internet was larger compared to phone<sup>7</sup>.

**Table 4: Comparison of Results for FEM based on HDI and RGDP**

7	Expected Sign	HDI	RGDP
FDI	+	0.0000***	1.5516***
GOVSP	+/-	0.0067***	-293.7929**
INFLATION	-	0.0005***	9.4425
PHONE	+	0.0112***	-212.6978*
INTERNET	+	0.0015***	168.7889***
CPI	+	0.0048***	1060.2621**
MKTCAP	+	0.0001***	13.6161**

Note: \*, \*\* and \*\*\* denote significance at 10%, 5% and 1%, respectively.

Table 4 compares the findings for best model (FEM) that utilizing HDI and RGDP. First and foremost, all the independent variables for both models are statistically significant except for inflation for the model using RGDP. The table shows that the signs for government spending and phone had changed. RGDP as an alternative welfare measure presents negative effects of government spending and phone on welfare which are inconsistent with the theory. Both models have inflation to be inconsistent with the expected signs. Nevertheless, it is not significant in the case of RGDP. Hence, our results lead to the conclusion that HDI is better than RGDP.

## CONCLUSIONS AND THE POLICY IMPLICATION

This study assesses the impact of FDI on welfare using Human Development index as it measures the different aspects of human development and real per capita GDP as a measure of welfare. The measure of FDI for this study is the per capita FDI net inflows. Besides that, to improve the analysis a couple of controlling variables such as government spending which is intended the impact of public investment such as education and health on the people were included. Furthermore, this study uses inflation to capture the macroeconomic stability whereas the phone and internet variables are used as an infrastructure variable. Furthermore, the Corruption Perception Index (CPI) which gauges the transparency of business environment and the stock market capitalization represents the role of financial institutional are introduced.

<sup>7</sup>Recent study by Vu (2011) that examines the ICT impact on economic growth found that the marginal effect of the penetration of internet users was larger compared to those of mobile phones and personal computers.

The study finds positive and high significant relationship between welfare (poverty reduction) and FDI net inflows in the region of ASEAN. As for the controlling variables, government spending, infrastructure (phone and internet) and market capitalization are significant and positively related to the welfare (poverty reduction) of these countries. Finally, a clean or low corruption business environment promotes a nation's welfare.

Policy implications of the study include efforts of poverty reduction. In the light of this issue, the government of these countries should promote policies to attract FDI and should meticulous planning in order to direct those investments towards the most productive sectors of the economy. The spillover effect of these investments will create jobs, develop local skills, generate high productivity competitiveness and stimulate technological progress. Hence it can contribute to the reduction of poverty and improving welfare in the ASEAN region. Secondly, in terms of tackling inequalities within a country; adequate incentives should be offered to encourage foreign investment into labor-intensive and pro-poor sectors such as agriculture, education and infrastructure development. Besides that, the social, political and economic context of host countries will influence the preferences made in terms of intensive policies and the sectors to be prioritized. Moreover, public investments should be directed to the most needed sectors such education and health in order to improve the overall welfare of the country. Last but not least, the corruption level should be kept low because it is harmful to the welfare of the country.

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# Population Indicators, Obstacles and Awareness for Utilization of Maternal and Child Health Care Services among Indian Muslims

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**Abstract**—It is found that a complex set of relationship exist among the socio-economic, cultural and demographic events. It is necessary to study the factors affecting the use of maternal and child health care services Methods: Women have been selected for the data collection on the basis of criteria like those women between the age group of 15–35 years and whose last child is less than 4 years old. An equal number of women respondents from both the groups Khandeshi and Momin (250), in the age group of 15–35 years have been interviewed. One respondent woman, in Khandeshi group has been refused to give the information; hence, the data is presented with sample of 249 Khandeshi women who were interviewed. The data has been collected in 2010. The study examines the demographic aspects for primary data has been used. The data has been analyzed using vicariate methods, chi-square test and simple frequencies. Result show that mother's education, age at the time of birth, status of women, significantly increase the utilization of health care services of mother and child health care. Chi-square test shows that there is no significant relationship between educational attainment and child parity of the women in both groups. Lack of Utilization of maternal and child health care services are a reason for IMR and MMR among two groups of Muslims in Malegaon. Family background, poverty, education, economic and social status are the constraints for utilization of health care services. There is an urgent need to develop suitable programs for health care services to the women in the study area.

**Keywords:** Demographic Determinants, Child Health Care Services, Poverty, Woman Status, Literacy Level

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## QUICK POINTS

- The socio-economic, cultural and demographic phenomenon is affecting Maternal and Child Health Care Services among some religion groups.
- National and international researchers have studied on the same issues.
- To solve the problems of unmet needs regarding health services in some communities in World as well as in India present study can be used for planning.

Maternal healthcare remains a major challenge to the global public health system, especially in developing countries<sup>1</sup>. The socio-economic and demographic characteristics affect the family health, mortality and fertility<sup>2,3</sup>. Socio-economic and

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demographic factors, however, have a great influence on use of health care services<sup>4</sup>. Use of maternal health care services has positive association with socio-economic status of women<sup>5</sup>. Poverty, which is a result of social and economic inequality in the society, is hazardous to the health of people. Healthy living conditions and access to good quality health care for all people are not only basic human rights, but also essential prerequisites for socio-economic development. Inequalities in social, economic and political context between various population groups in a given society affect most sensitive indicators of health of the people living in the society which are Infant Mortality Rate and Maternal Mortality Rates<sup>6</sup>. This study is an attempt to study the existence and influencing factors of the maternal and child health care services in two groups of Muslims in Malegaon.

## **METHODS**

### **IRB APPROVAL FOR THE RESEARCH WAS OBTAINED FROM THE ETHICS COMMITTEE OF PUNE UNIVERSITY**

The comparison of the socio-economic and demographic differences between the two groups (Momin and Khandeshi) of Muslim community in Malegaon city has been studied. Information on socio-economic and demographic characteristics of the households in both the groups in study area has been availed through household scheduled which is administered to the female. Cross tabulation, simple frequencies and chi-square test are used for the analysis. Household amenities have been taken into consideration for a composite index to calculate the standards of living index. Standard of living variables are determined on the basis of consumer durables such as radio, television, fan, refrigerator, furniture, washing machine, bicycle, two-wheel and four-wheel motor vehicle, and sources of lightening, sources of cooking, water tap and bore well etc. After the total scores based on the value/rank of these possessions in each household are calculated, the households are categorized into three quartiles as poorer, poor and middle class. The socio-economic and demographic status of women respondents and its relation with utilization of maternal and child health care services have been studied. Women have been selected for the data collection on the basis of criteria like those women between the age group of 15–35 years and whose last child is less than 4 years old. An equal number of women respondents from both the groups Khandeshi and Momin (250), in the age group of 15–35 years have been interviewed. One respondent woman, in Khandeshi group has been refused to give the information; hence, the data is presented with sample of 249 Khandeshi women who were interviewed. The information on antenatal and postnatal care services has been taken for last two pregnancies and deliveries of a woman.

## **RESULTS**

Muslims in India, are not a homogeneous community, but horizontally divided into various regional and cultural groups on one hand, and into several socio-economic status groups on the other.

## FAMILY SIZE OF HOUSEHOLDS

Socio-economic characteristics in terms of education of women, family income, demographic factors and age at marriage have bearing upon the family size<sup>7,8</sup>. Analysis shows that a household comprise of 1–4 members are mostly husband, wife and children called nuclear family. As far as joint family is concerned, Khandeshi group Male and female work participation rate indicates largely the lowest economic status of women in the society. However, the status of women has intimately related with their economic position<sup>9</sup>.

## LITERACY STATUS OF HOUSEHOLD MEMBERS

The number of illiterates between the two groups is as high as 43.9 per cent for Khandeshi and 33.9 per cent for Momin (Fig. 1).

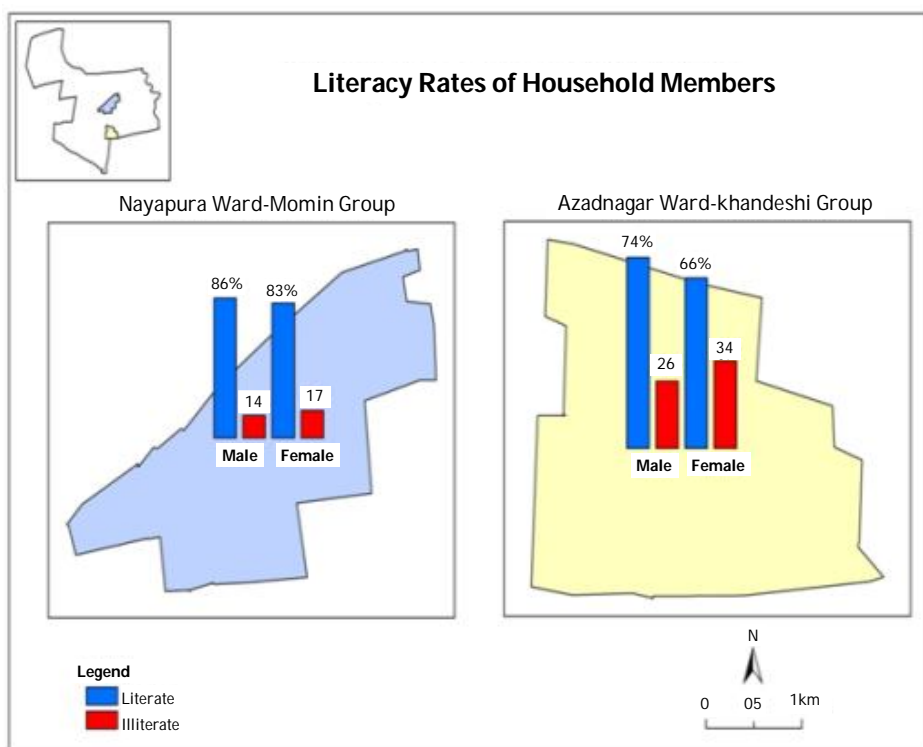
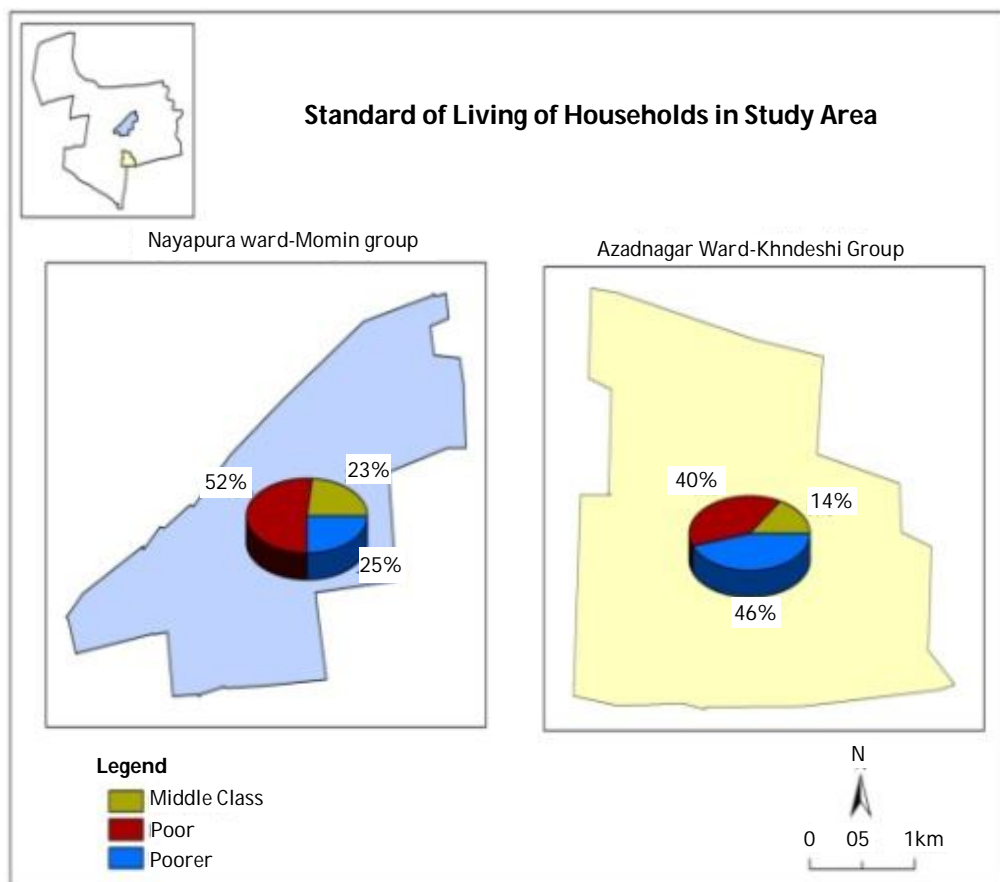


Fig. 1: Literacy Rates of Household Members

## STANDARD OF LIVING OF HOUSEHOLDS

In this study, the standard of living index has been calculated at the household level for both the groups. Khandeshi group (46.4 per cent) seems to be more in the poorer category compared to the Momin group (24.8 per cent), and Momin is more in the poor and middle class category (Fig. 2).



**Fig. 2: Standard of Living for Households**

*Source:* Field survey conducted during 2008–2009, Malegaon

### STANDARD OF LIVING AND SOCIO-DEMOGRAPHIC COMPONENT OF HOUSEHOLDS

The standard of living index for both the groups is compared on the basis of their socio-demographic characteristics shows that in Khandeshi, the level of education is positively correlated with their standard of living. It means higher the standard of living, higher is the level of education and vice versa. Among Momin negative correlation is found, this means higher is the standard of living; the lower is the level of education. While, family size is not associated with the standard of living in Khandeshi but it has positive association in Momin group (Table.1).

**Table 1: Correlations between Standard of Living and Socio-Demographic Determinants among Muslim Groups**

Pearson's Correlation Matrix	Khandeshi			Momin		
	Standard of Living Index	Level of Education of Family Members	Family Size	Standard of Living Index	Level of Education of Family Members	Family Size
Standard of Living Index	1			1		
Level of Education of family members	.184(**)	1		-.168(**)	1	
Family Size	.098	-.244(**)	1	.127(*)	-.192(**)	1

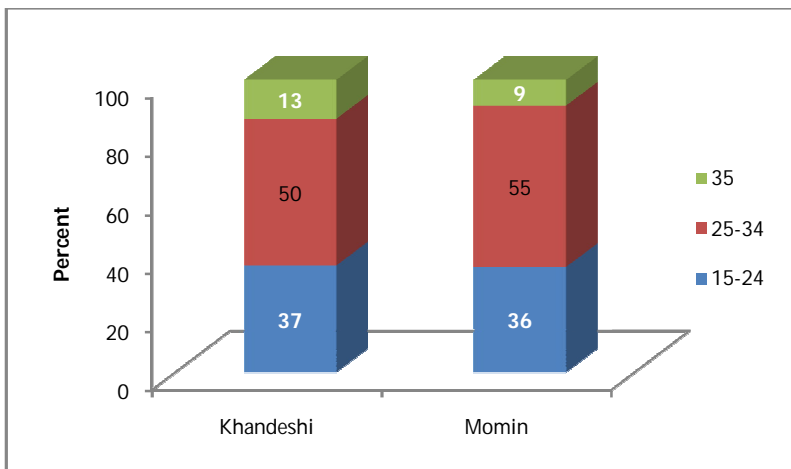
\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Source: Field survey conducted during 2008–2009, Malegaon

**CURRENT AGE OF WOMEN**

Young women in a community are more acquainted to the use of health care services than older women<sup>10</sup>. It is observed (Fig. 3) that majority of the women are in 25–34 age groups, which is 50.2 per cent among Khandeshi and 55.2 per cent among Momin.

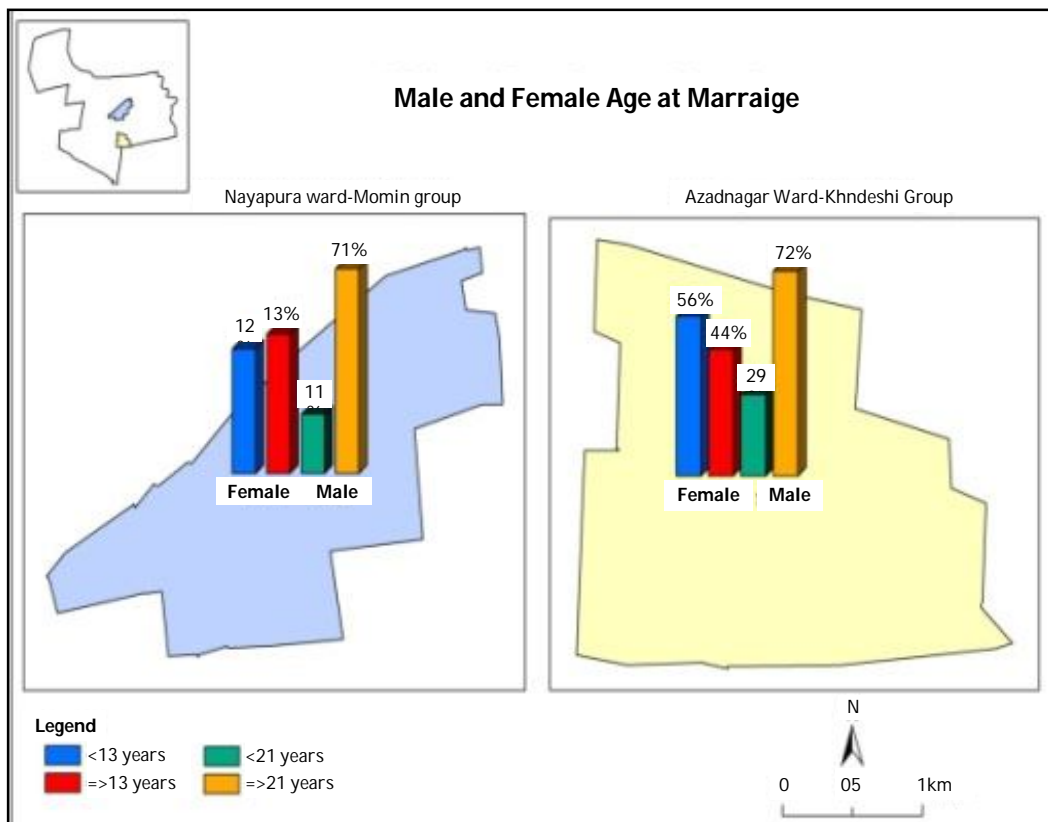


**Fig. 3: Current Age of the Women Respondent**

Source: Field survey conducted during 2008–2009, Malegaon

**AGE AT MARRIAGE OF MALE AND FEMALE AMONG MUSLIMS IN MALEGAON**

The age at marriage of male and female is considered as determinant of use of health care services. The result shows that 55.8 per cent females among Khandeshi group and 47.2 per cent females among Momin group, married at the age of less than 18 years (Fig. 4).



**Fig. 4: Age at Marriage of Male and Female among Muslims**

Source: Field survey conducted during 2008–2009, Malegaon

**WORK STATUS OF WOMEN AND THE DECISION ABOUT THE MONEY EARNED BY WOMEN**

Work status of women indicates that some women work outside the home, but the proportion is very less in both the groups. Data shows that 12 per cent Khandeshi women and 18 per cent Momin women have ever worked either at home or outside home, other than the household work.

As far as Decision about the expenditure of money earned by Women, among Khandeshi, 83 per cent women and, 51 per cent Momin women takes decision on their own (Fig. 5).

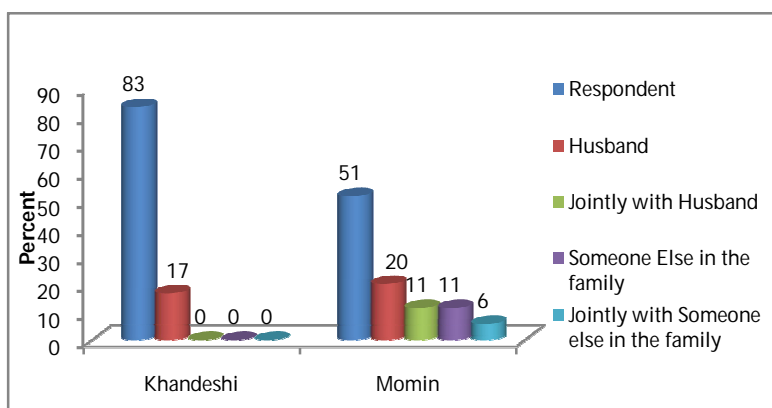


Fig. 5: Decision about Earning of Women

Source: Field survey conducted during 2008–2009, Malegaon

Note: Percentages are calculated with very low frequencies.

### CURRENT AGE OF WOMEN AND NUMBER OF CHILDREN

The three specific aspects 1) age at marriage of the mother, 2) current age of the mother and 3) number of children are the main indicators of the level of fertility<sup>11</sup>. It is seen that most of the young women are in the age group of 15–24 years. As per 48.2 per cent women have 1–2 parity in Khandeshi group whereas in Momin group, it is comparatively more i.e. 55.6 per cent. But with more than 4 parity, Khandeshi women are seen more (16.1 per cent) compared with Momin women (10.4 per cent). “Similar observations have been made by <sup>12,13,14</sup>” in their study. Among both the groups, number of parity of the mother is seen highly significant with the increase of the age (Table 2).

Table 2: Current Age of Mother and Number of Children

Age of Mother	Khandeshi						Momin					
	Child Parity											
	1–2 Parity		2–4 Parity		>4 Parity		1–2 Parity		2–4 Parity		>4 Parity	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
15–24	79	65.8	11	12.4	1	2.5	77	55.4	13	15.3	0	0.0
25–34	38	31.7	67	75.3	20	50.0	60	43.2	61	71.8	17	65.4
35	3	2.5	11	12.4	19	47.5	2	1.4	11	12.9	9	34.6
<b>Total</b>	<b>120</b>	<b>100.0</b>	<b>89</b>	<b>100.0</b>	<b>40</b>	<b>100.0</b>	<b>139</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>
<b>Chi-Square</b>	<b>Value=120.38 df=4 Sign=0.000</b>						<b>Value=72.27 df=4 Sign=0.000</b>					

Source: Field survey conducted during 2008–2009, Malegaon

### AGE AT MARRIAGE OF WOMEN AND NUMBER OF CHILDREN

Women in both the groups, who got married at early age i.e. less than 18 years, have more parity than those women who got married at 18 years and above. It is seen that 50 per cent Khandeshi women with 1–2 parity is observed in both age at marriage of less than 18 and above 18 years. The chi-square test suggests that

among Khandeshi group age at marriage and parity of child is not significant ( $p=0.173$ ) whereas in Momin groups it shows highly significant at  $p=0.000$  (Table 3).

**Table 3: Age at Marriage and Number of Children**

Age at Marriage	Khandeshi						Momin					
	Child Parity											
	1-2 Parity		2-4 Parity		>4 Parity		1-2 Parity		2-4 Parity		>4 Parity	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<18 Years	60	50.0	56	62.9	23	57.5	46	33.1	52	61.2	20	76.9
=>18 Years	60	50.0	33	37.1	17	42.5	93	66.9	33	38.8	6	23.1
Total	120	100.0	89	100.0	40	100.0	139	100.0	85	100.0	26	100.0
Chi-Square	<b>Value=3.514 df=2 Sign=0.173</b>						<b>Value=26.978 df=2 Sign=0.000</b>					

Source: Field survey conducted during 2008–2009, Malegaon

### EDUCATIONAL ATTAINMENT AND NUMBER OF CHILDREN

In the Table 4, it is seen that parity of women decreases as the level of schooling increases. Chi-square test shows that there is no significant relationship between educational attainment and child parity of the women in Khandeshi ( $p=0.339$ ) and Momin group ( $p=0.092$ ).

**Table 4: Educational Attainment and Number of Children**

Educational Attainment	Khandeshi						Momin					
	Child Parity											
	1-2 Parity		2-4 Parity		>4 Parity		1-2 Parity		2-4 Parity		>4 Parity	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Primary	12	36.4	13	39.4	8	24.2	30	45.5	26	39.4	10	15.2
Secondary and Higher Secondary	93	52.2	60	33.7	25	14.0	88	60.3	43	29.5	15	10.3
Graduate and More	1	100.0	0	0.0	0	0.0	18	62.1	11	37.9	0	0.0
Total	106	50.0	73	34.4	33	15.6	136	56.4	80	33.2	25	10.4
Chi-Square Test	<b>Value=4.531 df=4 Sign=0.339</b>						<b>Value=7.993 df=4 Sign=0.092</b>					

Source: Field survey conducted during 2008–2009, Malegaon

#### a. Status of Women among Muslims

### CHILD DEATHS, STILL BIRTH AND ABORTION AMONG MUSLIMS IN THE STUDY AREA

The present study found that there are 46 children died per 1,000 live births to the married women in the age group of 15–35 years among both the groups. There are 18/ 1,000 still births occurred among total births registered in the age group of 15–35 years married women. The overall abortion rate is 42/ 1,000 pregnancies found in the age group of 15–35 years married women. It gives an idea that women are not aware about the prenatal and neonatal care in the study area.

Figure 6, shows that, 30 per cent Khandeshi women and 26 per cent Momin women are in the category of high status. In the category of lower status, 10 per cent Khandeshi women and 12.8 per cent Momin women have been observed.

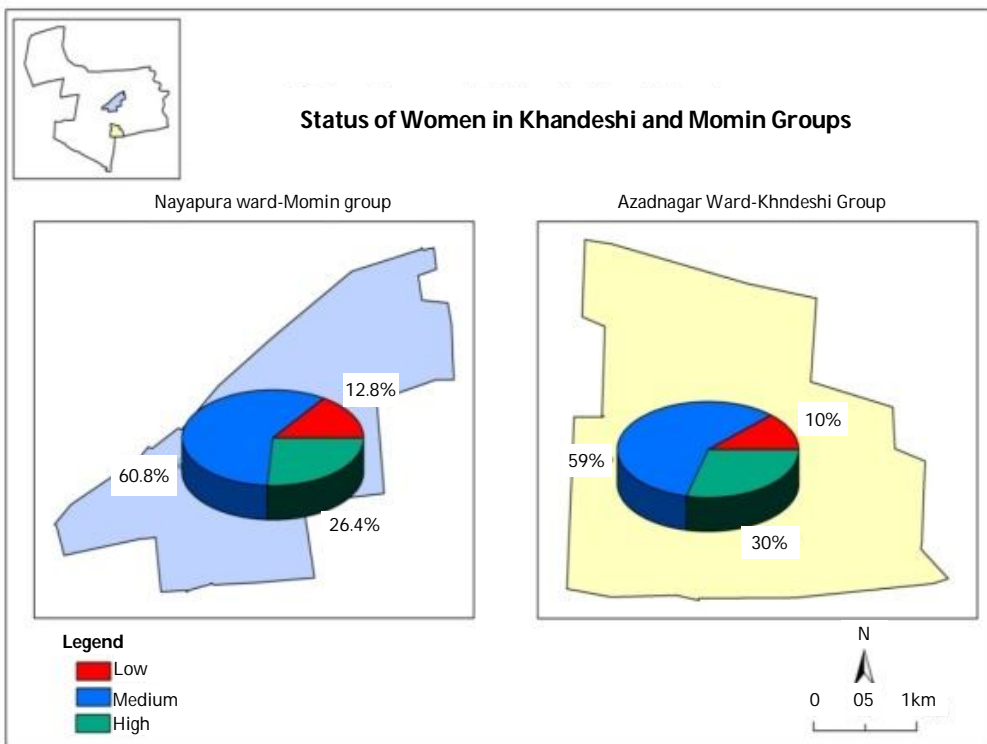


Fig. 6: Composite Index of Status of Women among Muslims

Source: Field survey conducted during 2008–2009, Malegaon

### STATUS OF WOMEN AND SOCIO-ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

Socio-economic background includes age at marriage, years of marriage and standard of living which has implication on the status of women among both the groups.

In the (Table 5), it is seen that the status of women in both Khandeshi and Momin groups do not show any significant relationship with age at marriage. In Khandeshi group, current age of women and completed years of marriage shows the positive relationship with the status of women. In the low status category, as the age of women increases, number of women in the medium to high category increases. In Momin group, standard of living has more effect on their level of status.

Table 5: Socio-Economic Background and Status of Women

Socio-Economic and Demographic Characteristics	Khandeshi						Momin					
	Low		Medium		High		Low		Medium		High	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Age at Marriage of the Women</b>												
Less than 18 years	11	7.9	89	64.0	39	28.1	12	10.2	72	61.0	34	28.8
More than 18 Years	14	12.7	58	52.7	38	34.5	20	15.2	80	60.6	32	24.2
Chi-square=0.162 df=2						Chi-square=0.427 df=2						

Table 5 (Contd.)...



Table 5 (Contd.)...

Current Age of the Women												
15–24 years	16	17.6	50	54.9	25	27.5	7	7.8	59	65.6	24	26.7
25–34 years	7	5.6	77	61.6	41	32.8	24	17.4	80	58.0	34	24.6
35 years	2	6.1	20	60.6	11	33.3	1	4.5	13	59.1	8	36.4
	Chi-square=0.059 df=4						Chi-square=0.150 df=4					
Completed Years of Marriage												
1–3 Years	11	25.0	21	47.7	12	27.3	8	12.1	41	62.1	17	25.8
4–6 Years	7	9.9	41	57.7	23	32.4	11	16.2	42	61.8	15	22.1
7–9 Years	4	10.3	25	64.1	10	25.6	5	15.6	20	62.5	7	21.9
10 Years and More	3	3.2	60	63.2	32	33.7	8	9.5	49	58.3	27	32.1
	Chi-square=0.011 df=6						Chi-square=0.750 df=6					
Standard of Living												
Low	13	11.2	65	56.0	38	32.8	2	3.2	26	41.9	34	54.8
Medium	9	9.2	61	62.2	28	28.6	19	14.5	90	68.7	22	16.8
High	3	9.7	18	58.1	10	32.3	11	19.3	36	63.2	10	17.5
Total	25	10.2	144	58.8	76	31.0	32	12.8	152	60.8	66	26.4
	Chi-square=0.926 df=4						Chi-square=0.000 df=4					

Source: Field survey conducted during 2008–2009, Malegaon

## DISCUSSION

Demographic determinates affects directly on utilization of maternal and child health services. Age of the husband is one of the important elements in the study of utilization pattern of maternal and child health care services of a community. Similarly, women and husbands in the young age group have more possibility in the use of health care services than those in the older age group. Generally, young population acquired knowledge and awareness of the health care of mother and child, as they get more exposure to education and mass media<sup>15</sup>. (Momin group has the highest literacy (85 per cent) but Khandeshi has low literacy level (70 per cent), Only 25 per cent of Muslim women are literate in rural Maharashtra, and the drop-out rate among them is high<sup>16</sup>. Through the scholarships and other such incentives, the high drop-out rates of female students would greatly reduce<sup>17</sup>. Socio-economic conditions and policies have far more impact on the average family size than religion. The average family size is also very high which is 8 for Khandeshi and 6 for Momin group. The death of a child has a profound and often long lasting impact on families in general and on mothers in particular. The relationship of parents and their ability to bond with caring and rearing of surviving children may be affected. The status of women in the contemporary context is reflected in the state of their health, education, employment and life in the society<sup>18</sup>. The status of women in Khandeshi group has considerably higher than the Momin women, large portion of women are living with medium status among both Khandeshi and Momin. Among both the groups, number of parity of the mother is seen highly significant with the increase of their age. Majority of the women have reported the age of last child is 1 year. In the present study, there are 46 death, 18 still births and 42 abortions found among married women in the age of 15–35 years. It gives an idea of underutilization of health care services, poor availability and accessibility of health care services to the women in the study area.

## CONCLUSION

Maternal healthcare remains a major challenge to the global public health system, developing countries in general and India in particular. The socio-economic and demographic characteristics affect the family health, mortality and fertility. Lack of Utilization of maternal and child health care services are a reason for IMR and MMR among two groups of Muslims in Malegaon. Family background, poverty, education, and other economic and social status are the constraints for utilization of health care services of mother and health care. There is an urgent need to develop suitable programs health of mother and child among Muslim in India as well as study area.

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# The Dialectic of Modernity and Patriarchy: Understanding the Plight of Dalit Women in India

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**Abstract**—*Modernity is commonly viewed as leading to all-round progress of all sections of society, including the marginalized. It smashes tradition and modernizes society. Its benefits are universal. It eliminates patriarchy and promotes development of all women. Keeping this conventional grand paradigm of modernity in view, the paper first briefly discusses the concepts of modernity and patriarchy. Secondly, it delves upon the understanding of modernity and patriarchy in the Indian context. Then it analyses the plight of Dalit women in India. It is observed that the conventional unidirectional dichotomous tradition-modernity paradigm does not capture the complexity of condition of Dalit women. Neither caste perspective nor class perspective alone explains their continued discrimination, deprivations, oppressions and exploitations which are of the highest degree in society. In fact, gender, caste and class intersect and together make the Dalit women the most marginalized and oppressed section of the Indian society. Hence, the intersectionality perspective helps us to properly understand their persisting wretched condition in the society. It is argued here that emancipatory impulses of modernity propelled the Indian state and lately the Dalit women as well towards attaining social equality and liberty, but the structure of patriarchy, caste, class and associated cultural practices pushed them back to keep them under male domination. But Dalit women are getting more awakened and have started asserting more frequently and in an organized manner in recent decades for uplifting their condition and resisting violence. It is the dialectic of modernity and patriarchy which would take them further towards their empowerment and emancipation.*

**Keywords:** *Dalit Women, Modernity, Empowerment, Social Equality*

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## INTRODUCTION

Modernity is commonly viewed as signifying a condition of all-round progress of human society. As a historical societal phenomenon, it emerged first in the West and then spread to other parts of the world. It involves smashing of the traditional society and its replacement with a new set of social structures, institutions and associated values and norms that modernizes society. Its benefits are claimed to be universal as it is said to benefit all sections of society everywhere. It eliminates patriarchy and promotes development of all women. The foundations of modernity, as a system, were laid in India during the British colonial rule. The Government of India has made concerted efforts at modernization of the country over the last six decades after independence like several other ex-colonial countries in the world. The Constitution of India provides the basic framework for reconstruction of the

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Indian society along modernist lines, which incorporates basic principles and policy direction for promoting gender equality, including that for Dalit women. Successive Five Year Plans made provisions for uplifting the condition of women in general and Dalit women in particular. Though under the regime of globalization the private sector and market have gained ascendance in the recent decades, both government and NGOs are involved in ameliorating the condition of Dalit women. Despite these attempts, the Dalit women continue to remain the most backward section of the Indian society. This requires interrogation of the very tradition-modernity paradigm in understanding the condition of Dalit women in India. For this purpose, the paper first delves upon the conceptualizations of modernity and patriarchy and then discusses the plight of Dalit women in India emphasizing on the dialectic of modernity and patriarchy in their context.

### **CONCEPTUALIZATION OF MODERNITY**

The term modernity is derived from the word *modern* which originates from the Latin *modern's* signifying the separation from pagan Rome with the acceptance of Christianity. In the beginning, the term *modern* was used in generic sense which referred to 'new; being different from the past'. The term gained its meaning through the Enlightenment during which rationality and idea of liberty challenged the influence of religion over society. Modernity started systematically with the European Enlightenment which symbolized separation from the past and a process that marked passage from traditional to modern. Deshpande (2003:27) notes that around the 18<sup>th</sup> century the word 'modern' acquired a new and more specific meaning that referred to the unique social system with distinct values and institutions that emerged in Western Europe between the 17<sup>th</sup> and 18<sup>th</sup> centuries. Besides the relatively static noun modern, the procession verb 'modernization' also started being used around the same time, which referred to changes or improvements and later by the 20<sup>th</sup> century connoted 'something unquestionably favorable or desirable' (Williams cited in *ibid*:28). This general connotation of a process of positive change or improvement was inflected, particularly while talking about social institutions or entire societies, by a movement towards the European Enlightenment model of modernity (Deshpande 2003). As an historical process, the Industrial Revolution led to the transformation of agricultural society into industrial society in the West. This involved use of modern science and technology and rationalization of economic and also other spheres of life. As a paradigm, modernity is said to encapsulate democracy in politics, capitalism in economy and positivism in science. As a system it is regarded as synonymous with industrialization, urbanization, democratization and increasing rationalization of social life in general.

Peter L. Berger finds modernity marking liberation of individual from the controls of traditional collectivities that constituted the society. He states, 'Modernity has indeed been liberating. It has liberated human being from the narrow controls of family, clan, tribe or small community. It has opened up for the

individual previously unheard of options and avenues of mobility' (Berger *et al.* 1974:175). In fact, modernity signifies replacement of traditional society with a new society organized on alternative set of values, structures and institutions. Rudolph and Rudolph clearly note the societal shifts. In their view, modernity assumes that local ties and parochial perspectives give way to universal commitments and cosmopolitan attitudes; that the truths of utility, calculation, and science take precedence over those of the emotions, the sacred and the non-rational, that the individual rather than the group be the primary unit of society and politics; that the associations in which men live and work be based on choice not birth, that mastery rather than fatalism orient their attitude toward the material and human environment; that identity is chosen and achieved not ascribed and affirmed (Rudolph and Rudolph 1967, cited in Deshpande 2003:28).

Anthony Giddens conceptualizes modernity signifying institutional transformations which first occurred in the West and then those western institutions spread world over, more so with globalization. Giddens states (1990:1), "Modernity' refers to the modes of social life or organization which emerged in Europe from about the seventeenth century onwards and which subsequently became more or less worldwide in their influence". He holds, modernity means "institutional transformations that have their origins in the West" (ibid: 174). He considers modernity as both a Western and a non-Western project. Institutions such as nation-states and capitalism have their roots in European history; in this sense modernity is a Western project. But since those western institutions have emerged later in the non-Western societies as well, more rapidly with globalization, and thus eliminating differences between societies, modernity cannot be considered only Western (ibid).

So, besides the Western transformation modernity refers to institutional transformation of the non-Western traditional societies. As a process, it represents the modernization of ideals in non-Western societies. It involves transformation of traditional society into modern, and hence, symbolizes the direction of evolution of non-Western societies. The main proposition of the theories of modernity is that every society has to undergo a process of transformation in phases to get modernized (for instance, see Rostow 1990). It is affirmed that every society will eventually share the same characteristics and thus converge reflecting the universal character of European modernity.

But this universalistic model of European modernity is not subscribed to by Eisentadt (2000) who has propounded the notion of 'multiple modernities'. He refuses to accept the theories of modernization prevalent in the 1950s as the actual practices of modernization occurring in non-Western societies showed that their modernity is not just a copy of the Western modernity but has their own historical-cultural specificity. So, in place of a single European modernity getting replicated everywhere, different versions of modernity have emerged with their own uniqueness despite their

broad commonness with the Western modernity. So, modernity and Westernization are not identical for Eisenstaedt. He reads the history of modernity as a story of continual constitution and reconstitution of a multiplicity of cultural programs. So, in practice there have been 'different programs of modernity, holding very different views on what makes societies modern'.

Thus, two paradigms of modernity emerge from the above analysis—the dominant conventional Universalist paradigm (Berger, Giddens, Rudolphs), and recent 'multiple maternities' paradigm (Eisenstaedt). The two contrasting paradigms of modernity are shown in Fig. 1.

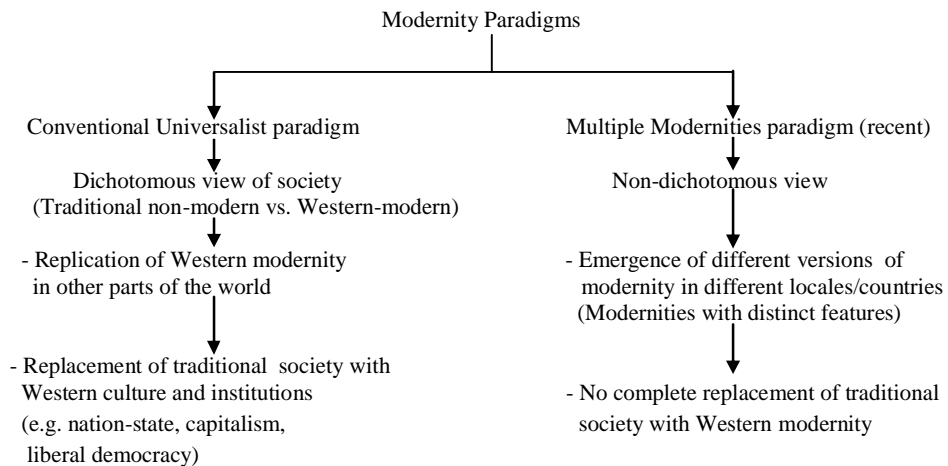


Fig. 1: Modernity Paradigms

## PATRIARCHY

Patriarchy literally means rule of the father in a male-dominated family. At its simplest, the term means 'the absolute rule of the father or the eldest male member over his family'. It is a social and ideological construct which considers men (who are the patriarchs) as superior to women. Sylvia Walby (1990) in *Theorizing Patriarchy* calls it "a system of social structures and practices, in which men dominate, oppress and exploit women". Patriarchy is based on a system of power relations which are hierarchical and unequal where men control women's production, reproduction and sexuality. It imposes masculinity and femininity character stereotypes in society which strengthen the iniquitous power relations between men and women.

Patriarchy has also been viewed as more than the subordination of women. It is thus the rule of father not only over all women in the family but also over younger and socially or economically sub-ordinate males (Geetha 2007). It is observed that not all men are powerful in a patriarchal system: younger men and in the Indian

context Dalit and lower caste men have been oppressed and exploited by the powerful of their sex and denied access to resources as well as their own masculine identity. But the fact remains that, in a social and economic sense, all men can and do lay claims to resources and power more easily than the women in their families or communities. For instance, in a working class or lower caste family, male children get to eat better food and are more likely to be sent for education than female children. So, it can be held that patriarchy rests on defined notions of masculine and feminine. It is upheld by sexual and property arrangements that privilege men's choices, desires and interests over and above those of the women in their lives. It is sustained by social relationships and cultural practices which celebrate heterosexuality, female fertility and motherhood on the one hand and valorize female subordination to masculine authority and virility on the other.

However, patriarchy is not a constant in gender relations but a dynamic and complex set of structure and values which has changed over the periods of history. The nature of control and subjugation of women varies from one society to the other as it differs in class, caste, religion, region, ethnicity and the socio-cultural practices. Patriarchy in Indian society manifests itself in various forms, such as, preference for son, discrimination against girls in food distribution, burden of household work on women and young girls, lack of educational opportunities for girls, lack of freedom and mobility for girls, wife-battering, sexual harassment at workplace, lack of inheritance or property rights for women, and men's control over women's body and sexuality.

## **MODERNITY AND PATRIARCHY IN INDIA**

Yogendra Singh (1989: 183) has emphasized that modernity is instrumental for the cultural metamorphosis of Indian society. For him, modernity entails "introjections of the value of equality in place of hierarchy, of individualism as replacement of holism, of historicity in place of continuity and of techno-scientific rationalism in place of the principles of transcendence." Modernity with its ethos of equality and uniformity also denies the traditional role differentiations. Singh explains the processes of modernization of the Indian tradition in a holistic manner. He observes changes in both social structure and cultural structure of the Indian tradition along modernity which he finds adaptive in nature, i.e. the Indian tradition has changed but adapted to modernity rather than getting replaced. It may imply that patriarchy as well has adapted to modernity in India rather than getting completely smashed. So, it could be held that Indian modernity is of a distinct type rather than just a duplication of Western modernity in structural and cultural terms and practices.

To Dipankar Gupta (2007), modernity is basically about a set of attitudes governing social relations. He lists out four essential features of modernity, viz: recognizing dignity of the individual, adherence to universalistic norms, privileging individual achievement over ascriptive attributes, and accountability in public life

(ibid:12). Modernity requires an attitude of equality with, and respect for others. It demands 'a baseline similarity so that people can live with dignity and can realistically avail of opportunities to better their condition of existence' (ibid: 15). On examining the contemporary Indian condition, Gupta finds a definite move from tradition yet the society not being modern. He recognizes the many dramatic transformations which have occurred in Indian society. However, he observes lack of modernity still discernible at distressingly high degree. Thus, while we are not modern, we are not quite traditional either. It is in this sense that India is between worlds" (ibid: 217).

According to Avijit Pathak (1989), the agenda of modernity is inseparable from the vision of emancipation—reason emancipating us from superstitions and prejudices, technology from the bondage of nature, and secularity from religious orthodoxies and institutions, emancipation from subjugation, exploitation and domination. It gives positive environment to equality, reciprocity, dialogicity and plurality. So, the history of modernity is the history of revolt—revolt against traditionalism, burden of the past, institutionalized religions and their oppressive practices. Furthermore, rationality, equality, universality and individual rights acquire great relevance in the project of modernity. Modernity refers to the constitution of subjectivity, the social construction of the modern self, and the political and cultural expressions of these phenomena at both the individual and the collective level.

In contrast with the abstract Universalist homogenizing frame of modernity, Aditya Nigam (2000:4261) finds the growth of 'hybrid modernity' in India. In his view, the modern/traditional dichotomy often blinds us to the complexity of the ways the traditional and the modern articulate in practice in the non-Western setting. He observes that the specific forms of articulation of the modern with the traditional in India laid the foundations of the Nehruvian state's slide into a domination of the brahminical upper castes over the modern state institutions. In fact, what occurred in India is 'the breakdown of the old order and the insertion into the new, necessarily hybrid modernity—as constituting a single moment'. The processes of modernity have not simply destroyed the hold of tradition and brought in the new world of modern development, industrialization and a regime of rights and citizenship. Instead, the old remained 'always already' present in the new but no longer in the old form (ibid: 4261–62). No doubt, the advent of modernity has altered the overall context. A new institutional set up has emerged within which 'the traditional has to negotiate its daily existence'. In the transactions between the traditional and the modern, there is observed 'the continued existence and salience of caste, religion or ethnicity as it struggles to adjust itself to the new languages and practices of a modern democratic polity' (ibid: 4266).

In a similar vein, we find Lloyd and Susanne Rudolph observe 'the modernity of tradition' reflected in the politics of caste associations that operated as par



communities in politics for achieving secular goals like political power, status and material gains, i.e. not for strengthening the traditional caste hierarchy but to challenge and dismantle it instead (see, Nigam 2000:4266). "Caste consciousness played a part, but not for the purpose of preserving caste traditions and customs but rather of transforming them through political power" (Kothari and Maru 1965, cited in Nigam: *ibid*).

Kancha Ilaiah delineates two different modernity in India, viz. the 'Hindu nationalist' modernity and 'indigenous modernity' wherein the former may be viewed as official-modernity and the latter as the proto-scientific practices of the dalitbahujans and women who are always ever innovative in the course of their productive work (Ilaiah 1998, cited in Nigam 2000:4260). High modernity got materialized in the 'feudal brahmins' developing their grip over the state sector through their knowledge of the English language and nexus between all the twice-born castes. This bifurcation of 'high' modernity and 'low' modernity problematizes modernity whose project has only been homogenization, and standardization of the cultures/knowledge through erasure and silencing of such low cultures (see, Nigam 2000:4260). Nagraj (1993) refers to 'the treacherous deal that was struck between the forces of modernity and caste system.'

Further, modernity, according to Pathak (1989), is often read as an oedipal revolt against the tyranny of patriarchy. The roles of women in and their active contribution to social processes have not been paid much attention in the past. So, in recent years feminism has developed an extensive critique of the prevailing vision of male agency and female powerlessness, arguing for a reinterpretation of the role of women in modern society. Pathak (1998:11) observes, "Modernity or the process of rationalization demystifies the 'naturalness' of the male-female division and hierarchy and shows how gender is essentially a constructed category. It gives women the confidence to come out of all imposed 'ideals' and see the world with their own eyes". So, modernity has given a new momentum to women's quest for liberation.

But it is also true that feminist assertion is not always a celebration of modernity. It perceives the supremacy of masculine or instrumental rationality in science and it also views a close affinity between patriarchy and capitalism. In fact, authentic feminism poses a challenge to both patriarchy and callous modernity. The paradoxical consequence of modernity emerges because of stronger anti-egalitarian social forces working against assertion for justice and equality by the marginalized.

In case of India the state is required to act like an agency of modernization. It is generally assumed that a modern state which is characterized by its agenda of scientific temper, techno-industrial development and economic progress, must fight all sorts of pre-modern pathologies prevalent in a traditional society. However critical scholars caution us to remember that modernity has not abolished

patriarchy. Rather, it projects patriarchy in a new way. The gender division of labor in terms of household chores and care of the child being the traditional responsibility of women continue to largely prevail, whereas office work and the public space is mostly monopolized by men in modern society. Figure 2 depicts the broad scenario of modernity and patriarchy in India.

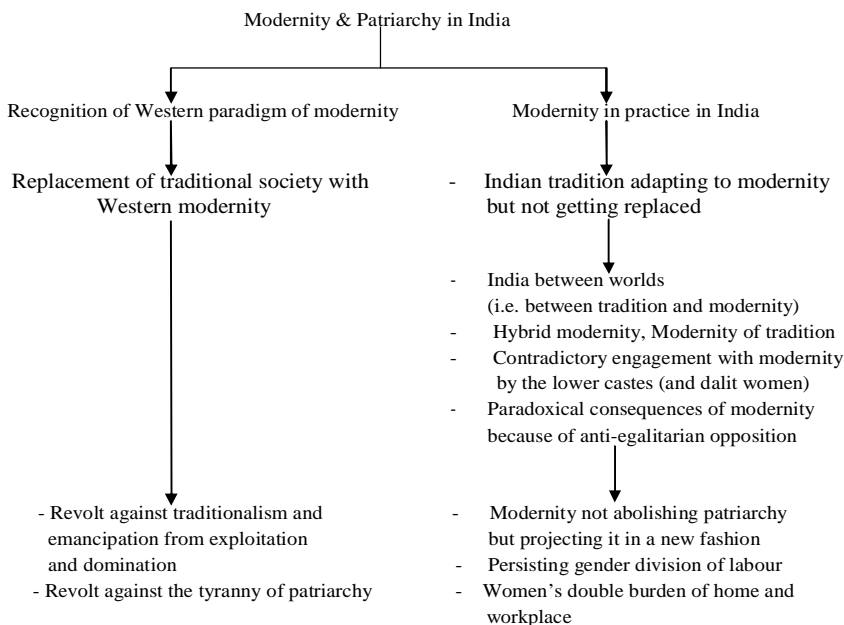


Fig. 2: Modernity & Patriarchy in India

## DALIT WOMEN IN INDIA

There are a number of nomenclatures which have been used for dalits in Indian society at different points of time e.g. Chandals, Achhuts (untouchables), Shudras, Depressed Classes, Harijans, Scheduled Caste, etc. Dr. Ambedkar chose the term 'Dalit' with 'broken men' as English translation, to refer to the original ancestors of the erstwhile 'untouchable' castes. Dalit Panthers, the youth activists from Dalit community revived the term and in their 1973 manifesto expanded its reference to include the Scheduled Castes, Scheduled Tribes, the landless and poor peasants, women and all those who were exploited politically, economically and in the name of religion (See, Shrivastava and Tanchangya 2015:181). But the term Dalit is used here in this paper referring to only the erstwhile untouchables i.e. popularly known as the Scheduled Castes.

Dalit women number 80.517 million or approximately 48 per cent of the total Dalit population, 16 per cent of the total female population and 8 per cent of the total Indian population (Irudayam, Mangubai and Lee 2006:1). They are one of the

largest socially segregated groups anywhere in the world and make up 2% of the world's total population.

Caste prejudices and discrimination against Dalit's is a social fact (Kumar 2009:64). Historically, Dalit's have been excluded from enjoyment of social, economic, cultural, civil and political rights. This is due to the customary restrictions imposed on them by the social hierarchy being born into so- called 'impure, polluted castes'.

Economic factor plays an important role. Ilaiah (2001) holds that the possession or non-possession of material resources, in particular, in the form of property makes for fundamental differences between lower caste women and upper caste women. Since the lower castes by and large do not own property, all Dalit families have to labor, including women and even children. These in-built structures, according to Ilaiah, shape the manner in which Dalit women are thoroughly integrated into labor systems and exploited.

Educationally Dalit women continue to be the most backward section, more so in higher education, though there has been gradual improvement in their educational status. Particularly higher education proves to be a powerful substantive base and has counter symbolic value as a liberatory tool for the socio-historically downtrodden castes and communities of India. The pursuit of education was in itself an emancipatory action in an historical context of caste-patriarchy based exclusion from and social closure to traditional systems of formal education. But Dalit women have been largely deprived of higher education, in particular, and hence could not benefit from its substantive and liberatory potential.

In fact, Namala (2008) sharply brings out multiple sufferings encountered by Dalit women. They face caste-based social discrimination and oppression. They are treated as untouchables because of being born as Dalit. They are customarily not permitted to enter, particularly the inner part of the homes of other caste people and the temple. They face discrimination at the village water pump/well and at the tea shop. They are treated as inferior in places where they are legally equal, like schools, colleges and work places. They also suffer from violence, atrocities, oppression and exploitations emanating from caste hierarchy. They face class-based marginalization as well. They are mostly poor and hence trapped in the cycle of lack of education or marketable skills with little chance for a reasonable occupation and income. They live in poverty generation after generation. Lack of assets seriously weakens their economic standing and independence. Being mostly dependent upon wage labor in the unorganized sector, their work is uncertain, poorly paid and exploited. Due to lack of adequate education and very weak organizing power, they remain largely unaware of welfare measures. No wonder, because of acute poverty and powerlessness, they are often abused and exploited by the landlord, the employer, government officials and the general public. Moreover, they face domination by male in the family because of their gender. They carry the double

burden of housework and outside labor. They generally eat the last and the least in the family. They face abuse and violence like wife beating in the family. They also encounter the most sexual abuse from landlords and Dalit men as well. So, they suffer from discrimination, oppression, and exploitation on the basis of caste, class and gender.

According to Jogdand (1995), Dalit women are doubly disadvantaged because of: a) being Dalit, they are economically and culturally marginalized, and b) being women, they suffer from gender-based inequalities and subordination. They live a precarious existence combining abject poverty with grinding labor in the fields and work places. In the home they are abused and used, powerless and exploited. These gender based inequalities perpetuated by patriarchal power relation and intensified by caste and class discriminations result in structural inequality. Besides social and economic discriminations and deprivations, they are victims of patriarchy. They are discriminated and oppressed not only by the people of higher castes but also by Dalit men within their own communities because of being woman. So, Dalit women are exploited and oppressed in multiple ways. They suffer:

- As subject to caste oppression at the hands of the upper castes;
- As laborers subject to the class-based oppression, also mainly at the hands of the upper and middle castes who form the bulk of landowners.
- As women who experience patriarchal oppression at the hands of all men, including men of their own caste.

Manorama (2008:451–52) affirms, "Today, Dalit women, who constitute the major working force, are thrice alienated and oppressed on the basis of class, caste and gender". Guru underlines the complex reality of Dalit women. The plight of Dalit women cannot be comprehended when gender is taken as a homogeneous identity encompassing all women in India, i.e. including Dalit women. Guru observes contradictions between high caste and Dalit women. These contradictions are reflected in subtle forms of caste discrimination practiced by upper caste upper class women against Dalit women in the urban areas and slander of Dalit women in rural areas. He argues that the question of rape, for instance, cannot be understood merely in terms of class, criminality, or as a psychological aberration or an illustration of male violence. 'The caste factor also has to be taken into account which makes sexual violence against Dalit or tribal women much more severe in terms of intensity and magnitude' (Guru 1995:2549). Rege (1998:ws 43) states, 'An analysis of the practices of violence against women by caste would reveal that while the incidence of dowry deaths and violent controls and regulations on the mobility and sexuality by the family are frequent among the dominant upper castes-Dalit women are more likely to face the collective and public threat of rape, sexual assault and physical violence at the work place and in public'.

Hooks (1989:22) holds that women suffer from the multiple handicaps of gender, caste, tribe and rurality because these are the 'interlocking' systems of domination. From this angle, Dalit women are the most vulnerable in the scale of power, subject to multiple forms of exploitation, including sexual exploitation, not only at the hands of the upper caste men but men from Dalit castes also.

A poster exhibited at the 5<sup>th</sup> National Women's Conference held in 1994 sums up 'The Rights and Responsibilities of Dalit Women' as below (quoted by Eva-Maria Hardtmann 2009:216):

Thus, Dalit women suffer in various ways, most importantly on the basis of caste, class and gender. In fact, Dalit women are a distinct social group and cannot be masked under the general categories of "women", "Dalit's or lower/exploited class. They are in the worst position compared with non-Dalit castes, also Dalit men, in terms of wages, employment, occupation, assets, education, health, social mobility and political participation (Bandhu cited in Rao 2003). Their social status is not similar to the women belonging to non-Dalit castes as they are treated as socially inferior even by the latter.

***'The Rights and Responsibilities of Dalit Women'***

To own bodies-and be controlled by state,'upper' castes and men  
 To be untouchable by day-and touchable by night  
 To be the cultivators-and starve unto death  
 To work, labour-and profit others  
 To cast our votes-and seat others

In class terms, their condition is not the same as non-Dalit poor people because the latter treat them as socially inferior. Namala (2008:459) very succinctly captures their distinct lowly position in Indian society:

...While Dalit women share many of the same disabilities arising out of their class position with the poor in general, their caste along with Dalit men and their gender with all other women, the extent, intensity and depth vary. The cumulative effects of caste, class and gender [over them] are qualitatively different from the impact of each of these independent factors.

However, it needs to be acknowledged that India adopted a modernist path of development after Independence. The Constitution of India provides the modernist vision and guiding tenets for transformation of the country from tradition to modernity along the lines of secularization, rationalization and scientific developments. The country has witnessed accelerated changes towards modernity as it embraced the ethos of modernity which is identified with egalitarian values and structural transformations-modernization of the economy, polity, social life and culture. The Constitution grants equality of opportunity and individual liberty to all citizens irrespective of caste, class and gender. Since Independence, the Indian state has initiated several special policies and programmes for uplifting the status of

Dalit's in the country. There is reservation for Dalit's in political representation from the panchayat to the parliament and also in education and government jobs. The Constitution has been amended to provide reservation for political representation of Dalit women, along with other women, in the local governance bodies, viz. the three tiers of the Panchayat system. Some welfare programmes have special provisions for them. So, a small section of Dalit's has benefitted from that and their condition has improved educationally, occupationally, economically and politically. The status of Dalit women has also slightly improved in some respect. But they continue to lag far behind non-Dalit's and Dalit men as well in society. This is evident, for example, from Table 1 which provides details about literacy rate–caste and gender-wise. It is clearly observed from Table 1 that both people under General category and Dalit/SC category benefitted from the introduction of modern system of education in terms of their increasing literacy rate. But the rate of increase in literacy rate of Dalit (SC) women has been the highest—about mere 3% in 1961 to 56.5% in 2011 (18 times)—in comparison with literacy rate of women in total population (increase from about 13% in 1961 to 65% in 2011—showing only 5 times increase) and also literacy rate of Dalit men (increase from about 17% in 1961 to 75% in 2011—increase by 4.5 times). However, as per 2011 Census the Dalit women continue to remain the most backward in literacy as their literacy rate is the lowest—their literacy being 56.5% as compared to 65% literacy rate of women in total population and 75% literacy of Dalit men in 2011. Further, it is further observed that gap in literacy rate between women in total population and Dalit women increased between 1961 to 1991 (9.7% to 15.6%) but has started declining henceforth (gap of only 8% in 2011); and the same trend is observed in the gap between the literacy rate of Dalit men and Dalit women, i.e. increase in gap during 1961–91 (gap of 13.7% in 1961 to 26% in 1991) and reduction henceforth (gap of 18% in 2011). On the whole, it can be said that the literacy status of Dalit women has improved significantly and the gap in literacy rate between them and Dalit men and also women in total population has started getting reduced in recent years, though they still remain at the lowest ladder of literacy.

**Table 1: Literacy Rate of General Population and SC Population**

Year	General (Total Population)		SC		Gap in SC (M-F)	Gap between General Female and SC Female
	Male	Female	Male	Female		
1961	34.44	12.95	16.96	3.29	13.67	9.66
1971	39.45	18.70	22.36	6.44	15.92	12.26
1981	46.89	24.82	31.12	10.93	20.19	13.89
1991	64.1	39.3	49.91	23.76	26.15	15.54
2001	75.3	53.7	66.64	41.90	24.74	11.80
2011	80.9	64.6	75.2	56.5	18.7	8.1

*Source:* Data drawn from Jaya Shrivastava & Rangabi Tanchangya (2015: 183, Table 1).

No doubt, India has developed after Independence. The rate of growth has been quite high in the last few decades. Recently, there has been a radical shift in development path followed in the country with adoption of the policies of liberalization, privatization and capitalist globalization. The success of India is built on the basis of well-educated human resources, democratic political circumstances, and land and other resources to the foreign and national investors. But, Dalit's and the marginalized are, as Kumar (2009) opines, still colonized by the feudal lords and elites without freedom from caste discrimination. They specifically in village India suffer severe forms of humiliation, stigmatization and exclusion even today.

Some recent studies of rural areas report that despite ensuring representation of Dalit women in Panchayat bodies through reservation, they face formidable discriminations and obstructions on caste, class and gender lines in entering these bodies and performing their works. A study of 200 Dalit women covering Gujarat and Tamil Nadu found that only about one-third were able to act with independence and freedom to win the panchayat elections. Some Dalit women were discouraged or prevented from filing nominations (about 13%), some pressured to withdraw nominations (about 15%) which involved caste and sexually-based abuse, lack of capacity to govern, threats, physical assaults and property destruction. Large majority of them were pushed into panchayat politics mainly by dominant castes or their husbands. They had to perform function in the panchayat mostly as proxy candidate for dominant caste men and secondarily Dalit men which reinforced interests of the former. However, about one-fifth of Dalit women presidents could discharge their official responsibilities with freedom. A Dalit woman who was taluka panchayat president affirmed, "Women's participation, Dalit women's in particular, in the panchayats is necessary so that society can develop. Only women will think about women's issues. Only Dalit women can respond to and take a stand on Dalit issues..." (Mangubhai *et al.* 2009:8). Commenting on the positive impact of reservation, a study of some villages in Uttar Pradesh observes, 'Dalit women are really benefited by the reservation policy and by virtue of it they could become the panchayat leaders. When the Gram Pradhan's seat is reserved for Dalit women then the upper caste people have no option but to support Dalit women candidates in panchayat election (Malik and Shrivastava, 2011:455).

Further, it is expected that onset of modernity would mean decline in atrocities against Dalit women. But that does not seem to be always happening in the country. Figures in Table 2 show increase in reported cases of rape of Dalit women during 1981 to 2014 (increase from 604 cases of rape in 1981 to 2233 cases in 2014). There is observed consistent increase in the incidents of rape of Dalit women during 1981 to 2002, then fluctuation in the incidents during 2002 to 2005, and after that consistent increase 2005 onwards up to 2014. Moreover, a study of rape victims showed that more than 80% of the victims in India belonged to the Dalit and tribal groups (quoted in Manorama 2008: 450).

**Table 2: Reported Cases of Rape of Dalit Women**

Sr. No.	Year	No. of Rape Cases
1.	1981	604
2.	1985	692
3.	1995	837
4.	1997	1002
5.	2001	1316
6.	2002	1331
7.	2003	1089
8.	2004	1157
9.	2005	1172
10.	2008	1457
11.	2009	1346
12.	2012	1576
13.	2013	2073
14.	2014	2233

*Source:* i) For 1981–1997, data drawn from Vivek Kumar (2009:73, Table). ii) For 2002–2005, data drawn from *Eleventh Five Year Plan 2007–2012*, vol.I, Table 6.1, p.103. iii) For 2008 onwards, data drawn from National Crime Record Bureau ([www.ncrb.gov.in](http://www.ncrb.gov.in)).

In general, Dalit women continue to remain most backward, exploited, oppressed and dominated-socially, economically and politically—because of the interlocking of caste, class and gender-based domination over them. They are the most deprived section of the society being at the lowest level of socio-economic structures. They are poor, illiterate, sexually harassed, face state and caste violence and are exploited the most. They experience violence, discrimination and social exclusion on a daily basis. They are raped, beaten up and paraded naked to break the morale of the whole Dalit community. It can be held that in their case operates the overlapping of caste, class and patriarchy to the highest degree which makes them ‘Dalit among the Dalit’s’, i.e. ‘the downtrodden among the downtrodden’, as Omvedt describes them (Gail Omvedt cited in Manorama 2008:452).

But Dalit’s are no more passively accepting their backwardness, exploitation and oppression. There is increasing assertion of the Dalit in contemporary India. Dalit voice tends to cause an exclusivist politics, which intensifies one’s caste identity in the political arena. But the potential meaning of Dalit voice seems to signify justice, equality, human dignity and autonomy. In fact, it has a modernist agenda representing democratization, secularity and egalitarianism. It questions the logic of oppression that goes on in the name of sustaining tradition.

Besides Dalit’s in general, Dalit women also have not remained just mute spectators. The ‘different voice of Dalit women is historically traced through the Satyashodhak and Ambedkarite movements (Rege 1998). Aditya Nigam (2000) notices a considerable investment in modernity and its emancipatory promise among the Dalit’s. Modernity in India is historically a product of the colonial encounter which gives a positive assessment of colonial rule. A V. Geetha and S.V.



Rajadurai (1998) state that the availability of the language of rights and the secularization of public space due to western education and the modern processes unleashed by British Rule provided the main ingredients of the emancipatory struggle of the non-Brahmin and the adi-dravidas (the Dalit's). Further, the modernity framework of social transformation adopted by the state in India has provided space to Dalit women as well to raise their independent voice against their wretched plight. Having well-experienced and realized the serious limitations of the preferential state policy and programmes for their development after Independence and also observed their marginalization in both mainstream feminist and Dalit movements, Dalit women have formed several organizations in India in the recent decades that are working for the development of Dalit women and opposing violence against them. Rege (1998) notes the assertion of autonomous Dalit women's organizations in the 1990s at both national and regional levels. These organizations have emerged in different parts of the country mobilizing Dalit women against their oppression and for their socio-economic development. Such organizations include Dalit Mahila Samiti, Dynamic Action Group, Vanaganga, Christi Mahila Sangharsh Sanghathana, National Federation of Dalit Women, etc. Rege (ibid:ws-39) affirms, 'Such an assertion had thrown up several crucial theoretical and political challenges, besides underlining the brahmanism of the feminist movement and the patriarchal practices of Dalit politics'. Guru (1995:2548) has very succinctly analyzed the distinct identity and agenda of the organizations of Dalit women around the notion of difference and their 'need to talk differently'. He notes, 'Dalit women justify the case for talking differently on the basis of external factors (non-Dalit forces homogenizing the issue of Dalit women) and internal factors (the patriarchal domination within the Dalit's). Dalit women activists observe that the caste factor does not get adequate recognition by non-Dalit, middle class, urbanized women activists. Similarly, mainstream Dalit organizations are dominated by Dalit men and do not pay much attention to the internal patriarchal oppression. So, the independent assertion and voice of Dalit women express 'three things: i) It is not only caste and class but also one's gender positioning that decides the validity of an event; ii) Dalit men are reproducing the same mechanisms against their women which their high caste adversaries had used to dominate them; iii) the experience of Dalit women shows that local resistance within the Dalit's is important' (ibid:2549). Dalit women's organizations do not question only the oppressive Indian traditions but also patriarchal science and violence i.e. the pathologies of modernity. Rege (ibid:ws-45) holds, '...the issues underlined by the new Dalit women's movement go beyond naming of the 'difference' of Dalit women and calls for a revolutionary epistemological shift to a Dalit feminist standpoint'. This standpoint is viewed as emancipatory because the subject of its knowledge is 'embodied and visible' in the sense that the thought begins from the lives of Dalit women and these lives are present and visible in the outcome of the thought.

## CONCLUSION

The Western-European Enlightenment version of modernity signifies replacement of the traditional society with modern society of Western type. It marks a revolt against traditionalism as well as the tyranny of patriarchy. But what emerges at general level from the foregoing analysis is that the Universalist dichotomous paradigm of (singular) Western modernity does not explain the Indian situation. Modernity in India does not reflect just a duplication of Western modernity. No doubt, in the process of modernization, India has transformed along modernist lines through adopting several Western modernist institutional and valuational traits but at the same time adapting them to the Indian conditions and also retaining certain typical Indian traditions. Indian modernity has its own distinctive features besides its similarities with the Western and other modernity. Though modern institutions and values have gained ascendance in different spheres, Indian society has not been completely transformed and become fully modern in Western sense as the traditional values and institutions like caste, gender, and ethnicity continue to have considerable influence in the life of the people. Hence, the multiple modernities paradigm explains better the existing Indian scenario.

It can be said that modernity in traditional societies does not seem to be a smooth unidirectional straight walk from the thralldom of patriarchal tradition to the equality and freedom of Western modernity. Rather, modernity opens up the in egalitarian traditional society to the egalitarian values and principles of social reorganization. As a result, there is found a dialectical interplay between the traditional and modernist forces in society. So, the actual trajectory of modernizing progress may vary from society to society depending on their historical specificity.

The Indian women's position is generally viewed in such a fashion which makes it difficult to properly understand their contemporary condition. A blind adoption of the Universalist (dichotomous) tradition-modernity framework, however, fails to account for the complexity of the different modes in which women and their lives are defined, affected and refashioned by modernizing social change. The process of modernization has been complex, often linked to larger social, religious and political movements that seek to effect transformations in material as well as ideological realms. India has carved out its own path of modernity which still carries a heavy burden of persisting societal discriminations, exploitations and inequalities.

It can be stated that in a broad sense patriarchy is basically the ideology of comprehensive domination—social, economic and political—of men over women. Dalit women in India are the worst victims of patriarchy. They are discriminated, exploited and oppressed not only on the basis of gender but also caste and class. In fact, gender, caste and class intersect and together determine the life of Dalit women in India. Hence, neither the dichotomous tradition-modernity perspective nor mere the caste or class perspective, but only the intersectionality perspective would help us understand properly the plight of Dalit women. Given the diversity of women's groups in existence and the range of issues they have been taking up, it may be

useful and necessary to place the 'Dalit women's question' within a larger perspective. Sangari and Vaid (1989:2) rightly hold that attempts at framing the women's question cannot be examined, independently of 'questions about the politics of social change; questions which have redefined the relations between patriarchy, cultural practices, social values and political economy'.

Finally, it needs to be noted that the forces of modernity unleashed after Independence of India have touched the life of Dalit women also as some benefits of state's affirmative policies and programmes have reached them as well. No wonder, they have started raising their voices and refuse to bear sufferings as passive object anymore. In fact, the growing assertion of Dalit women is the positive gain of modernity. For oppressed groups like Dalit women, modernity, because of its ethos of equality, has played an emancipatory role to some extent. The spirit of freedom and equality inherent in modernity has given momentum to the Dalit women's assertion and their struggle for equality and resistance against violence. Emancipatory impulses of modernity propel them towards attaining social equality and liberty, but the anti-egalitarian structure of patriarchy along with caste, class and cultural practices push them back to keep them under male domination.

According to Gupta, India lay currently between the two worlds of tradition and modernity. But in case of Dalit women it is observed that they have not yet reached the middle ground between the two worlds, rather they still live in a world where largely tradition rules. But Dalit women are getting more awakened and have started asserting more frequently and in an organized manner for uplifting their condition and resisting violence. It is this unfolding dialectics of modernity and patriarchy which would take them further, though haltingly and slowly, but surely towards their empowerment and emancipation.

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# Household Consumption Pattern and its Impact on Inequality in India: A Post-Globalization Scenario

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**Abstract**—*The paper intends to analysis household consumption pattern and its impact on inequality in rural and urban sectors after reform period (1993–94 to 2011–12). This study is mainly based on secondary data from different National Sample Survey Office (NSSO) round (50<sup>th</sup>, 55<sup>th</sup>, 61<sup>th</sup>, 66<sup>th</sup>, 68<sup>th</sup>) of 'Level and Pattern of Consumer Expenditure' and time period has been taken since 1993–94 to 2011–12. The NSSO provides clear evidence of the downwards trends in share of food expenditure and increase the share of non-food expenditure in total consumption expenditure during this time period. The main finding of paper is 'Cereals and cereals substitute' consumption expenditure has declined around from 24 per cent to 12 per cent in rural sector and 12 per cent to 7.5 per cent in urban sector since 1993–94 to 2011–12. The combined share of pulses, milk, meat, vegetables and fruit etc. has declined about 27.7 per cent to 26 per cent and 29 per cent to 21 per cent in rural and urban respectively. The coarse cereals consumption (kg) has declined about 71 per cent in rural sector and 64 per cent in urban sector over the same period. The inequality has increased in most of states in rural and urban areas. The share of consumption expenditure bottom 30 per cent has declined and top 30 per cent people has increased in rural and urban sectors. The Gini Coefficient has increased 0.280 to 0.302 and 0.340 to 0.379 in rural and urban sectors respectively since 1993–94 to 2011–12. The situation in urban sector has worsened rather than rural areas over the 18 years.*

**Keywords:** *Consumption Pattern, Food Expenditure, Non-food Expenditure, Inequality, Gini Coefficient*

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## INTRODUCTION

Indian economy is one of the fastest growing economies in the world at recent years. The growth rate of GDP grew annual by 8.5 per cent since 2004–05 to 2010 as well as annual per capita GDP also increased at 6.5 per cent during the same period (Rangarajan Expert Group Report, 2014). But share of food expenditure in total consumption expenditure has declined as well as calorie intake also decline during post-reform period. It makes puzzle among researchers and policy makers to understand as to why calorie intake has declined when monthly per capita consumption expenditure has increased in real term. Although, NSSO data shows absolute per capita food expenditure has increased since 1987–88 despite lower growth rate poverty was decreased in nineties. Yet, per head calorie intake is decreasing and three quarters of country's population lives below 2,400 Kcal per day per person in rural area and 2,100 Kcal per day per person in urban area (Patnaik, 2013). The main reason of decline calorie intake is that per capita cereals consumption continuously decreases in both rural and urban areas.

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India is third largest economy in the purchasing power parity (PPP) at the world level (Varadharajan and Thomas, 2013). However, the share of food consumption expenditure in total consumption expenditure is declining continuously whereas the share of non- food expenditure is increasing (NSSO 68<sup>th</sup> Rounds). This observation fits in Engel's law that shows the expenditure on food items decreased due to people's disposable income increased. National sample survey office (NSSO) provides a clear evidence of the downward trend in share of food in total consumption (Economic Survey, 2012), but India became self-reliance in food-grain production after green revolution therefore, availability of cereals like wheat, rice has increased. The objective of study to analyze to change in food basket after reform period and another objective is to measure consumption inequality with help of Gini Coefficient.

The Organization for Economic Co-operation and Development's (OECD) report-2011 pointed out that inequalities have risen after 1990s when the Indian economy opened its doors to global economies. According to the report, inequalities in salaries earning have risen by two fold over the last two decades. The richer are getting richer and the poorer are getting poorer. The top 10 per cent of wage earners make 12 times more than the bottom 10 per cent, compared to six times from the 1990s. Thus, the growth of nineties could not reduce poverty and inequality. Indian policymakers have always tried to reduce poverty and inequality. After independence, India adopted a development strategy which could reduce inequality and poverty in society. In the early 1990s, the Indian government adopted market-oriented economic reform policies and gave emphasis on liberalization, privatization and globalization. The National Sample Survey Organization data (NSSO 68<sup>th</sup> Round) shows clear evidence that after liberalization; consumption inequality has increased in both rural and urban sectors. The Indian Human Development Report (IHDI 2001) shows that the Gini coefficient's value increased from 1983 to 1999–2000. The Planning Commission has also accepted that the income inequities has increased since 2004–05; it is that period when the Indian economy has achieved second position in rapid GDP growth in the world after China, According to the Planning Commission data book, the Gini coefficient increased from 0.27 to 0.28 in rural area from 2004–05 to 2009–10 and in urban area, it increased from 0.35 to 0.39.

## **FOOD GRAINS AVAILABILITY**

Agriculture sector was dominant sector and its share in GDP was 57.2 per cent in 1950–51 but after that its share continuously decline and reached 13.9 per cent in 2012–13 (Mishra and Puri, 2014). India imports food grains from other countries to feed its people just after independence but early 70's it apply new policy for agriculture. This strategy was known as green revolution which was commonly characterized as High- Yielding Varieties Programme (HYVP), and after that production and productivity had increased multiple times. On account of India became self-reliance in food grains production.

**Table 1.1: Per Person Per Day Availability of Foodgrains (1970 to 2012)**

Year	Cereals (Grams)	Pulses (Grams)	Total (Grams)	Edible Oil (Grams)	Vanaspatti (Grams)	Sugar (Grams)
1	2	3	4	5	6	7
1970	403.1	51.9	455	3.5	1	7.4
1980	379.5	30.9	410.4	3.8	1.2	7.3
1990	435.3	41.1	476.4	5.5	1	12.7
2000	422.7	31.8	454.4	8.2	1.3	15.8
2010	401.7	35.4	437.1	13.1	1.1	18.6
2011	410.6	43	453.6	13	1	17
2012	408.6	41.7	450.3	13.8	1	18.7

Source: Economic Survey 2011–12.

Although, Per capita food availability has increased (Table 1.1) but the share of food expenditure decreased in total consumption along time as well as nutritional intake also declined specially during the post reform period. The important food basket like cereals, pulses, edible oil sugar and it's per person per day availability has shown since 1970 to 2012. The total per capita per day cereals availability is about 403 grams in 1970 and it has reached 408 grams in 2012. The Table 1.1 also shows per person per day pulses availability has declined from 1970 to 2012. The important point to mention is that per capita total cereals (cereals and pulses) have declined from 455 grams to 450 grams and edible oil has continuously increased 3.5 to 13.8 grams per day per person. The same observations can be seen that per capita sugar availability has increased from 7 grams to 18.7 grams during the same period.

## CONSUMPTION EXPENDITURE: PRE-AND POST-REFORM PERIOD

Consumption expenditure data has been taken from different quinquennial surveys of NSSO since 1972–73 to 2011–12. ( 27<sup>th</sup> round, 32<sup>nd</sup> round, 38<sup>th</sup> round, 43<sup>rd</sup> round, 50<sup>th</sup> round, 55<sup>th</sup> round, 61<sup>st</sup> round, 66<sup>th</sup> round, and 68<sup>th</sup> round and that's time period is 1972–73, 1977–78, 1983, 1987–88, 1993–94, 1999–2000, 2004–05, 2009–10 and 2011–12 respectively. Consumption expenditure pattern of household in pre and post reform period has been shown in Table 1.2. The Following table reflects the food consumption expenditure decline at slow rate during pre-reform period but after reforms consumption expenditure has drastically changed and the share of non-food expenditure has increased more rapidly in total private consumption expenditure.

**Table 1.2: Share of Consumption Expenditure on Food and Non Food Items: Pre and Post Reform Period (1972–73 to 2011–12)**

Sr. No. Item	Pre Reform Period				Post Reform Period				
	1972–73	1977–78	1983	1987–88	1993–94	1999–2000	2004–05	2009–10	2011–12
Food expenditure	68.7	62.15	62.35	60.2	58.95	53.75	48.75	47.15	43.55
Non-food expenditure	31.3	37.85	37.65	39.8	41.05	46.25	51.25	52.85	56.45
Total expenditure	100	100	100	100	100	100	100	100	100

Source: NSSO 43<sup>rd</sup> round 1993–94 and NSSO 68<sup>th</sup> Round.

In pre reform period, food consumption expenditure share has declined around 68 to 60 per cent in total consumption expenditure from 1972–73 to 1987–88 whereas share of non-food expenditure has increased about 31 to 40 per cent in total consumption expenditure over the same period. Non -food consumption expenditure has increased rapidly during post reforms, whereas share of food expenditure has been decreased continuously during the period 1993–94 to 2011–12. According to Table 1.2, Food consumption expenditure has decreased around 59 per cent to 43 per cent. On the other hand non-food expenditure has increased from 41 per cent to 56 per cent over the period 1993–94 to 2011–12. The data significantly fits in Engel's law proving that higher the disposable income lower will be the share of food expenditure as consumption basket shift food to non-food item

It is important to analyze that why consumption expenditure shifts in consumption expenditure from food to non-food in past. Often, the argument is in support of it, as we adopted new economic policy in July 1991. There are several structural changes; Indian economy opened its door to world economy and an era of globalization commenced. The role of government has been limited now and the role of private sector has increased forwarding towards more of market economy. Therefore, employment opportunity has increased in private sector which has also increased per capita income after post reform period, consequently consumption basket has been shifted from food to non-food items. Now, consumer spent their income on luxuries goods, durable goods, education, medical care and entertainment and so on. Numerous studies argued that this is due to occupational and structural changes which have increased nonfood items.

It is noticeable that India's population is not getting adequate food and nutritional intake. According to International Food Policy Research Institute (IFPRI), "India's rank is 66<sup>th</sup> out of 88 in Global Hunger Index (2008)", it shows that India's condition has been extremely poor in Global Hunger Index (GHI). The three indicators used to measure the GHI viz. child malnutrition, rates of child mortality, and the proportion of calorie deficient. IFPRI published Reports (2014) on the proportion of hungry people which has been declined in India has got 55<sup>th</sup> rank out of 76 countries.

## **FOOD BASKET STRUCTURE IN RURAL AND URBAN SECTOR**

The proportion of food expenditure has declined in during the last four decades (both in rural and urban sector). The share of food expenditure is much higher in total consumption in rural area as compared to urban area (NSSO 68<sup>th</sup> Rounds, 2011–12). The share of food consumption expenditure has declined in total consumption expenditure around 63 per cent to 48 per cent in rural area and 54 per cent to 38 per cent in urban area during the period 1993–94 to 2011–12. The share of cereals and cereals substitute has also declined around 24 to 12 per cent in rural area and 14 to 7.5 per cent in urban areas over the 18 years period. The combined food expenditure share in pulses, milk, edible oil, meat, vegetable etc. has been declined from 28.7 per



cent to 26.3 per cent in rural sector and in urban sector it is declined about to 28.8 per cent to 21 per cent over the same period. The share of other food expenditure has almost same in rural and urban sector during the period. The decline in consumption expenditure on the food items is mainly due to the high rate of inflation on cereals, as well as cereal consumption replacement by other food items. There has been a decline in cereals consumption and mainly among the middle and high income groups.

**Table 1.3: Percentage Share of Food Expenditure in Different Rounds: 1993–94 to 2011–12**

Item	Rural Sector				Urban Sector			
	50 <sup>th</sup>	55 <sup>th</sup>	61 <sup>th</sup>	68 <sup>th</sup>	50 <sup>th</sup>	55 <sup>th</sup>	61 <sup>th</sup>	68 <sup>th</sup>
Cereals & cereals Substitutes	24.5	22.4	18.2	12.3	14.3	12.5	10.2	7.5
Share of Pulses, Milk, Edible Oil, Meat, Egg, Fish, Vegetables, Fruits & Nuts.	28.7	27.5	27.5	26.3	28.8	25.2	22.9	21.1
Share of Other Food expenditure in total consumption expenditure	10	9.6	9.4	10	11.6	10.2	9.4	10
Total Food expenditure	63.2	59.4	55	48.6	54.7	48.1	42.5	38.5
Total Non-food expenditure	36.8	40.6	45	51.4	45.3	51.9	57.5	61.5
Total consumption expenditure	100	100	100	100	100	100	100	100

Source: Different NSSO Rounds, (1993–94 to 2011–12)

### TRENDS IN QUANTITY OF CEREALS AND PULSES CONSUMED PER CAPITA: ALL INDIA

An important point to be noted here (Table 1.4) is that, per capita rice, wheat, coarse cereals, total cereals and pulses has declined over the 18 years in rural and urban area, excepts in wheat consumption which is increased 0.03 kg in rural sector since 1993–91 to 2011–12. During this period the percentage of total cereals has declined about 16 per cent and 12 per cent in rural and urban sector respectively. In case of coarse cereals it has declined about 71 per cent and 64 per cent respectively in rural and urban sectors since 1993–94 to 2011–12. In Indian context, we can conclude that coarse cereals are treated as “Giffen Goods” because of increase income coarse cereals demand has decreased over the same period. In the case of “Giffen goods” case as the price increases demand also increases, and when the price decreases demand also decreases. This is contrary to the fundamental law of demand, which tells that quantity demand for a product decreases as the price increases.

**Table 1.4: Per Capita Cereals and Pulses Consumption Over 30 Days**

Sector	Rural				Urban			
	1993–94	2011–12	Changes (kg)	Per cent Changes	1993–94	2011–12	Changes (kg)	Per cent Changes
Rice	7.02	6.13	-0.89	-12.68	5.28	4.66	-0.62	-11.74
Wheat	4.40	4.43	0.03	0.68	4.72	4.32	-0.40	-8.47
Coarse Cereals	1.97	0.57	-1.40	-71.07	0.64	0.23	-0.41	-64.06
Total Cereals	13.39	11.22	-2.17	-16.21	10.64	9.28	-1.36	-12.78
Pulses	0.76	0.74	-0.02	-2.63	0.86	0.85	-0.01	-1.16

Source: Author Calculation from NSSO 50<sup>th</sup> and 68<sup>th</sup> Rounds

The share of rice has declined about 12 per cent in rural sector and 11 per cent in urban sector since 1993–94 to 2011–12. Pulses are the important sources of

protein which is essential for human growth. The per capita consumption of pulses (kg) has also declined in both rural and urban sector since 1993–94 to 2011–12. The share of pulses has declined from 2.63 per cent to 1.16 per cent in rural and urban sectors over the 18 years in India.

### **TRENDS AND PATTERN IN MONTHLY PER CAPITA EXPENDITURE (MPCE)**

The per capita expenditure data is used for estimation of living standard of population. Per capita consumption expenditure data is measured on monthly basis by NSSO. Monthly per capita income expenditure is obtained by household monthly consumer expenditure divided by household size. Basically, NSSO collects data in two sets, first is Category -1 items “last 30 days” and “last 365 days” and category II and III in only last 30 days. Thus, the household monthly per capita expenditure is measuring in two ways since 1993–94. The first measure of MPCE is called MPCEURP (Uniform Reference Period MPCE) and the second, MPCEMRP (Mixed Reference Period MPCE) and Modified Mixed Recall Period (MMRP) for 2009–10 and 2011–12.

MPCEURP is the measure of MPCE used by the NSS Consumer Expenditure survey (CES) when household consumer expenditure on each item is recorded for a reference period of “last 30 days”. MPCEMRP is the measure of MPCE used by the CES when household consumer expenditure on items of clothing and bedding, footwear, education, institutional medical care, and durable goods is recorded for a reference period of “last 365 days”, and expenditure on all other items is recorded with a reference period of “last 30 days”. MMRP collects the household expenditure data from (1) 7-days for edible oil, egg, fish and meat, vegetables, fruits, spices, beverages, processed food, pan, tobacco and intoxicants, (2) 30-days for the remaining food items, fuel and light, miscellaneous goods and services including non-institutional medical, and rents and (3) 365-days for clothing, footwear, education, institutional medical care, and durable goods.

### **MONTHLY PER CAPITA EXPENDITURE IN CONSTANT PRICE**

Monthly per capita expenditure is better indicator to measure welfare of human being. In India, there is continuous increase in nominal and real term since 1993–94 to 2011–12. To measure real monthly per capita expenditure for rural area and urban India, we have taken Consumer Price Index Agriculture Labor (CPIAL) and Consumer Price Index for Industrial Workers (CPIIW) with price deflator at 1987–88 bases respectively. Table 1.5 shows real MPCE for rural sector has increased around 38 per cent whereas in urban sector it is increased by about 51 per cent over last 18 year respectively.

Monthly per capita expenditure in current prices has been shown in Table 1.5. In rural sector it has been increased from ` 281 to ` 1278 during the period 1993–94 to 2011–12 respectively. In urban sector monthly per capita expenditure has increased from ` 458 to ` 2400 from over the 18 years.

**Table 1.5: Change in MPCEURP at Current and Constant Prices (1993–94, All-India in Rs.)**

Year	1993–94	1999–2000	2004–05	2009–10	2011–12
<b>Rural Sector</b>					
Rural: MPCE current price	281.4	486.16	558.78	927.7	1278.94
Price Deflator	176	271	319	494	580
Constant Prices 1987–88	159.89	179.39	175.17	187.79	220.51
<b>Urban Sector</b>					
Urban: MPCE: ( ) current prices	458.04	854.92	1052.36	1785.81	2399.24
Price Deflator	173	279	338	503	599
Constant Prices 1987–88	264.76	306.92	311.35	355.03	400.54

Source: NSSO 68<sup>th</sup> Round, 2011–12. #

# Note: Price Deflator is calculated for rural sector with the CPI-AL and for the urban sector price Deflator CPI-IW with base year 1987–88=100.

### CONSUMPTION EXPENDITURE: A BETTER INDICATOR TO MEASURE INEQUALITY

Generally, the per capita income is not measured correctly in developing nations. Per capita income measurement in developing countries is difficult (Hassett and Mathur, 2012). A number of reasons can be given against this. First, it is difficult to measure price estimate to consumer. Second, a small number of households have a regular source of income but most of people have irregular incomes. Government employees and the business sector get a regular income but in agriculture and allied sectors workers' salaries depend on season or have an annual income. Third, reason is that the consumption expenditure provides more useful information in comparison with income. In the previous stage of life, income may be low but it increases with age. Usually, it is expected that in the early age of life, individuals borrow from others but are able to save at later ages. Hence, consumption expenditure is a better measure to calculate inequality. Besides, numerous government policies support to increase consumption expenditure for low income groups.

### DECILE CLASS OF MPCE<sub>URP</sub>: ALL-INDIA

**Table 1.6: Decile Class of MPCE<sub>URP</sub>: All-India in Rs.**

MPCE in URP	1993–94		1999–2000		2004–05		2009–10		2011–12	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
0–10	115.525	154.18	216.4	291.45	226.665	323.895	377.06	521.32	504.935	706.735
10–20	152.89	210.8	278.69	389.14	296.64	441.32	495.82	722.31	663.47	978.5
20–30	177.55	247.51	321.04	463.92	342.4	533.24	575.69	869.62	773.81	1192.04
30–40	200.01	286.84	360.83	537.22	387.72	625.83	649.25	1027.93	876.19	1400.87
40–50	222.1	331.57	399.9	618.61	432.06	730.17	724.02	1207.69	976.58	1632.16
50–60	249.45	380.72	445.49	718.67	481.55	858	808.34	1420.07	1099.82	1907.49
60–70	281.52	447.58	496.74	840.53	543.25	1014.27	910.15	1687.74	1248.53	2245.74
70–80	324.94	543.46	566.62	1009.67	630.4	1226.39	1053.3	2051.45	1451.73	2729.81
80–90	398.3	698.33	686	1286.19	775	1594.41	1288.78	2680.52	1785.61	3562.57
90–100	686.33	1283.22	1098.17	2383.215	1478.255	3196.425	2394.66	5673.16	3408.77	7636.92

Source: Author calculation from different quinquennial NSS Rounds.

The average decile class of MPCE<sub>URP</sub> is shown in Table 1.6. The average MPCE has increased for all decile classes in rural and urban sectors at current prices from 1993–94 to 2011–12. If we talk about 2011–12, the 10 per cent bottom population

average MPCE in rural sectors was only ` 504 and in urban sector, was ` 706. Around one-half of rural population (50 per cent) lives below average MPCE ` 976. On the other hand about 10 per cent top average MPCE in rural population holds around ` 3408. In urban area, 10 per cent bottom population average MPCE was around only ` 706 and top 10 per cent urban population average MPCE was ` 7636 as well as 50 per cent population average MPCE only ` 1632.

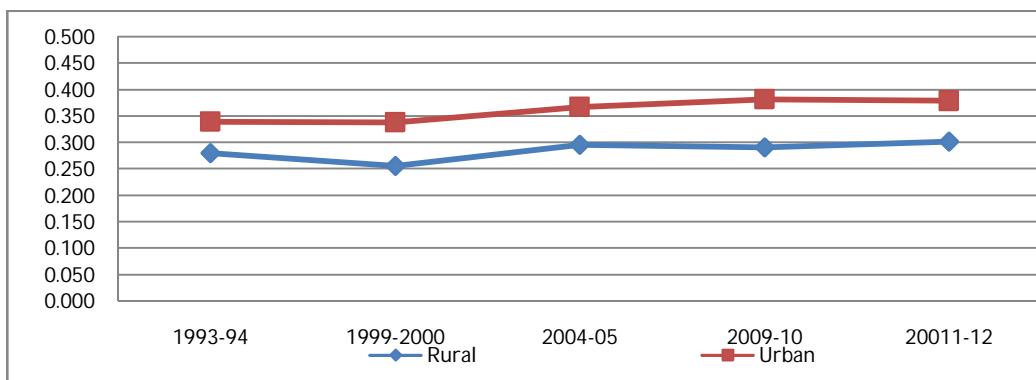
## INEQUALITY IN CONSUMPTION EXPENDITURE: ALL INDIA

Inequality in consumption expenditure has increased in both rural and urban sectors after the reform period. Table 1.7 shows the share of consumption expenditure of bottom 30 per cent and top 30 per cent of the population in rural and urban sectors during the period 1993–94 to 2011–12.

**Table 1.7: Consumption Expenditure Inequality (1993–94 to 2011–12)**

Sectors	Rural			Urban		
	Percentage Share in Consumption Expenditure			Percentage Share in Consumption Expenditure		
Year	Gini Coefficient	Bottom 30 per cent Population	Top 30 per cent Population	Gini Coefficient	Bottom 30 per cent Population	Top 30 per cent Population
1993–94	0.280	15.87	50.18	0.340	13.36	55.08
1999–00	0.256	16.76	48.27	0.348	13.40	54.80
2004–05	0.396	15.48	51.55	0.367	12.31	57.07
2009–10	0.291	15.61	51.06	0.382	11.83	58.25
20011–12	0.302	15.19	51.97	0.379	11.99	58.06

Source: Author's Calculation for different quinquennial NSS Rounds.



**Fig. 1.3: Gini Coefficient for All India (1993–94 to 2011–12)**

Source: Based on Table 1.7

The percentages share of consumption expenditure of bottom 30 per cent population has declined from 15.87 to 15.19 and top 30 per cent consumption expenditure class has increased from 50.18 to 51.97 per cent in rural sector over the past 18 years. The situation in the urban sector has worsened as compared with the rural sector. The percentage share of consumption expenditure of the bottom 30 per cent population in urban sectors has declined from 13.36 to 11.99 whereas consumption expenditure of top 30 per cent has increased from 55 to 58 per cent

during 1993–94 to 2011–12. Figure 1.1 shows inequality has increased in both rural and urban area over a period of 18 years in India. Gini Coefficient has increased in both rural and urban area. It has increased from 0.280 to 0.302 in the rural sector and 0.340 to 0.379 in urban area from 1993–94 to 2011–12. It indicates that the poor are getting poorer and the richer are getting richer.

### INEQUALITY IN CONSUMPTION EXPENDITURE IN ADVANCED STATES

In advanced states, inequality in consumption expenditure measure with the help of Gini Coefficient. It has increased in rural sector in most of the States such as Gujarat, Kerala, Punjab, Karnataka and Delhi and declined in Haryana, Maharashtra and Tamil Nadu in comparison of 1993–94 with 2011–12. Table 1.8 shows the maximum increase in Gini value has been in Kerala in the rural sector over the past 18 years. In the urban sector, the inequality (Gini Coefficient) has increased in all advanced states except for Tamil Nadu during 1993–94 to 2011–12. Consumption expenditure inequality also declined in Goa from 0.294 to 0.270 in urban area during 2004–05 to 2011–12. The maximum inequality increase in urban, consumption expenditure in the value of Gini Coefficient is in Karnataka followed by Kerala and Haryana.

**Table 1.8: Gini Coefficient in Advanced Region (1993–94 to 2011–12)**

Advanced States	Rural Sector				
	1993–94	1999–00	2004–05	2009–10	2011–12
Gujarat	0.236	0.234	0.269	0.253	0.282
Haryana	0.301	0.239	0.322	0.301	0.271
Kerala	0.288	0.27	0.341	0.417	0.429
Maharashtra	0.302	0.258	0.308	0.268	0.292
Punjab	0.265	0.239	0.279	0.288	0.301
Tamil Nadu	0.307	0.279	0.316	0.264	0.297
Karnataka	0.266	0.241	0.263	0.235	0.321
Goa	NA	NA	0.294	0.214	0.27
Delhi	0.236	0.294	0.264	0.253	0.262
All India	0.282	0.26	0.3	0.291	0.307
	Urban Sector				
Gujarat	0.287	0.286	0.305	0.328	0.29
Haryana	0.28	0.287	0.36	0.36	0.401
Kerala	0.338	0.321	0.4	0.498	0.436
Maharashtra	0.351	0.348	0.372	0.41	0.366
Punjab	0.276	0.29	0.393	0.371	0.333
Tamil Nadu	0.344	0.381	0.356	0.32	0.334
Karnataka	0.315	0.323	0.364	0.334	0.445
Goa	NA	NA	0.405	0.406	0.291
Delhi	0.207	0.343	0.329	0.345	0.371
All India	0.34	0.342	0.371	0.382	0.385

Source: Planning Commission website and NSSO 68<sup>th</sup> Round, 2011–12.

### INEQUALITY IN CONSUMPTION EXPENDITURE IN BACKWARD STATES

Inequality in consumption expenditure at backward states has been shown in Table 1.9.

**Table 1.9: Gini Coefficient in Backward States during (1993–94 to 2011–12).**

States	Gini Coefficient				
	Rural Sector				
Backward Region	1993–94	1999–2000	2004–05	2009–10	2011–12
Bihar	0.222	0.207	0.205	0.226	0.232
Jharkhand			0.225	0.24	0.231
Uttar Pradesh	0.278	0.246	0.286	0.356	0.265
Madhya Pradesh	0.277	0.242	0.265	0.292	0.283
Chhattisgarh	NA	NA	0.295	0.291	0.277
Odisha	0.243	0.244	0.281	0.262	0.255
Rajasthan	0.26	0.209	0.246	0.225	0.257
West Bengal	0.251	0.224	0.27	0.239	0.257
All India	0.282	0.26	0.3	0.291	0.307
	Urban Sector				
Bihar	0.307	0.319	0.33	0.332	0.297
Jharkhand	NA	NA	0.351	0.358	0.387
Uttar Pradesh	0.323	0.328	0.366	0.329	0.423
Madhya Pradesh	0.327	0.315	0.393	0.364	0.407
Chhattisgarh	NA	NA	0.434	0.326	0.387
Odisha	0.304	0.292	0.35	0.389	0.358
Rajasthan	0.29	0.282	0.367	0.378	0.333
West Bengal	0.334	0.341	0.378	0.384	0.406
All India	0.34	0.342	0.371	0.382	0.385

Source: Planning Commission website (accessed on February 3, 2015) and NSSO 68<sup>th</sup> Round.

Study found that Gini Coefficient has increased in Bihar, Madhya Pradesh, Odisha and Rajasthan during 1993–94 to 2011–12. The inequality in rural sector in backward states is less in comparison with advanced states. The value of Gini Coefficient exists 0.22 to 0.28 in rural sectors in backward states. If we talk about the urban sector, the maximum value of Gini Coefficient is in Uttar Pradesh followed by Madhya Pradesh, Odisha, Rajasthan and West Bengal and has declined only in Bihar.

## CONCLUSION

Changes in the patterns of consumption expenditure is a complex process, yet, some expensive trends can be identified on the basis of trends and pattern of consumption expenditure in rural and urban sectors over the 18 years in India. In this study we have considered that per capita food expenditure has declined and non-food expenditure has been increased in total consumption expenditure (in both rural and urban sectors) since 1972–73 to 2011–12. During post-reform period, consumption pattern has been rapidly shifted towards non-food items. Cereals and cereals substitute both have continuously declined both pre and post reform period, its share in before reform period. Cereals and cereals substitute consumption expenditure has declined around from 24 per cent to 12 per cent in rural and 14 per cent to 7.5 per cent in urban sector during 1993–94 to 2011–12. The combined share of pulses, milk, meat, vegetables and fruit etc. has declined about 27.7 per cent to 26 per cent and 29 per cent to 21 per cent in rural and urban sectors respectively over the 18 years. The per capita cereals and pulses consumption (kg) has declined

in both rural and urban sector since 1993–94 to 2011–12. The coarse cereals consumption (kg) has declined about 71 per cent in rural sector and 64 per cent in urban sector over the 18 years. Therefore, in Indian context, we can say that coarse cereals are treated as “Giffen Goods”. Real Monthly Per Capita Expenditure (MPCE) in Uniform Reference Period (URP) has increased about 38 per cent in rural sector and 51 per cent in urban sector since 1993–94 to 2011–12.

The deeper analyzing the NSSO consumption expenditure data from 1993–94 to 2011–12, it is found that inequality condition of most of the States is being dangerous. The 10 per cent bottom population average MPCE in rural sector was only ₹504 and On the other hand about 10 per cent top average MPCE in rural population holds around ₹3408. In urban area, 10 per cent bottom population average MPCE was around only ₹706 and top 10 per cent urban population average MPCE was ₹7636 as well as 50 per cent population average MPCE only ₹1632. It is also observed that the share of consumption expenditure of bottom 30 per cent of the people has declined in rural and urban sectors. On the contrary the share of consumption expenditure of top 30 per cent of the people has increased in both rural and urban sector. It is observed that inequality has increased in consumption expenditure in both rural and urban sectors. The value of Gini Coefficient has increased from 0.280 to 0.302 in rural sector and 0.340 to 0.379 in urban sector during the period 1993–94 to 2011–12. The inequality situation in the urban sector has worsened rather than in rural area over the past 18 years. Inequality in consumption expenditure has increased both in the advanced and the backward states in terms of Gini Coefficient.

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# Religion, Conversion and Dalits: Developing an Ambedkarite Perspective

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**Abstract**—*This paper analyses the issues Ambedkar considered before adopting Buddhism. These issues would serve as a guiding force for Dalit's in helping them understand the question of religion and determine their religious identity. This deliberation, therefore, assumes significance because religion has an overarching influence on almost all Indians and especially Hindus. So an emancipatory project has to find anchorage in an emancipatory religion. The question of religion holds significance for Dalit's as to what choice they are making with regard to their religious identity. And it is here Ambedkar and his ideas will be of great help to Dalit's in their quest for emancipated life. Ambedkar's ideas have also influenced some conversion movements by Dalit's in recent time. This, therefore, gives more credence to understanding Ambedkarism, especially with regard to his religious ideas, which have the potential to engender social transformation in the contemporary period. The effort here is to delve deeper into such a complex issue so as to develop an Ambedkarite perspective.*

**Keywords:** *Emancipatory Religion, Religious Identity, Conversion, Buddhism, Dalit*

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## INTRODUCTION

Indian society and, more particularly, the Hindu society is a caste-based society, and caste is known to have originated several centuries ago. Known for its tenacity and resilience, no wonder, the caste system continues to have its overarching influence even today. In the form of the caste system, the Hindu society has an in-built hierarchical arrangement and is responsible for engendering an excluded category called Dalit's. Dalit or ex-untouchables of India have suffered from multiple ignominies, indignities and inhumanities since centuries. They continue to experience the same even today. This category veritably epitomizes exclusion and discrimination, as Dalit's have been subjected to all-encompassing exclusionary and discriminatory practices that have deprived them of a humane life. They are born as human beings, but denied of a humane living—a living with respect and dignity. People can live with respect and dignity, when they are not only entitled to, but also ensured of, certain basic and indispensable rights. But, it is not shrouded in mystery that Dalit's have been rendered right less by the Hindu society. Right less as they are, this has made them vulnerable to cumulative deprivation, discrimination and exploitation. The justification for such an imposed oppression and in-built inequality comes from Hindu religion. Therefore, historically seen, Dalit's have always protested and resisted against Hinduism and its oppressive features,

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responsible for their domination and oppression. The form of protests and resistances, however, differed, but they underlined one very seminal thing and, that is, the inegalitarianism of Hinduism—its integral part—had led to comprehensive exploitation of Dalit's, which resulted in such protests in different parts of the country at different times. Whether the SNDP Movement in Kerala led by Shri Narayan Guru, the Self-Respect Movement in Tamil Nadu led by E.V. Ramasamy Periyar, the Conversion and Dalit Movement in Maharashtra led by B. R. Ambedkar, the Satyasodhak Movement in Maharashtra led by Jotirao Phule, or myriad other movements that appeared much before twentieth century—all of them revolted against the iniquitous Hindu social system and untouchability-based inhumanities and injustices.

An attempt will be made in this paper to comprehend the issue of religion as understood by Ambedkar vis-à-vis Buddhism and the issue of conversion, an available option, in the context of a face-off between Hinduism and Dalit's. The effort will also be made to grasp the religious identity of today's Dalit's.

## **METHODS AND DATA**

This paper uses both primary and secondary sources. The primary data used in this paper are collected during 2001–2005 as a part of my PhD work from 100 university students having qualifications of post-graduation (PG) and above. The universe of the study comprises Jawaharlal Nehru University (JNU), New Delhi, and Dr. Babasaheb Ambedkar Marathwada University (DR. BAMU), Aurangabad. An open-ended questionnaire method was used (personally distributed and collected) and snowball technique (one leading to the other) was followed, as it was difficult to get a list of Dalit students. The issues of religion, religious identity and conversion may have been taken up earlier in some way or the other by some scholars, one of them being Neera Burra (1996), though the focus of her study was slightly different. Even Fitzgerald (2007) dealt with these issues in some way. However, the present paper will grapple with these issues both theoretically and empirically. The other important aspect is that educated Dalit's (students) comprise the sample and this makes this investigation different.

## **UNDERSTANDING RELIGION AND RELIGIOUS IDENTITY**

It is the religion that provides the life force to the caste system and its associated accomplice-untouchability. Ambedkar's vitriolic attack on Hinduism should thus be seen in such a context. He was not an atheist; he was a Hindu by birth, but he was not oblivious to the ills of Hinduism. He had a rational and dissecting bent of mind. Hinduism for him was a majoritarian religion, which was simply a Brahminic tool for exploitation of Dalit's. They were considered to be Hindus, but did not have any right as a Hindu. In other words, they were Hindus sans rights. Religion should be, in his opinion, emancipatory and should have a social philosophy. This takes us to the question: what is an emancipatory religion?

## **RELIGION AS EMANCIPATION**

Ambedkar had a very clear idea about what an emancipatory religion was. With modern education and scores of degrees to his credit, he knew that religious values preaching in egalitarianism could never become the basis of a modern society and could never become an emancipatory religion. A modern society has to have cardinal faith in egalitarianism. Drawing a distinction between ‘the religion of rules’ (by which he meant essentially caste hierarchy) and ‘the religion of principles’ (by which he meant essentially democratic egalitarianism, though not the extreme individualism of the West) (Fitzgerald, 2007, p.132), Ambedkar espoused for a true religion, which, according to him, was nothing but religion of principles. Thus, the basis of a true religion, in his opinion, should be in consonance with liberty, equality and fraternity, in short with democracy. In other words, a true religion is what an emancipatory religion is all about.

### **IS HINDUISM AN EMANCIPATORY RELIGION?**

Hinduism has an in-built graded inequality through caste system, and it provides religious justification to the practice of pollution and purity, reflected through one of the most despicable forms of exclusion-untouchability. For Ambedkar, caste is the central fact of Hinduism and untouchability is a defining characteristic of caste (Fitzgerald, 2007, p.134). Whatever problems Dalit’s suffer from have been gifted to them by Hinduism through caste system and the practice of untouchability. So Hinduism is not based on the cardinal values of liberty, equality and fraternity, which are the founding/ guiding principles of democracy. Hinduism, therefore, cannot be an emancipatory religion with caste system and its ideology of purity-impurity being an integral part of it.

### **FORM OF PROTEST AGAINST THE IN EGALITARIAN HINDUISM**

As a form of protest against the inegalitarian character of Hinduism, Ambedkar left it and adopted Buddhism. He refused to be called a Hindu. This was because Ambedkar became disillusioned with Hinduism. He saw no sign of Hinduism purging itself of caste and its associate—untouchability. So he wanted to free himself from such a religion, but, as a religious person like most Indians are, he looked for an alternative religion. It was also not a personal question because people were looking up to him as their leader. So his action and words did have their significance. He wanted to adopt a religion, which would provide relief from social and mental agony of caste discrimination and untouchability, and which would enable Dalit’s to lead a life of dignity and self-respect. As early as 1935, Ambedkar made it clear that though he was born a Hindu, but he would certainly not die a Hindu. In the conversion speech of 1935, he said, “... I had the misfortune of being born with the stigma of an untouchable. However, it is not my fault; but I will not die a Hindu, for this is in my power” (Zelliot, 1992, p. 2006). Also, in his “Annihilation of Caste,” he made his intention clear for a change of religion. He said, “... you must

make your efforts to uproot caste, if not in my way, then in your way. I am sorry, I will not be with you. I have decided to change" (Ambedkar, 1979, p. 80). But Ambedkar did not specify to which religion he would change, giving rise to much speculation.

Though Islam, Christianity, Sikhism and Buddhism were the alternative religions to consider for conversion, Islam and Christianity were never considered very seriously at any stage because of their foreign origin. The other important factor was that the Indian caste system did not even spare them from infection. Even Sikhism was affected by it. According to Ambedkar, "Caste is no doubt primarily the breath of the Hindus. But the Hindus have fouled the air all over and everybody is infected, Sikh, Muslim and Christian" (Ambedkar, 1979, p. 80). However, Buddhism was free from caste infection, and, hence, he embraced it. It was probably, as M.S. Gore puts it, on 29<sup>th</sup> September 1950, in a speech at the Buddhist temple in Worli that Ambedkar made the first open plea to his people to embrace Buddhism as a way out of their sufferings, and declared that he would devote the rest of his life to the revival and spread of Buddhism (Gore, 1993, p. 250). The actual conversion ceremony to Buddhism took place in 1956, just two months before he died and set in motion the conversion process that brought over three million Indians to the Buddhist fold in the next few years. Most of the converts were former Mahars of Maharashtra.

### **BUDDHISM AS A RELIGION OF EMANCIPATION**

Ambedkar embraced Buddhism because, in his opinion, it was a religion of emancipation, a religion ingrained in which the most egalitarian principle, equal treatment to all human beings, a religion, which was based on the tenets of equality, liberty and fraternity. In one of his most important articles written on Buddhism- *The Buddha and The Future of His Religion*, published in the *MahaBodhi* (Calcutta) in 1950, Ambedkar wrote,

Hinduism is a religion which is not founded on morality. Whatever morality Hinduism has, it is not an integral part of it... The religion of the Buddha is morality. It is embedded in religion. Buddhist religion is nothing if not morality... (Kadam, 1993, p. 123).

By morality he meant compassion, caring for one's fellow human being and for the natural world, feeling a sense of responsibility and commitment, being actively committed to the well-being of the world (Fitzgerald, 2007, pp.138-39). Thus, Fitzgerald argues that Buddhism, on this line of reasoning becomes the basis of the new egalitarian society (Fitzgerald, 2007, p.139). According to Ambedkar, a very significant point about Buddhism was that "He (Buddha) never claimed infallibility for his message... He said that it was open to anyone to question it, test it and find what truth it contained" (Ambedkar, 1992, p. 222). Unlike the Hindu scriptures like Vedas, Shasta's, etc., which were not open to abrogation, amendment and even

criticism, Buddha's example of opening his preaching for anybody to question and test was something quite enlightening for a rationalist like Ambedkar. According to him, for Buddha worth and not birth was the measure of man unlike the theory of *chaturvarna* based on birth. This was quite liberating for Dalit's who were subjected to untold sufferings and humiliations as a result of their low birth. Buddha's indomitable faith in the capacity of man to shape his own destiny, whereas the lack of recognition of individual's capacity in Hinduism, revealed to Ambedkar the superiority of Buddhism over Hinduism as a better religion. Though Buddha believed in rebirth and the doctrine of karma, he discarded the belief in transmigration of soul. According to him, "The Buddha's Law of Karma applied only to karma and its effect on present life. He was the first to say: Reap as you sow" (Ambedkar, 1992, p. 338). For him, the doctrine of Karma is a theory of causation only (Fritzgerald, 2007, p. 141). Regarding rebirth, Buddha said "When elements of a body (Prithvi-earth, Apa-water, Tej-fire and Vayu-wind) join the mass of similar elements floating in (Akash) space, a new birth takes place." Thus, it is not the soul which takes rebirth, it is the elements of a body which take a new birth. According to Ambedkar, Buddha's "Dhamma (religion) is social." "It is righteousness, which means right relation between man and man in all spheres of life. As such, society cannot do without Dhamma" (Ambedkar, 1992, p. 316).

Ambedkar further highlighted the salient and enlightening principles of Buddhism. In his opinion, "Buddhism makes learning open to all (males and females of all castes)," "It breaks down barriers between man and man (in terms of caste division)," "It promotes equality between man and man" (Ambedkar, 1992, p. 271). Buddhism also underlined "Maitri or fellowship towards all must never be abandoned. One owes it even to one's enemy" (Ambedkar, 1987(a), p. 442). As such, in Buddhism, doors were open to all irrespective of caste or class. Anybody could join the Buddhist Singh. It is however amply clear that what attracted Ambedkar to Buddhism was its message of equality and fraternity, its universal morality, in short, its libertarian philosophy. It was a true religion in the sense of having a social mission.

Thus, it is unambiguously clear here that as a proof of the rejection of Hinduism as well as due to the emancipatory nature of Buddhism, Ambedkar got converted and advised his followers to do the same. Thus, conversion into Buddhism formed one of the important bases of a new consciousness and essential components of what has come to be known today as Ambedkarism (for details see Mohapatra, 1999) and gave birth to a new category called neo-Buddhists.

## **RELIGIOUS IDENTITY OF DALIT'S**

Having seen what an emancipatory religion is and how Buddhism qualifies to be an emancipatory religion and Hinduism does not, let us have a look at the religious identity of Dalit's-what kind of religion they are identifying with, given that they have strong resentment against Hinduism, and many of them have denounced it for its oppressive elements and adopted other religions, though there are some who

continue to identify as Hindus. Even the fact that they are not identifying with any religion assumes significance in this context. The Table 1 reveals the religious identity of Dalit students of the sample.

The following Table shows that 45/100 students have identified as Hindus, and an equal number of students have identified as Buddhists. While 1/100 student has stated that his religious inclination is towards Sikhism, 5/100 students have expressed that they have no belief in religion. Interestingly, 3/100 students have stated that Dalit or Dalit upliftment is their religion. Only 1/100 student has not responded with regard to the issue of religious identity.

**Table 1: Religious Identification of Dalit Students**

Sr. No.	Nature of Religious Identity	No. of Students		Total
		JNU	Dr. Bamu	
1	Hinduism	32	13	45
2	Buddhism/Neo-Buddhism	09	36	45
3	Sikhism	01	--	01
4	No Belief in Religion	04	01	05
5	Dalit/Dalit Upliftment	03	--	03
6	Non-Response	01	--	01
Total		50	50	100

*Source:* Field data

Let us analyze the data with more field inputs. Out of the 64 per cent students (32/50) identifying as Hindus in JNU, one student says that his religion is Hinduism, but he is in the thoughtful process of adopting Buddhism. And, interestingly, elsewhere, he says that he is an atheist. At the same time, he admits that he sometimes visits some Hindu temples and religious sites, not in religious ritual sense but for a sort of cultural amalgamation of mind. Another student notes, "Though I am a Hindu, but I am in search of a true religion." Another student identifies himself as a Hindu, but when asked whether he is a religious person, he replies, "Yes, I am a Christian." Making it clear that he believes in god, a student states, "I am a Hindu, but I am not really a religious person. I believe in god because of future and misfortune, but we want to have deities, which will not be dictated by Brahmins." Another student, who claims as a Hindu, notes, "I worship only Hanuman and observe fast on Tuesdays, but I do not go to any temples." At the same time, he says that he is not a religious person. Another student makes an interesting claim when he says, "I am a Hindu by birth, but I do not believe in any religious system." The same respondent admits that he worships Hindu deities, but claims that he is not a religious person. Another Hindu respondent notes, "I am a religious person. I do have strong faith in the existence of god. This however does not mean that I am swayed away by religion. I believe in religion, but do not discriminate individuals on the basis of religion." Another student, who identifies herself as a Hindu, responds to the question, if she is a religious person in the following way-"I am an atheist and a feminist."

On the other hand, out of the 26 per cent students (13/50) identifying as Hindus from Dr. Bamu, surprisingly, one student from the Mahar community identifies himself as a Hindu. It is surprising, because Mahars generally identify with Buddhism and Mangs with Hinduism. To account for this discrepancy, he states that the caste certificate bears his religion as Hinduism, but truly, he believes in Buddhism. One student, however, clearly states, "I am a Hindu, and I am a religious person, but I do not have any *andhasraddha* (blind faith). I have only *shraddha* (faith)." Another student notes, "Till 8<sup>th</sup> class, I used to believe in religion, rituals, but I do not believe in religion, caste system, etc., any longer." However, he states that his religion is Hinduism and sub-caste is Mang. Another student, who identifies as a Hindu, states, "I am not a religious person. Buddhism is good, but people have made it bad. The philosophy of all religions is not good, not scientific. So I don't believe in any religion." Another student notes, "I am a Hindu, but honestly I only believe in humanity. I just don't like religion." Interestingly, there is one Mang community respondent who has identified himself as a Hindu, yet has evinced interest in Buddhism. According to him, "I am a religious person. In future, I may convert to Buddhism. I like many principles of Buddhism."

What do all these show? They show that respondents, who are identifying with Hinduism, do not have a settled mind, and are, in fact, in an ambivalent state with regard to the question of religion. It is understandable, given the historicity of Hinduism and the place of Dalits in it. There are many who are born as Hindus because their parents are Hindus, and they have not adopted any other religion. Even though they know the role of Hindu religion in their social status, still they are not decisive with regard to the question of religion. Another important thing is that most Indians are religious. Probably for all these reasons, they identify as Hindus, but the internal discontent finds expression in the form of varied and, very often, contradictory/confused statements.

With regard to Buddhism/neo-Buddhism, as stated earlier, there are 18 per cent students of the sample of JNU (9/50) and 72 per cent of the sample of DR. BAMU (36/50) who claim to be Buddhists/neo-Buddhists. One student notes, "I am a Buddhist and religious, but I don't accept any dogmas without analyzing it." Another student notes, "I don't believe in worshipping god. I believe in Buddhism and try to internalize its values in my life." Rejecting gods and rituals, a student states, "I am a Buddhist, but I am not religious because I don't believe in worshipping gods or deities and indulging in rituals." A Buddhist identifying student argues, "I believe in religion, but I am not religious. A religious person believes in myths and superstitions, and I don't believe in these things." Interestingly, a student states, "I believe in religion but not like Hindus believe in Hinduism. I believe in Buddhism as a *margadarshak* (guide)." Another student simply puts, "I believe in Buddhism because it offers a scientific view of life." Similarly, another student notes, "I am a Buddhist, and I believe in humanity." However, there are some respondents who

state their views in a little puzzling manner. A student, who identifies himself as a Buddhist, says, "I believe in religion but not in Buddhism and Hinduism. They are superstitious." Similarly, another Buddhist identifying student states, "I believe in Buddhism as well as Christianity." Another student notes, "I believe in religion, but I am not really religious. However, I sometimes go to temples or do prayer." Making multi-religious inclination clear, a Buddhist identifying student states, "I believe in religion, and I am religious. I do *vipasana* (meditation) of Buddhism. I also like to pray in Muslim *darghas* (religious place) and Catholic churches."

The above statements show that most students identifying as Buddhists are relatively sure and well settled in their ideas about the question of religion, unlike most students identifying as Hindus. This is because Buddhism is a religion they have adopted after leaving Hinduism. The reasons and logic are quite clear to them, and this is reflected in their identification and explanation. Similarly, many of them quite emphatically put it across that they believe in religion, but they are not religious in the ritualistic sense. This, however, does not mean that there are no students who seem to be confused. In fact, as stated above, it is clear that about 3 or 4 students identify themselves as Buddhists but contradict this by saying that they do not believe in Buddhism, or they also believe in some other religions.

As stated earlier, only 1 student (1/100) identifies with Sikhism. However, she also seems to be confused regarding her religious inclination. She mentions, regarding her religious identity, Hinduism and Sikhism, but she asserts that she is more inclined towards Sikhism. When she is asked whether she is religious, she notes that, though she is not an atheist, she does not, however, believe in a particular religion. The ambivalence is quite evident from this.

However, there are 5 students (5/100) who do not believe in any religion at all. In this regard, one student states, "I don't take opium." Another student notes, "I don't believe in religion, but I do believe in the existence of a supreme being who is not bound by any religion." Another student very clearly states, "The religion of my parents is Hinduism, but I have not thought concretely anything on it. Honestly I believe neither in Buddhism nor in Hinduism. It may be because of my political activism in left culture." Regarding religious identity, another student argues, "Is 5000 years of exploitation not enough?" The one student from DR. BAMU who states that he does not believe in religion is from the Mang community. Again, it is the only Mang community student who has expressed such an opinion. According to him, "All should be treated equal, and there should be no discrimination. Religions allow discrimination. So, I don't believe in religion."

Interestingly, there are 3 students (3/100) who have mentioned Dalit or Dalit upliftment as their religion. All of them are from JNU, and are engaged in Dalit activism. As one student notes, "My identity is that of a Dalit, and my religion is Dalit upliftment." Another student states, "My religion is Dalit upliftment. I can't be

religious in a conventional sense because being religious means having the right to temple entry, and we have been historically barred from temple entry.”

The religious data present a very interesting picture. While Dalit identifying as Hindus are a little confused, those who identify as Buddhists are a little sure of their religious identity. However, those who do not believe in any religion are quite certain of their position in this regard. Even those, who consider Dalit or Dalit uplift as their religion, in a way, denounce the belief in a religion. Religion has always been an emotive and sensitive issue for many, and it is more so for Dalit. So, when it comes to the question of religion and religious identity, the discomfiture is quite palpable, and it is also understandable. Thus, what becomes apparent from the analysis is that a majority, i.e., 91/100 students do identify with religion. It suggests that religion or religious identity continues to be important in the lives of Dalit's. A very minuscule number of Dalit's (at the most 9/100), as apparent, claim to denounce a religious identity. However, what is interesting is that Buddhism seems to be emerging as a religion of choice for Dalit once they disown a Hindu identity. This is the choice Ambedkar made and since then Buddhism has become the favored religion for many Dalit, though it is also true that not all Dalit have given up their Hindu identity. With a little help from Karl Mannheim's (1940) sociology of knowledge perspective, we can understand the ambivalence of Hindu Dalit or the assertive nature of Buddhist Dalit or the aggressive nature of those Dalit who denounce a religious identity. Dalit's who retain their Hindu identity are not comfortable with this identity because it is the religion that has created all the woes and ills for them and, at the same time, they do not wish to adopt any other religion. So, caught in such a situation, they exhibit an unsettled and uncomfortable state of mind in regard to their religion and religious identity. Similarly, those who identify with Buddhism are quite assertive and comfortable with such an identity because it is an identity Ambedkar patronized and they have adopted after disowning the Hindu identity. So, a sense of assertion is visible because of a different and better identity. On the other hand, those who (very few of course) denounce any religious identity are quite critical and truculent of religion. They condemn religion for engendering and perpetuating the inhuman conditions and status of Dalit's in Indian society. It is also noteworthy that if we look at the data of non-Hindu identification (55/100), then it also tells a story—a story that highlights the problems in Hinduism. If we read this with the data of those who have identified with Hinduism, many of whom have exhibited a discomfort, then we have a very worrying scenario for the Hindu society. This situation may be better understood from the sociology of knowledge perspective which points out that the nature of religious identification is conditioned by the fact of the specific location of Dalit's in Indian society. Being Dalit's determines the way they approach, understand, look at and make sense of their religious identity. Had they not been Dalit's, they would have a different way of looking at their religious identity.



## INSPIRED ACTIONS—LEARNING FROM THE EMANCIPATOR

Forty-five years later since Ambedkar changed his religion in 1956, in the year 2001, Ram Raj—a Dalit Indian Revenue Service official—got involved in an inspired action and gave a call to Dalit's to assemble in Delhi to convert to Buddhism. The conversion did take place. Though the number was not in millions, but the fact that, despite police intervention to stop such a mass conversion initiative, thousands gathered and got converted has its symbolic significance, which is not unfathomable. Ram Raj said that Dalit's would embrace Buddhism to liberate themselves from the bondage of caste and he had indicated that similar ceremonies would be held in Tamil Nadu and Kerala. In fact, he said that this was the beginning of a "social revolution." He received support from the Buddhist Society of India, and the Catholic Bishops' Conference of India. His success in drawing a considerable number of people for his effort spoke for the disillusionment of Dalit's with the Hindu religion. In a similar action in Odisha, Dalit's in large number got converted to Buddhism. Not only Dalit's are giving up their Hindu identity in a highly publicized manner and adopting Buddhism, but also most of them are proclaiming a Buddhist identity, whether converted or not. They find Buddhism liberating as was reasoned by Ambedkar, and we should not forget that Buddhism itself was a protest movement against Hinduism. So the symbolic value could also be traced from this fact. Since Dalit's want to protest against their systematic exploitation and ill-treatment within Hinduism, Ambedkar and they have chosen a protest religion i.e., Buddhism.

## WARNING FOR THE HINDU SOCIETY

After more than sixty-eight years of Independence and implementation of the positive discrimination and championing the principle of social justice and social democracy, it is apparent that not much has changed. There are still caste atrocities, inhuman and sub-human treatment meted out to Dalit's. It is not that there has not been any improvement in their existential conditions, but it is so with a minority section of the community and that to mostly from the urban areas where secondary relations operate, namelessness is a *fait accompli* and secular achievements prevail. This is not to suggest that urban areas have been completely ridden of caste and its oppressive ideology. On the other hand, in the rural areas, there is still the feudal and upper caste mentality, which has not shown its loosening grip. There is still the practice of untouchability despite favorable constitutional and legislative provisions and increasing role of civil society. Through conversion from one religion to another, Dalit's want to remind the caste Hindus that "if you continue with your caste ignominies, we will give the Hindu identity." The data on religious identification have also drawn our attention to the persistence of caste-based practices in the Hindu society that, it may be argued, may instigate more non-Hindu identification in future. This is not something that the society should be comfortable with. Mass conversion ceremonies do not reflect a good image of the society rather it draws wide attention to the problems of caste. Therefore, in today's time, there is

a need of serious introspection to make the society more humane and just by making caste redundant in social life.

### **CAUTION AND LESSON FOR DALITS**

It is true that Dalit's are not a homogeneous category. They are homogeneous only in so far as their suffering from the caste-based discrimination and ill-treatment is concerned. While they strive for emancipation, they need to take note of contradictions from within. They must take note of the fact that there is caste ranking and the practice of untouchability among them. They do not inter-marry with other Dalit's. Even after conversion, Hindu beliefs, rites and customs do not really disappear from their minds. They remain very much caste conscious in inter-personal dealings and particularly in the case of marriage. As Neera Burra explains, Buddhists in Marathwada still observe many Hindu customs and even worship many Hindu gods (cited in Gupta, 2001, p. 10). Dipankar Gupta, similarly, says that "All castes believe in caste ideology." He further says that

More often than not, it is not the idea of caste that the sub-altern castes find offensive, but their positioning in the hierarchical order...They do not wish to have this stigma (untouchability) attached to them but consider it justified in the case of the other so-called "untouchables" (Gupta, 2001, p. 10).

It is also true that not all Dalit's intend to leave Hinduism even though they vociferously reject and attack the despicable social recognition imposed on them. Some of them probably expect that one day the secular state would bring an end to the caste system.

Thus, these contradictions from within, which may have developed as a result of long association with the Hindu social order, make it really difficult, if not impossible, to do away with the pervasive and resilient caste and its oppressive mechanisms. Dalit's need to be aware of these aspects and address them urgently, otherwise a dignified identity construction would be at risk within the Hindu-fold or even outside it, conversion notwithstanding.

### **CONCLUDING REMARKS**

Had conversion solved the caste problem, it would not have been there after 1956 when Ambedkar got converted. Ambedkar, in fact, wanted to change the attitude of the caste Hindus because he believed it to be very important, even more important than legislations, for liberation from caste indignities. When he failed to usher in any discernible change in the attitude of the caste Hindus that he declared his intention to leave Hinduism during 1935–36. So the Hindu society must take note of this fact that Dalit's do not wish to leave Hinduism; Hinduism through caste and untouchability is forcing them to consider option of conversion. If tomorrow Hinduism is reformed and caste and untouchability is gone for good, then no one will perhaps leave Hinduism. However such a situation can happen, if Indian society strives to base, realistically,

itself on “ethics of human rights” (Baxi, 2002, pp. 7-12), which enjoin on us to respect the other as co-equal human. This also comes from the religious values of Buddhism. Thus the modern society must base itself on such values to make it look modern and humane. Indian society, if it wants to be modern, has to be an inclusive society whose framework can be deduced from the religious values of Buddhism or the ethics of human rights, which are already enshrined in the Constitution of India. The state and society have to just follow them in letter and spirit.

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# Social Expenditure and Human Development in India: Some Issues

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**Abstract**—*Human development concerns more than the formation of human capabilities, such as improved health and knowledge. It also concerns the use of these capabilities, be it for work, leisure or political and cultural activities. And if the scales of human development fail to balance the formation and use of human capabilities, much human potential will be frustrated. Technical considerations of the means to achieve human development—and the use of statistical aggregates to measure national income and its growth—have at times obscured the fact that the primary objective of development is to benefit people. There are two reasons for this, First, national income figures, useful though they are for many purpose, do not reveal the composition of income of the real beneficiaries. Second, people often value achievements that do not show up at all, or not immediately, in higher measured income or growth figures: better nutrition and health services, greater access to knowledge, more secure livelihoods, better working conditions, security against crime and physical violence, satisfying leisure hours, and a sense of participating in the economic, cultural and political activities of their communities.*

**Keywords:** *Human Development, Social Expenditure, Gender*

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## INTRODUCTION

People are the real wealth of a nation. The basic objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives with Social Expenditure (SE), of course; people also want higher incomes as one of their options. But income is not the sum total of human life. This way of looking at human development is not really new. The idea that social arrangements must be judged by the extent to which they promote “human good” goes back at least to Aristotle. He also warned against judging societies merely by such things as income and wealth that are sought not for themselves but desired as means to other objects. “Wealth is evidently not the good we are seeking, for it is merely useful and for the sake of something else.” The simple truth is that there is no automatic link between income growth and human progress. The main preoccupation of development analysis should be how such a link can be created and reinforced. In 1990 public understanding of development was galvanized by the appearance of the first Human Development Report (HDR). Led by the visionary Mahbub ul Haq, it had a profound effect on the way policy-makers, public officials and the news media, as well as economists and other social scientists, view societal advancement. Rather than

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concentrating on a few traditional indicators of economic progress (such as gross national product per capita), “human development” accounting proposed a systematic examination of a wealth of information about how human beings in each society live and what substantive freedoms they enjoy.

An attempt has been made in this paper to present an overview about “*Social Expenditure and Human Development in India: Some Issues*.” The paper is divided into Four Sections. Section First Covers a brief Introduction about the theme. In Section Second new measures for an evolving reality (HDR 2010) is discussed. Section third deals with policies for human development. The Paper concludes with section Four, which gives some suggestions about policy makers for social expenditure, economic growth and human development in India. This may appear to be a simple truth. But it is often forgotten in the immediate concern with the accumulation of commodities and financial wealth. Human development is a process of enlarging people’s choices. The most critical of these wide-ranging choices are to live a long and healthy life, to be educated and to have access to resources needed for a decent standard of living. Additional choices include political freedom, guaranteed human rights and personal self-respect. Development enables people to have these choices. No one can guarantee human happiness, and the choices people make are their own concern. But the process of development should at least create a conducive environment for people, individually and collectively, to develop their full potential and to have a reasonable chance of leading productive and creative lives in accord with their needs and interests. Human development has two sides: the formation of human capabilities—such as improved health, knowledge and skills—and the use people make of their acquired capabilities—for leisure, productive purpose or being active in cultural, social and political affairs. If the scales of human development do not finely balance the two sides, considerable human frustration may result. According to this concept of human development income is clearly only one option that people would like to have, albeit an important one. But it is not the sum total of their lives. Development must, therefore, be more than just the expansion of income and wealth. Its focus must be people. This way of looking at development differs from the conventional approaches to economic growth, human capital formation, human resource development, human welfare or basic human needs. GNP growth is treated here as being necessary but not sufficient for human development. Human progress may be lacking in some societies despite rapid GNP growth or high per capita income levels unless some additional steps are taken. Theories of human capital formation and human resource development view human beings primarily as means rather than as ends. They are concerned only with the supply side—with human beings as instruments for furthering commodity production. True, there is a connection, for human beings are the active agents of all production. But human beings are more than capital goods for commodity production. They are also the ultimate ends and beneficiaries of this process. Thus, the concept of human capital formation (human resource development) captures

only one side of human development, not its whole. Human welfare approaches look at human beings more as the beneficiaries of the development process than as participants in it. They emphasize distributive policies rather than production structures. The basic needs approach usually concentrates on the bundle of goods and services that deprived population groups need: food, shelter, clothing, health care and water. It focuses on the provision of these goods and services rather than on the issue of human choices. The most readily available income indicator—per capita income—has wide national coverage. But the presence of non-tradable goods and services and the distortions from exchange rate anomalies, tariffs and taxes make per capita income data in nominal prices not very useful for international comparisons. Such data can, however, be improved by using purchasing power-adjusted real GDP per capita figures, which provide better approximations of the relative power to buy commodities and to gain command over resources for a decent living standard.

### **NEW MEASURES FOR AN EVOLVING REALITY (HDR 2010)**

The HDR 1990 was launched following a period of deep economic and debt crises, when policy thinking was dominated by notions of stabilization and adjustment. Many developing countries faced declining export earnings, dwindling capital inflows, rising interest rates and mounting foreign debt. Countries were forced to turn outward for financial help—typically from the international financial institutions in a package that demanded stabilization measures and structural adjustment reforms aimed at very low inflation, a reduced role for the state and an outward orientation—the Washington Consensus. This response was not universal, as more heterodox ideas, particularly those favoring stronger state-led approaches, were still being pursued—most evidently in China, India and Viet Nam. But by the early 1990s the Washington Consensus had attained near hegemony, and mainstream development thinking held that the best payoffs would come from hewing to its key tenets of economic, liberalization and deregulation. Many Western countries were also reducing the role of the public sector in the economy and lightening regulation. From the outset the HDR explicitly challenged this orthodoxy and established a tradition that would be applied to a range of issues important to development policy. Mahbub ul Haq brought together a group of leading development thinkers to pioneer the human development approach at UNDP, building on several movements defying conventional economic approaches to development. These included an influential group concerned with basic needs, advocates of a focus on children, and a range of activists concerned with hunger and social justice more broadly. Amartya Sen's capability approach provided the philosophical foundations of human development, drawing on a long and august lineage of influential thinkers. Human development attracted interest and adherents with its criticism of GDP and its clear yet open-ended ethical orientation. A dynamic academic discourse emerged, encouraged by an emphasis on the centrality of enlightened public discussion that kept the door open for discussions and improvements over time. As independent global reports, the HDRs,

have challenged mainstream thinking. They have pioneered ideas, some of them controversial at the time, that have been ahead of the curve but that have since become more widely accepted.

The HDR 1994 introduced and defined the concept of human security as “freedom from fear and freedom from want” and “safety from chronic threats such as hunger, disease and repression as well as protection from sudden and harmful disruptions in the patterns of daily life—whether in homes, in jobs or in communities.” This concept of human security was a radical shift in thinking on peace and conflict prevention. That HDR also advocated creating a global fund to address the common threats to human security and supported the “Tobin Tax” on foreign exchange transactions as a way to finance development. This idea of human security directly parallels that of human development, and the HDR 1994 was instrumental in bringing the two agenda together. As that HDR explained, human development and human security are distinct concepts—the first relating to expanding people’s freedoms and the second to ensuring against threats to those freedoms. Human security demands attention to all risks to human development, not just situations of conflict and post-conflict and fragile states. It encompasses safety from chronic threats such as hunger, disease and repression, and protection from sudden and hurtful disruptions in patterns of daily life—whether from violence, earthquakes or financial crises.

The 2007/2008 HDR applied a human development lens to highlight the costs of climate change, including cross-generational poverty traps caused by climate shocks and the phenomenon of “adaptation apartheid.” It was the first major development report to explore the implications of climbing world temperatures, reflected in melting ice caps, changing patterns of local rainfall, rising sea levels and forced adaptation by some of the world’s most vulnerable groups. Thus, human development is the expansion of people’s freedoms to live long, healthy and creative lives; to advance other goals they have reason to value; and to engage actively in shaping development equitably and sustainably on a shared planet. People are both the beneficiaries and drivers of human development, as individuals and in groups. People can be empowered at home and at work, in politics, in the community and in society. Empowerment is about people as individuals and acting in groups—be they local cooperatives, trade unions or national political movements lobbying for change. Pushing the frontiers of measurement has always been a cornerstone of the human development approach. But it has never been measurement for the sake of measurement. The human development index (HDI) has enabled innovative thinking about progress by capturing the simple yet powerful idea that development is about much more than income. Over the years the HDR has introduced new measures to evaluate progress in reducing poverty and empowering women. But lack of reliable data has been a major constraint. HDR 2010 has introduced three new indices to capture important aspects of the distribution of well-being for

inequality, gender equity and poverty. They reflect advances in methods and better data availability. HDR 2010 also presents a refined version of the HDI, with the same three dimensions, but that addresses valid criticisms and uses indicators more pertinent for evaluating future progress.

### **INEQUALITY–ADJUSTED HDI (IHDI)**

Reflecting inequality in each dimension of the HDI address an objective first stated in the HDR 1990. Adjusting the Human Development Index for inequality, HDR 2010 introduces the Inequality Adjusted Human Development Index (IAHDI), a measure of the level of human development of people in a society that accounts for inequality. Under perfect equality the HDI and the IHDI are equal. When there is inequality in the distribution of health, education and income, the HDI of an average person in a society is less than the aggregate HDI, the lower the IHDI (and the greater the difference between it and the HDI), the greater the inequality. The average loss in the HDI due to inequality is about 22 per cent—that is, adjusted for inequality, the global HDI of 0.62 in 2010 would fall to 0.49, which represents a drop from the high to the medium HDI category. Losses range from 6 per cent (Czech Republic) to 45 per cent (Mozambique), with four fifths of countries losing more than 10 per cent, and almost two-fifths of countries losing more than 25 per cent. Countries with less human development tend to have greater inequality in more dimensions—and thus larger losses in human development. People in Namibia lost 44 per cent, in Central African Republic 42 per cent and in Haiti 41 per cent because of multidimensional inequality. People in Sub-Saharan Africa suffer the largest HDI losses because of substantial inequality across all three dimensions. In other regions the losses are more directly attributable to inequality in a single dimension—as for health in South Asia.

### **GENDER INEQUALITY INDEX (GII)**

The disadvantages facing women and girls are a major source of inequality. All too often, women and girls are discriminated against in health, education and the labor market—with negative repercussions for their freedoms. HDR 2010 introduces a new measure of these inequalities built on the same framework as the HDI and the IHDI—to better expose differences in the distribution of achievements between women and men. The Gender Inequality Index shows that gender inequality varies tremendously across countries—the losses in achievement due to gender inequality (not directly comparable to total inequality losses because different variables are used) range from 17 per cent to 85 per cent. The Netherlands tops the list of the most gender-equal countries, followed by Denmark, Sweden and Switzerland. Countries with unequal distribution of human development also experience high inequality between women and men, and countries with high gender inequality also experience unequal distribution of human development. Among the countries doing very badly on both fronts are Central African Republic, Haiti and Mozambique.



## MULTIDIMENSIONAL POVERTY INDEX (MPI)

HDR 2010 has also introduced a multidimensional measure of poverty. Like development, poverty is multidimensional—but this is traditionally ignored by headline figures. The Multidimensional Poverty Index (MPI) complements money-based measures by considering multiple deprivations and their overlap. The index identifies deprivations across the same three dimensions as the HDI and shows the number of people who are poor (suffering a given number of deprivations) and the number of deprivations with which poor households typically contend. It can be deconstructed by region, ethnicity and other groupings as well as by dimension, making it an apt tool for policy makers. About 1.75 billion people in the 104 countries covered by the MPI—a third of their population—live in multidimensional poverty—that is, with at least 30 per cent of the indicators, reflecting acute deprivation in health, education and standard of living. This exceeds the estimated 1.44 billion people in those countries who live on \$1.25 a day or less (though it is below the share who live on \$2 or less). The patterns of deprivation also differ from those of income poverty in important ways in many countries—including Ethiopia and Guatemala—the number of people who are multidimensional poor is higher. However, in about a fourth of the countries for which both estimates are available—including China, Tanzania and Uzbekistan—rates of income poverty are higher. Sub-Saharan Africa has the highest incidence of multidimensional poverty. The level ranges from a low of 3 per cent in South Africa to a massive 93 per cent in Niger; the average share of deprivations ranges from about 45 per cent (in Gabon, Lesotho and Swaziland) to 69 per cent (in Niger). Yet half the world's multi-dimensionally poor live in South Asia (844 million people), and more than a quarter live in Africa (458 million). These new measures yield many other novel results—and insights—that can guide developments policy debates and designs. Large HDI losses due to inequality indicate that society has much to gain from concentrating its efforts on equality—improving reforms. And a high MPI coinciding with low income poverty suggests that there is much to gain from improving the delivery of basic public services.

## POLICIES FOR HUMAN DEVELOPMENT

Economic growth is essential for human development, but to exploit fully the opportunities for improved well-being that growth offers, it needs to be properly managed. Some developing countries have been very successful in managing their growth to improve the human condition, others less so. There is no automatic link between economic growth and human progress. One of the most pertinent policy issues concerns the exact process through which growth translates, or fails to translate, into human development under different development conditions. From varied experience and empirical studies, the main policy conclusion is that economic growth, if it is to enrich human development, requires effective policy management. Conversely, if human development is to be durable, it must be continuously nourished by economic growth. Excessive emphasis on either economic growth or human development will lead to developmental imbalances that, in due course, will

hamper further progress. Many factors influence the levels and changes in human development, ranging from aspects of the macro economy—which in turn are affected by developments in the international economy—to micro factors operation in individual households. Also important is at least one set of intermediate, variables: the level and structure of government expenditures and government programmes for the social sectors. The policies cover the whole range of fiscal policies, including those directly affecting the distribution of income, but the social expenditure is more immediate in response. The main macroeconomic determinants of human development, together determining the levels and changes in household income, are initial levels and growth rates of income per capita and initial levels and trends in the distribution of income. The main instruments of government for directly affecting human development levels are:

- Across-the-board all policies for the provision of public goods and services in a way that does not discriminate among different social groups or regions, such as universal food subsidy systems, universal primary education programmes and nation-wide immunization programmes.
- Targeted required policies for the provision of public goods and services to all members of particular target groups in the society, such as the food stamp programme for lower-income groups in Sri Lanka or a supplementary feeding programme that attempts to cover all malnourished children in a country.

Charles Kenny (2009) recently confirmed the lack of correlation between improvements in life expectancy and growth, using both a large sample of countries over 25 years and a smaller sample covering a much longer period. Using data on life expectancy, infant mortality and income for a small subset of largely wealthy countries over the 1913–1999 period, the Kenny examines correlations between income and health at period start and end as well as using the growth of the variables. Using a larger set of data over the period 1975–2000, the he repeats these tests, as well as looking for any evidence of a larger impact of income, when different data are used or the sample is split. Results suggest a strong cross-country link between income and health and considerable evidence of global improvements over time, *but a comparatively weak relationship between improvements in income and improvements in health, even over the very long term. A revealing comparison between China—the world's fastest growing economy in the past 30 years—and Tunisia approves these findings. In 1970 a baby girl born in Tunisia could expect to live 55 years; one born in China, 63 years. Since then, China's per capita GDP has grown at a breakneck pace of 8 per cent annually, while Tunisia's has grown at 3 per cent. But a girl born today in Tunisia can expect to live 76 years, a year longer than a girl born in China. And while only 52 per cent of Tunisian children were enrolled in school in 1970, today's gross enrolment ratio is 78 per cent, considerably higher than China's 68 per cent.* The findings of the HDR 2010 also do not negate the importance of higher

income for increasing poor people's access to health and education services. The strong correlation between socio-economic status and health within a society often reflects the relative advantage of wealthier people in gaining access to health services. Therefore, the lack of control for governance could account for the weak relationship between spending, social indicators, and growth found in some previous studies. By explicitly incorporating governance into the model, Baldacci and others (2004) have attempted to overcome this problem. Baldacci *et al* (2004) have empirically found that:

- Both education capital and health capital positively contribute to output growth, but through slightly different routes.
- Education spending has both an immediate and a lagged effect on education capital.
- Health spending has a positive and significant contemporaneous impact on health capital.
- Education and health capital have strong inter-linkages.
- Governance has significant direct effects on the nexus between social spending and social indicators, with health spending being particularly sensitive to governance.
- Gender equality influences both education and health indicators.
- Income levels matter for social indicators.
- Poor governance reduces growth mainly through its impact on human capital and investment.
- The impact of education and health capital on growth varies in different income and regional country groups.

Taking the rates of saving and population growth as exogenous, he showed that these two variables determine the steady-state level of income per capita. The higher the rate of saving, the richer the country; the higher the rate of population growth, the poorer the country. Because saving and population growth rates vary across countries, different countries reach different steady states. Mankiw and others (1992) argue that the predictions of the Solow model are, to a first approximation, consistent with the evidence. Examining recently available data for a large set of countries, they find that saving and population growth affect income in the directions that Solow predicted. Moreover, more than half of the cross-country variation in income per capita can be explained by these two variables alone. Yet all is not right for the Solow model, they hold. Although the model correctly predicts the directions of the effects of saving and population growth, it does not correctly predict the magnitudes. To understand the relation between saving, population growth, and income, one must go beyond the Solow model.

## CONCLUSION

Alongside findings of global progress and local variability, HDR 2010 has explored the *growth–human development link* and has found that average income growth has been high but that it has been variable across countries, while progress has been more consistent for health and education. Many developing countries have attained levels of health and education similar to those in developed countries, but crossing the divide that separates income-poor from income-rich countries is much harder. Therefore, countries became top performers on the HDI through two broad routes: fast income growth or exceptional progress in health and education. These findings suggest that over the past 40 years the forces driving improvements in health and education are different from those driving improvements in income. Determining the policy drivers of human development is difficult because the questions are complex, the data sparse and the methods limited. But other methods have shortcomings too. Because fast growth, even when sustained, has not automatically ushered in strong gains for broader aspects of human development, policies must be designed to advance income and other objectives together. Policymakers can have several variables in view. While economic growth cannot be presumed to lead inevitably to human development and to less poverty, many countries have achieved both. In this light, several considerations can be suggested:

1. Equity and poverty reduction must be at the forefront of policy design, not add-ons.
2. Education and health must be the cornerstones of the policy design.
3. Empowerment and capacity building should be the ends of the strategy.
4. All societies need institutions to manage conflict, resolve disputes and address ethnic, racial and class differences.
5. Domestic investment, private and public, is crucial.

Global integration into world markets, an important lever for growth, offers opportunities for increasing income. But countries can manage integration into the global economy in many ways that do not require full trade liberalization, thus allowing space for domestic industrial policies. However, protection against global economic and financial turmoil should be an integral component of the policy design.

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# Effect of Online Media on Private Tutoring with Reference to Knowledge Growth and Micro Economics

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**Abstract**—After liberalization in 1991 onwards, public and private partnership has taken a good shape as a result of which there has been seen a fast pace of development. With the pace of fast development, per capita income of people in India has increased. As per report of R Radhakrishna (2013), continuous growth rate of monthly per capita capital expenditure (MCCE) has been advantageous for rural and urban people both and urban population comparatively got more than rural population after the government of India made Indian economy open. Internet media, a boon of liberalization, became optional source of learning and tutoring and it affected private tutoring. Online learning and tutoring helped in speedy dissemination of knowledge and saving private tutoring expenditure. As there is growing per capita income of people in India, there is certainly need of online media and its access to compete at global scale. Internet media is expected to cross 546 million users by 2016 and this growth will certainly benefit online users in gaining and disseminating knowledge. Private tutors are advised to equip with alternative media.

**Keywords:** Tutoring, Liberalization, Internet

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## FROM A BROAD

As per study of Asian Development Bank (ADB) and Comparative Education Research Center (CERC) at the University of Hong Kong, the private tutoring industry is not effective that much is as much required for remedial help for students or children and is doing less with regards to competition and creativity. But if we see internet access and its effect upon tutoring, it is more or less satisfactory. As per study highlighted by ADB, the booming private tutoring industry may dominate the lives of young people and their families in Asia, maintain or exacerbate social inequalities, divert a major chunk of household income into an unstructured and unregulated industry and this way it can create inefficiencies in education system. This growing private tutoring industry is also known as shadow education is expanding rampantly. Day by day, private tutoring is swallowing a good amount of income or increasing per capita income as ADB's Practice Leader for Education Jouko Sarvi also admitted and expressed.

A ADB's Practice Leader for Education Jouko Sarvi said, "Shadow education is expanding at an alarming rate. It is already most extensive in the Asian region and increasing proportions of household income are being spent on private tutoring." Children despite of being helped by tutors (Online and offline) are facing problem of

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too much homework. Children have tears in their eyes over the amount of homework they have. Parents have lesser time than these children or we can also say kids require work out on pending assignments given by the education provider. Parents have only weekends and that is not certain that they will sacrifice the weekend for their children. All of these problems are required to be discussed. Schools, instead of taking responsibility of work to be done by the child, transfer it over parents' shoulders. Children are overwhelmed by this dilemma in their early age of education. Expectations of schools are too high. On the other side of state of affair, tutors nourish children educationally to an extent possible and those children become more productive. But when we discuss online collection of knowledge, it seems to be garbage at one place and through many urls or web pages. There is copy and paste culture and thus it leads to repetition of facts and figures that way. The Copyright Act has been at stake in online media since its inception. As per latest decision taken by China this year, the country will crack down on illegal reproduction of online news after a reputed Chinese news magazine complained about piracy of content of the same. Violations of copyright act are rampant. This problem of copying and pasting seen in online media is also not fruitful for tutoring children online because we can't get something more innovative for children. As there is growing work pressure over children pushed by schools and colleges, they are living in fear and stigma and their parents try to share that stigma in same line. Children at their elementary education level, are asked about advance level research and knowledge on subjects. For example, child studying in class three is asked how to edit and color a picture. This is true and makes children's brain developed but under pressure. But anyway online media has been found helping to these children studying under burden of a good amount of work assigned by their schools and colleges.

Objectives of the study are as follows:

1. To find out relationship between increment in per capita income and expenditure on tutoring.
2. To find out effect of online media upon facility of parents/ guardians/ children with regards to tutoring.
3. To find out increasing work pressure pushed by schools and level of dissatisfaction among parents/ guardians/ children with regards to parameters set those schools to provide education even during initial schooling.

We live in a globalized world. Many countries are developed and many are developing and least developed countries in Asia. Therefore the per capita income of people residing in different countries is also different i.e. somewhere lesser and somewhere more. Private tutors take a good amount of money for tutoring of your child or kid. Internet world in Asia seen and now is proved to be beneficial

economically and educationally. People, parents and guardians prefer it in their common lifestyle. Effect of online media upon private tutoring is necessary to be derived or assessed with special regards to knowledge and micro economics on the basis of per capita income.

## REVIEW OF LITERATURE

As derived from R Radhakrishna report (2013), continuous growth rate of monthly per capita capital expenditure (MCCE) has proved to be fruitful for rural and urban people both and urban population comparatively got more than rural population after the government of India made Indian economy open. But as online media is costly and its reach is not good in rural areas, it is required to take action in this direction. As online media is user friendly media, it seems to be easy to misuse it and thus leading to piracy and copying of content multiple times has been misused. The problem of copying and pasting has occurred throughout Asia. Chinese media heavily controlled by the state is also a victim of piracy in its content in online media and the same initiative should also be taken by other countries in Asia to nourish brains and knowledge of kids of tomorrow and children as future of their nations respectively. Online tutoring via internet media is supporting for the work children are doing with their school or college as education provider. Online tutoring websites help children by way of providing them good collection of knowledge within a short span of time or a few seconds. At online platform, child or his/ her parents or guardians will have his/ her account. On logged in, links to each enrolled class will appear on your personal home screen. Following a class link, child will have access to one or more of the following:

1. Link to live online lesson.
2. Course materials prepared by the teacher of the class.
3. Revision materials for the course.
4. Discussion board for the class.
5. Links to submit homework and get feedback from teacher.
6. Points earned towards final grade.

Children during their early schooling are being asked for doing research of a few pages and writing bibliography as well. How can the child be expected to do that by himself or herself? Schools are pushing hard and thus children are living under pressure. Kids carry the burden assigned by colleges or schools and thus their parents are also living under pressure. Thus online tutoring helped these kids and parents in a better way. While availing online tutoring facilities, most of the study material can be accessed via a computer or tablet, allowing you to review classes anytime, anywhere. While participating in a live online session for online tutoring, the child will have to use a computer connected to the internet via a broadband



network. During live sessions, the child will be able to see and hear the teacher online, ask questions, participate in live discussions and practice written work under the teacher's supervision online via internet. Thus your child can learn a lesson by choosing a flexible and affordable way to achieve a good amount of knowledge. While choosing online tutoring facility on your computer via internet, your child/ parents/ guardians set up as per following steps:

1. Choose the course type that is right for you by browsing our choices menu.
2. Contact us to arrange an interview with one of our counselors (Both students and parents or guardians should be involved in this session) either in person or online.
3. In conjunction with our counselor, confirm your course of study and choose the subjects that are appropriate.
4. In conjunction with our counselor, choose the time frame to complete your qualification.
5. Confirm your enrollment to an online course.
6. Make payment as per choice.
7. Login details, computer set up information and a link to the class room are sent to you along with your timetable and teacher information.

### **CLASSES THROUGH ONLINE MODE I.E.-ONLINE TUTORING**

1. The child joins your lessons or tutorial at the scheduled time i.e. a fixed time. The child can see and hear the teacher as well as access resources on screen. Your child via part of a group class can interact with other students online.
2. As per progress in your course category, the teaching notes for the lessons your child completed become available to you at all times in your PC (Personal Computer) area on the system. These are made available to mobile devices as well.
3. Homework, coursework and assignment are set. Your child can access these and additional resources and send messages to your teacher at all times.
4. Parents, guardians, other care takers or supporters can login to review progress and see results of tests conducted. Online tutors monitor attendance throughout the course and will contact all guardians, parents, children if attendance or work levels are poor.
5. A text message will be sent to both the parents or guardians and student if the student is late for a lesson.
6. Students and kids will have to go to their allotted exam center physically and thus opting for online tutoring facility and online schooling mean that your

child is coming to school via the internet and aim of online tutoring is to make learning as accessible as possible, allowing your child to achieve good collection of knowledge your child requires and follow educational pathways as per his or her desire.

Even if you live in a remote area, your child or kid can be educated just like children living within vicinity of a city. However, effectiveness level is not reached by online mode. We mean that classroom teaching is proved to be more effective. However knowledge growth is possible by way of online tutoring and this is also economically better i.e. it requires less amount of money.

Due to increasing taste in education and then in private tutoring, per capita income of people in Asia has increased and now this circular process is going on i.e. people are morally educating themselves and then their children and thus earning more in long run process. By earning more, parents are spending more on private tutoring i.e. if parents are more educated, they will earn more and thus they will spend more on private tutoring for their children. Private tutoring is more common in Asia, Africa and Latin America than all over the world. Private tutoring is more helping to get quality education than fiscal deficit ridden government education system. Public school system in Asia or developing countries may result in low teacher salaries (in some countries), poor school facilities and low quality education in general. Public education system is carrying one more prominent loophole i.e. government's monitoring system is not stringent. Consequently, private tutoring has created its own market and there are professional tutors and school teachers themselves who are providing education at the behest of money. As per increasing demand for education, private tutoring is rampantly existing despite of some good schools are running but fulfilling needs of a few people in Asia. Birdsall *et al.* (1995) presents cross-country regressions showing that higher growth reported in East Asia is the result of investment in education. Quality education can also reduce income disparities throughout Asia and thus we can meet out good growth.

As per previous reports to view globally, staggering percentages of students receive private tutoring facility around the world: nearly 70 per cent of students had received tutoring by the time they finished high school in Japan in 1993; over 50 per cent of students received tutoring in Rio de Janeiro public schools in 1997; 74 per cent of Grade 8 in Egypt in 1991; 45 per cent of primary schools and 36 per cent of middle school in Hong Kong; About 83 per cent by the high schools in Malaysia in 1990; more than half of his students in Morocco; 70 per cent of Grade 6 in Tanzania; 81 per cent of secondary schools in Taiwan and 61 per cent of Grade 6 students in Zimbabwe. Bismal (1999) tries to interpret the incentive structure and optimal educational system in this situation.

## PRIVATE TUTORING IN KOREA

Expansion of primary and secondary schools and private tutoring in Korea has been reported and we can discuss in detail herewith. From backward agrarian economy to an advanced economy and this increasing per capita income really helped primary and secondary schools in Korea to grow and flourish during a few decades. Korea followed and adhered to industrialization policies of government. In the year 1945, when Korea liberated from Japanese colonial rule, the situation was so miserable. Only 65 per cent of primary school aged children and less than 20 per cent of the secondary schools aged children were enrolled in schools. A good strength of teachers returned to Japan after the liberation. During the Korean war in 1950, much of the destruction was seen thereafter and it kept Korea at the back foot. Decades back, the government of Korea started universal primary school education to maximize the participation of kids and children in education and sooner the goal was achieved by way of constructing more colleges, schools and classrooms. But the government of Korea asked parents to cooperate and share the financial stress like cost of books, cost of school uniform, etc. so as to make their children prepared for exams well and thus their parents to enhance quality in education. Parents spent handsome amount on private tutoring in Korea. Somewhat the scene in India after liberalization in 1992 is same with regards to expenses on private tutoring and after 2005 onwards, the use of online media is increasing. Social media platforms are deciding choice of prime minister or chief ministers in India. Students even from class 3 to 6 are being pushed for online education and for online researches.

During recent years, government of India relaxed norms to open private schools and colleges and also stepped forward to provide some basic facilities to children from grade 1 to 6 such as Mid-Day Meal (MDM) scheme, free of cost uniform distribution and also free education system to maximize participation and reduce increasing ratio of child labor. Private tutoring market is increasing since liberalization and growth in education sector in terms of number of schools and number of children. RTE Act 2009 was implemented by the government of India for betterment in education sector regarding meeting out pupil teacher ratio and enrolment of children especially from disadvantageous sections of society. Sarva Siksha Abhiyan (SSA), Mid-day Meal Scheme, or any other effort by the government does not seem to be successful just because or it is not evaluating output after giving inputs. In government schools, teachers are found busy in calculating for meal, ration or in attending government meetings rather than teaching. Therefore the private tutors, private schools and children who belong to rich class are the running up factors and in such situation effect of online media will also remain limited to such categories and may not reach to children from poorer class.

Individual tutoring at home, coaching classes and online tutoring are the forms of tutoring in India and all over the world. Day by day the market size is broadening as per increase in per capita income. People are engaged with different tasks in different sectors. But out of pocket expenses on private tutoring are increasing and also substituting with online tutoring throughout Asia and as a result of which GDP growth has also been reported because of increasing responsible and educated manpower being added automatically to the economy of every country in Asian region.

## **CASE STUDY OF LUCKNOW AND NAGPUR**

With online education providers, your child can easily be facilitated with regards to classes and knowledge. The cost of education is also low. People prefer classroom teaching in Asia to online tutoring just because most online learning is distance learning and it is not supported by real teachers. Your child has to read the study material and work it all out for yourself. As per studies executed throughout Asia, online learning is not effective learning. Teachers make a difference. Private tutoring has been affected by income of family i.e. if the income is high then there is no problem in tutoring a child/ kid and vice versa. After all, internet media came and it expanded this scope. Online tutoring is replacing private tutoring throughout Asia. But instead of online tutoring, online tutoring access as a whole has increased as per data given by KPMG-FICCI report. Parents/ guardians should look after content of internet being accessed as their child may misbehave in future regarding his/ her studies. This is a need of educating child about how to access different content for different reasons. Your child should have a matured mind frame as there is more garbage online. Online tutoring is not so much costly as private tutoring but effect is vice versa. Parents should be highly educated if their child is studying ICSE board syllabus in some reputed school in some city because they help their child as per their intellectual level. Children survey responded as per current scenario of elementary education. English medium schools have been found with more enrolment due to their low fee structure and also with quality education. Teachers in private schools get lesser amount of salary than teachers in government schools and despite of this private schools maintain quality in education. Consequently private schools use digital tools and techniques in delivering knowledge or teaching to children. Teaching methodologies in private schools defer that of in public schools. With the evolution of digital media, online mode of teaching has been followed by private schools prominently and hence parents feel less burdened in helping children as online media gives a quick help to parents and children in conducting research work or finding out material for study and up-to-date knowledge. As being taught by private schools, they maintain quality but they assign a lot of work for home and in this way online media helps them in gathering material and solving problem online related to their course curriculum. As mentioned in IIR 2012, despite of passing Right to Education act by the government of India to maximize enrolment ratio, school learning give opportunities to children from disadvantaged sections of the society and there is mass which is not going to school either or dropping before completion of even elementary education. Some prominent reasons found for such school dropouts in the report are income of

parents of least advantageous sections, their education and their need to bring child back to home for earning daily bread. There has been growth in number of schools for elementary education and literacy rates all over India as well but not competed with that of private schools where children get quality and focused help regarding education and one example is online media. The expense regarding online media access can even not be afforded by such disadvantageous groups of the society and hence they lag behind and children whom parents are more educated and earning more get benefits without help from government.

We can take catholic schools where they select a child through merit and interview of child and parents both even to get admission in Nursery class. If the child is not prepared well and the parents are not capable enough educationally and economically, he or she will not be given admission. This shows that there is need of change in elementary education sector and there is effect of online media on teaching and learning in case of children from elite families and not for children from backward or disadvantageous sections of society. There is improvement in government school system but still more efforts are required so that to meet out high rate of literacy and to save parents from spending more on elementary school level such as they spend on private tutors. Advantage of any invention such as digital media should also reach to children who are poorer. Private schools and private tutors are charging high many times but where there are more number of private schools, they charge lesser there. It depends place to place and school to school. But anyway occupancy of poorer children is necessary.

Some of the important points may be noted regarding teaching, online learning and parents' role. These are as follows:

1. Parents and guardians should help schools and online education provider in educating children.
2. Classroom teaching is proved to be more effective in the whole Asia region.
3. Income level of parents or guardians matters in case of good education.
4. Increasing burden of tutoring or teaching over parents and guardians reported.
5. Reach of internet media is not up to the mark in rural areas throughout Asia i. e. digital divide.
6. Problem of copying and pasting i.e. piracy and jolt to copyright act reported.
7. The parents or guardians should be computer savvy to teach their children/kids.
8. Internet media helped children or kids in sharing and gaining knowledge.
9. Parents prefer private schools to public schools in urban and semi-urban areas for the sake quality education.

10. Private schools charge average amount of fees to parents because they pay lower to their teachers than government teachers get in terms of salary but not all the times.
11. Teaching methodologies in private schools are more effective than public schools.
12. Most of the government schemes in education sector are not being evaluated.
13. Input giving is necessary but output should also be drawn after investing in elementary education sector by the government so that to benefit to children from poorer class anyhow.
14. Any invention such as access of digital media in education should also benefit and be affordable to poorer children.
15. Teachers at government schools remain busy in government meetings or administrative work and it affects and lags poor children behind.

## **CONCLUSION**

Online media disseminates knowledge rampantly throughout Asia. This media is alternative media we can accept as it is for some time. Income of parents is main source of education for child/kid. As the income increases, expenditure on education increases and vice versa. Computer or tablet is one of the main sources of knowledge growth as well as there are copyright threats because of problem of copying and pasting. If we see at micro level, income is directly co related with education and its quality. This media is helpful for teachers as well as for parents in current scenario but it is yet pre matured. China has alarmed its authorities regarding copyright threats, one signal to other countries in Asia. In Asian region, we find after theoretical studies that there is need of rural penetration with regards to online media and the digital divide should be filled up sooner to compete at global scale. The situation before liberalization was worse and before independence the worst. The government schools should evaluate their teaching methodologies as well as loopholes because the government is trying to increase literacy rate and also putting maximum inputs as stated in India Infrastructure Report 2011. Teaching methodologies in a private school differ from that of being used in a government school and hence the quality in government schools is not up to the mark as per ratio of input and output. Therefore people from average income group are also forced to send their children to a private school and to hire a tutor for providing quality education. Here is a need of change in the educational system and it needs evaluation and utilization of technologies.

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# Post Globalisation Reduction in Poverty Across Asian Countries

Sanjay Srivastava<sup>1</sup>

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**Abstract**—Globalization propelled by Information Communication Technology (ICT) and the knowledge based economy (KBE) has forged the integration of cross border transactions and independence. Applied unevenly to favor urban industrial rather than rural agricultural sectors, globalization and the resulting creative destruction of industries and jobs have accentuated poverty, income and employment insecurity especially among the vulnerable less educated, less skilled, older & minority groups and widened the digital divide in Asia. A majority of the world's poorest people today are in Asia-mainly because it holds a majority of the world's population. Of course some Asian countries like Japan and South Korea are not as poor as other like Cambodia, Bangladesh & Afganistan, with Asian poverty being concentrated in South Asia. Poverty in some Asian counties seems largely due to the pressure of excessive population growth on scarce resources, inadequate governance with existing caste discrimination. Education, medicine, clean water and sanitations are often inadequate also. In some Asian countries land ownership being problematic and encourages poverty. Poverty reduction measures are those that raise or are intended to raise, enabling the poor to create wealth for themselves as means of ending poverty forever. In modern times, various economists propose measures like extending property rights to poor, especially to land. Poverty alleviation also involves improving the living condition of people who are already poor. Aid, particularly in medical and scientific areas, is essential in providing better lives, such as the Green Revolution and the eradication of small pox. Today, continued economic development is constrained by lack of economic freedom. Financial services, notably savings, can be made accessible to the poor through technology, such as mobile banking. Inefficient institutions, corruption and political instability can also discourage investment. Aid and government support in health, education and infrastructure helps growth by increasing human and physical capital. Thus, poverty reduction is a term that describes the promotion of various measures, both economic and humanitarian that will permanently lift people out of poverty.

**Keywords:** Globalization, Poverty Alleviation, Employment, Knowledge-based Economy

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## INTRODUCTION

Most of the controversy over globalization concerns the specific economic form of Globalization that has taken place in recent decades. Views concerning the effects of globalization as the "liberalization" of the world economy are often completely opposite. The crucial point at issue is the effect of globalization on poverty. On the one hand, mainstream politicians, economists and other specialists often claim that

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with globalization poverty has been mitigated in the world and will be mitigated further. On the other, a large number of critical researchers as well as representatives of NGOs and peoples movements maintain that globalization increases poverty or at least decreases the speed of poverty alleviation. The protagonists of prevailing globalization believe that it improves the efficiency of all economics thereby boosting economic growth. They think that a part of the welfare increase brought about by growth inevitably trickles down to the poor. Those opposing prevailing globalization, by contrast, think that in practice it means a one-sided opening up of the economies of the poor countries to the products and capital of the TNCs from the rich countries. It delivers the natural resources and labor of the South for exploitation by the North.

### POVERTY IN ASIA: HIGHLIGHTS

The ADB has taken the average poverty lines of few least developed countries in Asia (Afganistan, Bangladesh, Bhutan, Cambodia, Laos, Nepal & Pakistan). This yields a poverty line of \$1.51 at PPP exchange rates. This sharply increases the estimate of poverty in the region. Using this line, average poverty rates for 2010 increase to 30.5% from the earlier estimate of 20.7%-an increase of nearly half, which increases the number of people in Asia by 343 million. Table 1 shows alarming conditions for South Asia.

**Table 1: Poverty Headcount Ratio at \$1.90 a Day (2011 PPP) (% of Population)**

East Asia & Pacific	7.2 %
Europe & Central Asia	2.1 %
South Asia	18.8 %
World	12.7%

*Source* : World Bank (2015)

The ADB reports looks specifically at food insecurity-also a target in the first MDG. This is based on the recognition that poor people tend to spend proportionately more on food than wealthier people. A general consumer price index that is based on the consumption profile of a representative consumer would not capture the full impact of rising food prices when these go up faster than other prices. So what happens when we use food price inflation rather than the general consumer price index to derive poverty lines? For Asia, the 2010 extreme poverty rate went up by nearly one-fifth, from 20.7% to 24.7%. For most countries, incorporating food insecurity increased the poverty lines by about 10% in the post-2005 period. In some cases, the increases were even sharper: 23% in China, 21% in Indonesia, 18% in Vietnam and 16% in Thailand. Once again, this suggests that the number of poor people was underestimated, because just using this method increased the number of extremely poor people in Asia by 140 million in 2010. Significantly, the results also showed that once food insecurity is considered, poverty trends do not always decline, or are linear.

The ADB estimates that 418 million people—or an additional 12% of Asians-were vulnerable to poverty. The absolute number of vulnerable people has increased over

time, rather than fallen. The results for China are particularly striking: once vulnerability is incorporated, its poverty rate increases from the 16% benchmark (\$1.25 poverty line) to 32% in 2005 and from 12% to 29% in 2010. Many other Asian countries show large increases, with poverty rates higher than 50% for Bangladesh and Nepal, and 40% for India.

Asia appears to have broken from the chains of underdevelopment better than the rest of the third world. It represents not just a distinct geographical space but also a particular statist strategy designed to achieve rapid export-led economic growth. With the occurrence of the September 11, 2011 terrorist attack, The Economic and Social Commission for Asia and the Pacific (ESCAP) has defined the “new poor” as people becoming poor as a result of a major event such as an economic crisis, a change in economic system, political changes, terrorist attacks as well as natural disasters, calling for preventive, mitigation and coping strategies which place greater emphasis on social safety nets and short term programmes and their effecting delivery. The old poor or the core poor in terms of absolute poverty is now joined by those made poor by structural, including globalization change, cyclical downturn and idiosyncratic events divided into natural disasters and terrorist attacks.

Apart from the traditional, rural poor mainly in agriculture, the Asian crisis has injected at least three classes of new poor. One is the new rich made poor as the urban middle income class plunge impoverished the professional and educated groups with the bursting of the bubble economy in equity and real estate sectors. Two is an emergent group of fresh graduates graduating into nothing as employment opportunities evaporate making them victim of circumstances and they have no prior saving except adding on to burden of their families. Third is a group of migrant homecoming poor who are retrenched as much as due to globalization backlash as well as cyclical downturns and also means a further loss of remittances. They join others at home also retrenched by globalization backlash. ICT, KBE and downturn in business cycles.

As a result of economic and political changes, transitional economies have also to impoverished some one half of population in some of them. Natural disasters such as earthquakes, floods, epidemics and such are also sudden unforeseen events which create new poor.

The September 11, 2001 terrorist attack is a prime example of idiosyncratic events which ripples across the affected countries as well as induce synchronized shocks and recessions globally, putting more poor into the new poor pool. For instance, while the Gulf war may have reduced air travel by some 2–5 per cent, the terrorist attack has caused an evaporation of some already ailing like Ansett and nearly Swiss Air with air travel expected to be down some 10–20 per cent according to preliminary Boeing sources. Higher insurance, security transaction costs further

erode profits and need to cost cutting measures which include job cuts and salary reductions. Other systematic failure as in ICT networks being attacked or overburdened can also cause mass wealth destruction.

## URBAN POVERTY IN ASIA

Looking at urban poverty in Asia, it is complex & multidimensional extending beyond the deficiency of income or consumption, where is many dimensions relate to the vulnerability of the poor on account of their inadequate access to land and housing, physical infrastructure and services, economic and livelihood sources, health and education facilities, social security networks, etc. Table 2 shows a high proportion of Urban Poor in Mongolia (30.6%), Afghanistan (29.%) and India (20.9%) and with several Asian Countries showing clear trends toward rising urban poverty.

**Table 2: Asian Urban Poverty Assessment–National Level Poverty Lines**

Countries	Number of Urban Poor Million	% Share of the Urban Poor	Head Count (%)
Afghanistan	1.3	14.3	29.0
Mongolia	0.5	62.5	30.6
Pakistan	10.0	-	13.1
Bangladesh	8.9	15.2	21.3
India	80.7	18.5	20.9
Nepal	0.5	5.7	15.5
Srilanka	0.5	10.6	5.3
Cambodia	0.4	9.7	11.8
Indonesia	9.6	11.4	9.2
Lao PDR	0.2	10.5	17.4
Malaysia	0.4	28.6	1.7
Thailand	3.4	17.7	3.0
Vietnam	4.1	9.6	3.3
Fizi	0.1	33.3	18.6

*Source:* ADB (2014b); UN Millennium Database 2014; World Bank Development Database, 2014

Many of the developing Asia, urbanization has been accompanied by slums and shelter deprivation, informality, worsening of the living conditions, and increasing risks due to climate change and exclusionary urban forms. According to the UN-HABITAT, Asia has 60% of the world's total slum population, and many more live in slum-like conditions in areas that are officially designated as no slums. Working poverty and informality are high in Asian cities and towns. Recent years have witnessed, almost universality, increasing urban inequalities and stagnating consumption shares of lower-percentile households.

## CAUSES OF POVERTY

There are plethora of causes for poverty, some of them are discussed below.

## **POPULATION DENSITY AND AGRICULTURAL PRODUCTION**

Poverty depends to a large extent on the country's mix population density and agriculture productivity. For example, Bangladesh has one of the world's highest population density with 1,147 persons per sqm. A large majority of the people of Bangladesh engage in low-productivity manual farming, which contributes to the country's extremely high level of poverty.

## **RESOURCE CRUNCH**

In many Asian countries, the problems of poverty are massive and pervasive. In recent decades most of these countries have tried to develop their economics with industry and technology with varying levels of success. Many Asian countries, however, lack essential raw materials and knowledge and skills gained through formal education and training. Because these things are necessary for the development of industry, Asian countries generally must rely on trade with developed countries for manufactured goods, but they cannot afford much.

## **ILLITERACY**

Illiteracy and lack of education are common in Asian countries. Governments of these countries often cannot afford to provide for good public schools, especially in rural areas. Whereas virtually all children in industrialized countries have access to an education, only about 60 per cent of children in Asian even attend elementary school. Poor people also often forego schooling in order to concentrate on making a countries minimal living. In addition, these countries tend to have few employment opportunities, especially for women. As a result, people may see little reason to go to school.

## **DETERIORATION OF THE NATURAL ENVIRONMENTS**

Environmental degradation is the deterioration of the natural environment, including the atmosphere, bodies of water, soil, and forests—is an important cause of poverty. Environmental problems have led to shortages of food, clean water, materials for shelter, and other essential resources. As forests, land, air, and water are degraded, people who live directly off these natural resources suffer most from the effects.

In developing countries, deforestation has had particularly devastating environmental effects. Many rural people, particularly in tropical regions, depend on forests as a source of food and other resources, and deforestation damages or eliminates these supplies. Forests also absorb many pollutants and water from extended rains; without forests, pollution increases and massive flooding further decreases the usability of the deforested areas.

### **POPULATION/ DEMOGRAPHIC SHIFTS**

Some researchers also cite demographic shifts as contributing to increases in overall poverty. In particular, demographic shifts have led to increase in poverty among children.

These are differing beliefs about individual responsibility for poverty. Some people believe that poverty is a symptom of societal structure and that some proportion of any society inevitably will be poor. Others feel that poverty results from a failure of social institutions, such as the labor market and schools.

### **OTHER FACTORS**

Reports have noted that poverty is also symptomatic a symptom of poor basic services, scarce financial resources and low returns from natural wealth such as oil, gas, minerals and fisheries while revenues from public investments and taxes are exposed to corruption and embezzlement.

### **RAMPANT CORRUPTION**

Corruption often accompanies centralization of power, when leaders are not accountable to those they serve. More directly, corruption inhibits developments when leaders help themselves to money that would otherwise be used for development projects. Corruption is both a major cause and a result of poverty around the world. Corruption affects the poorest the most, whether in rich or poor nations. The issue of corruption is very much inter-related with other issues. At a global level, the economic system that has shaped the current form of globalization in the past decades requires further scrutiny for it has also created conditions whereby corruption can flourish and exacerbate the conditions of people around the world who already have little say about their own destiny.

### **POOR GOVERNANCE**

Governance is defined as the manner in which power is exercised in the management of a country's social and economic resources for development. Good governance implies a capacity to turn public income into human development outcomes. Good governance is an essential pre-condition for pro-growth as it establishes the enabling regulatory and legal framework essential for the sound functioning of land, labor, capital and other factor markets.

### **LACK OF INFRASTRUCTURE**

There is a lack of uniform, basic infrastructure, such as roads and means of communication and hence, development can hardly occur in poor countries. Some scholars have asserted that colonial history was an important factor and reason to the current situation. In a nutshell, numerous characteristics of a country's economy and society, as well as some external influences, create and perpetuate poverty:

- Political instability and civil strife.
- Systemic discrimination on the basis of gender, race, ethnicity, religion or caste.
- Ill-defined property rights or unfair enforcement of rights to agricultural land and other natural resources.
- High concentration of land ownership and asymmetrical tenancy arrangements.
- Corrupt politicians and rent-seeking public bureaucracies.
- Economic policies that discriminate against or exclude the rural poor from the development process and accentuate the effects of other poverty creating processes.
- Large and rapidly growing families with high dependency ratios.
- Market imperfections owing to high concentration of land and other assets and distortionary public policies.
- External shocks owing to changes in the state of nature (for example climatic changes) and conditions in the international economy.
- Urban bias in public investment for infrastructure and provision of safety nets.
- Implicit taxation of agricultural products through so-called support prices and an overvalued exchange rate.
- Direct taxation of agricultural exports and import subsidies.
- Subsidies for capital-intensive technologies.
- Favoring export crops over food crops.
- Bias in favor of large landowners and commercial producers with respect to rights of land ownership and tenancy, publicly provided extension services, and access to (subsidized) credit.

## **POVERTY REDUCTION MEASURES**

Poverty reduction is a term that describes the promotion of various measures, both economic and humanitarian, that will permanently lift people out of poverty.

Today, continued economic development is constrained by the lack of economic freedoms. Economic liberalization requires extending property rights to the poor, especially to land. Financial services, notably savings, can be made accessible to the poor through technology, such as mobile banking. Inefficient institutions, corruption

and political instability can also discourage investment. Aid and government support in health, education and infrastructure helps growth by increasing human and physical capital.

Poverty alleviation involves improving the living conditions of people who are already poor. Aid, particularly in medical and scientific areas, is essential in providing better lives, such as the Green Revolution and the eradication of smallpox.

### **LIBERALIZATION**

Extending property rights protection to the poor is one of the most important poverty reduction strategies a nation can implement. Securing property rights to land, the largest asset for most societies, is vital to their economic freedom. The World Bank concludes that increasing land rights is 'the key to reducing poverty' citing that land rights greatly increase poor people's wealth, in some cases doubling it. Trade liberalization increases total surplus of trading nations. Remittances sent to poor countries, such as India, are sometimes larger than foreign direct investment and total remittances are more than double aid flows from OECD countries. Foreign investment and export industries helped fuel the economic expansion of fast growing Asian nations.

### **CAPITAL GROWTH IN TECHNOLOGY AND INFRASTRUCTURE**

Long run economic growth per person is achieved through increases in capital (factors that increases productivity), both human and physical and technology. Improving human capital, in the form of health, is needed for economic growth.

Human capital, in the form of education is an even more important determinant of economic growth than physical capital. Deworming children costs about 50 cents per child per year and reduces nonattendance from anemia, illness and malnutrition and is only a twenty-fifth as expensive to increase school attendance as by constructing schools.

### **GROWTH OF EMPLOYMENT AND PRODUCTIVITY**

Economic growth has the indirect potential to alleviate poverty, as a result of a simultaneous increases in employment opportunities and labor productivity

Increases in employment without increases in productivity leads to a rise in the number of "working poor", which is why some experts are now promoting the creation of "quality" and not "quantity" in labor market policies. This approach does highlight how higher productivity has helped reduce poverty in east Asia, but the negative impact is beginning to show. In Viet Nam, for example employment growth has slowed while productivity growth has continued.

## **RAISING FARM INCOMES**

Raising farm incomes is described as the core of the antipoverty efforts as three quarters of the poor today are farmers. Estimates show that growth in the agricultural productivity of small farmers is, on average, at least twice as effective in benefiting the poorest half of a country's population as growth generated in nonagricultural sectors.

## **DEBT RELIEF**

One of the proposed ways to help poor countries that emerged during the 1980s has been debt relief. Given that many Asian nations have gotten themselves into extensive debt to banks and governments from the rich nations, and given that the interest payments on these debts are often more than a country can generate per year in profits from exports, canceling part or all of these debts may allow poor nations "to get out of the hole".

## **GENDER EQUALITY**

Addressing gender equality and empowering women are necessary steps in overcoming poverty and furthering development as supported by the human development and capabilities approach and the Millennium Development Goals.

## **CONCLUSION AND POLICY IMPLICATIONS**

Globalization and poverty are intrinsically linked. Globalization aggravates poverty in the material, health, security, power and socio-cultural dimensions. Also people who have been living frugal lives in their communities but were reasonably satisfied with their conditions are now transformed into suffering poor. As in earlier periods, poverty in the age of globalization is inherently connected to power. It is not only that powerlessness is one of the dimensions of poverty, but the other forms of deprivation are only possible because of the existence of certain power structures. These structures make the rich and give them power over the poor. Essential in the creation of this power is the transformation of wealth into such a form that the poor have access to it only on terms that the rich can dictate. It means that poverty is not a technical problem but a deeply political quandary.

The impact of globalization in Asia has generally been favorably except that is hindsight, the seduction of rapid, high technology growth following Japan & the ANIES has over concentrated on industrial policy and the corresponding neglect of agriculture. The economics of a more balanced dualistic balanced growth model are revisited as fiscal pump priming expenditure focuses on the rural sector infrastructure and employment creation. Although the target remains human resource development (HRD), technology especially to reduce the digital divide, the Asian crisis showed the weaknesses in terms of provision in social security and social safety nets. Thus, beside the specific HRD and ICT emphasis, all fiscal stimuli



can also be seen to be directed at the social and rural sectors which benefit no less from an upgrading in these areas to be globalization ready.

Asia appears to have made the right and necessary restitution in structural, corporate and financial reforms. Policy mistakes in captured liberalization, poorly designed and implemented institutional and processes, hubris, commission and omissions and inadequate together with indigestion due to rapid hasty catch-up growth culminated in Asia falling prey to globalization there were signs that some countries were not staying the course to complete the needed reforms.

The timing may not be as bad to spread the benefits of globalization to the rural poor and reinforce the effort toward poverty reduction. In deflationary times, costs are lower and people are more persuaded to change mental modes and mindsets so that traditional resistance to change among the rural communities may be reduced. The return of some urban new poor back to the rural community transfer with a reserve urban-rural migration. It is important for the government to create the right environment and incentives and even FDI and TNCs can be persuaded that globalization can benefit the poor and raise standards of living ad growth across-the-board. The old Asian export FDI, TNC-led growth model has to be expanded to take the agriculture sector into account for more balanced, diversified, sustainable and stable growth.

Thus, Asia should rethink its growth model in direction and focus in the light of its experiences with globalizations, ICT, KBE and Asian crises. It would be able to differentiate between self-induced policy mistakes and unforeseen difficulties imposed exogenously. Preventative, mitigation and coping strategies should follow the Hippocratic Oath of first do no harm but be prepared to respond as events and issues unfold.

### **OTHER POLICY COMPONENTS TO REDUCE POVERTY**

Other policy components for national strategies-involving the government, the private (for-profit) sector, and civil society-to reduce poverty can include:

#### **Information Gathering**

The rural poor face many different problems and are of a homogeneous group. Therefore, a sustained effort must be made to gather information about the particular problems they face so that they can be adequately addressed.

#### **Focus on Building Assets**

The government should assess what assets the poor need most to help them earn more. This could be agricultural land or other resources, access to credit, or improvements in health and education. Dependence on raw labor, without a focus on building other assets, is the single most important source of persistent poverty.

### **The Right to Adequate Land and Water**

A broad-based land reform program-including land tilting, land redistribution, and fair and enforceable tenancy contracts-is critical for reducing rural poverty. It can make small (marginal) landowners and tenants more efficient producers and raise their standards of living.

### **Basic Health Care and Literacy**

The poor need to build and strengthen their human capital so they can get out of poverty and contributes more to the economy and society. Basic health care and education particularly for women and children—are essential building blocks and should be accessible at reasonable cost.

### **Providing Infrastructure**

The poor cannot make the best use of their resources, including human capital, if either the quantity or the quality of some of the key parts of the country's physical infrastructure (irrigation and transport, and communications) and support services (research and extension) is inadequate. The social and physical infrastructure and services can be funded and maintained best-that is, they will be cost-effective and of reasonable quality-if the target groups are involved in designing, implementing, and monitoring them, as well as in ensuring accountability of the government officials responsible for them.

### **Targeted Credit**

Informal and formal sources of credit often are too costly for, or unavailable to, the rural poor. Targeted public sector rural credit programs, especially if they are subsidized benefit the poor for more than the poor. The poor want credit that is available on acceptable terms and when they need it. Recent experiments with community-based credit programs, in which the poor actively participate in the making of lending decisions that are subject to peer accountability, have been successful in reaching target groups at reasonable cost.

### **Public Works**

A large and increasing proportion of the poor depends on wage labor, because they have either no asset other than raw labor or very few assets: limited quantities of land and domestic animals. A flexible public works program can greatly help the near landless and the landless smooth out household consumption and avoid transient poverty.

### **Decentralized Food Programs**

Some of the poor, both individuals and households, suffer from inadequate nutrition most of the time. They need different kinds of support, depending on their circumstances.

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# Indian Life Insurance Industry During Post-Globalization: A Roller Coaster Ride

Upendra Nath Shukla<sup>1</sup> and Alpana Srivastava<sup>2</sup>

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**Abstract**—*The insurance industry which grew strongly over the last decade has witnessed de-growth of new business premium in the last two financial years and it has been a roller coaster ride. The first year premium for life insurers grew from INR262 billion in FY05 to INR1, 264 billion in FY11, at a CAGR of 30% on account of growing awareness about life insurance, favorable demographics, buoyant equity markets, rapid distribution expansion (particularly in the individual agency channel), and launch of innovative products. However, the implementation of the revised ULIP guidelines in 2010 (which restricted margins and distributor pay-outs significantly), multiple restrictions on corporate agents and brokers, coupled with persistent high inflation and low-growth scenario, resulted in stagnation in the new Business premiums since FY11. As a renewal business premium collections dropped from INR1, 264 billion to INR 1,131 billion in FY15 (4 year CAGR: 3%). However, in the near term, the life insurance sector is expected to grow by around 6% (till 2018) (As per IRDA Reports). Present paper is an attempt to analyze growth of insurance sector post liberalization and to analyze customer service, technology and cost effectiveness as a growth driver and need of the hour to make the life insurance industry sustainable & attractive destination for both customers & jobseekers. Based on IRDA reports of previous ten years growth rate of new premium, penetration & expense ratio is collected, ANOVA technique is used to determine the significance of difference of expense ratio of different insurers against total premium. Study reveals that due to changing demographics, quality services and technological advancements would be the key factor to make the industry sustainable in long run.*

**Keywords:** *Customer Service, Expense Ratio, New Premiums, Insurance Penetration*

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## INTRODUCTION

Life insurance industry registered an impressive 29% CAGR between FY01–FY11. The industry growth rate has been negative in FY12 and FY13 due to a slew of regulations necessitating insurers to revamp their business models and move towards more cost efficient operations. The private sector has achieved a robust CAGR of more than 50% since its inception in FY2001 and a market share that increased from nothing to around 40% over a decade to again fall back to 30% of the total Life Insurance market. LIC however continues to have a stronghold over the market with its legacy of an extensive distribution network and trusted brand image.

## LITERATURE REVIEW

**Durvasula, Srinivas; Lysonski, Steven; (2004)**, The study found that satisfaction was positively associated with customers' re-purchase intentions but its relationship with customers' willingness to recommend to others was relatively

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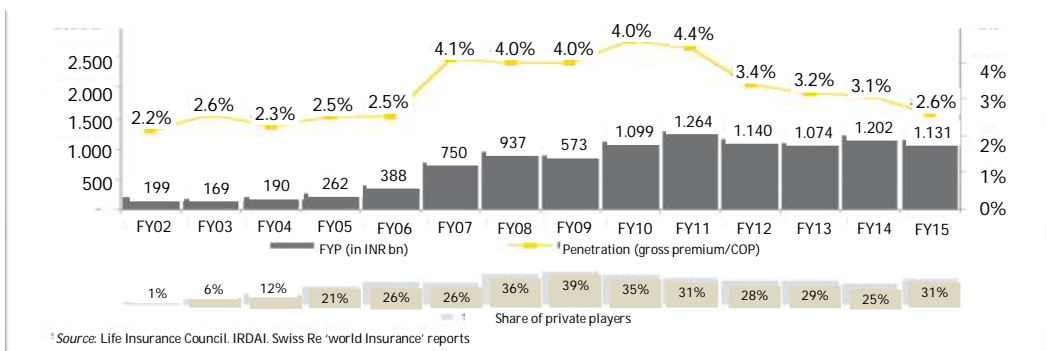
<sup>1,2</sup>Amity Business School, Amity University, Lucknow

weak. **Lars Fredrik Andersson, Liselotte Eriksson and Magnus Lindmark; (2010)**, The paper shows that income elasticity of demand gives a fairly good approximation of the development in the twentieth century, while the development of risk and insurance innovation among other things need to be taken into account to explain the growth of life insurance in the nineteenth century. The price of life insurance, measured as the overhead-to premium income ratio, this probably improved the return on life insurance savings and further helped the entry of new firms. The average premium size was reduced to enable the diffusion of life insurance to workers to increase insurance penetration. **Monica Keneley (2001)**. As per the study feature of the growth of the Australian life insurance industry in the past 150 years has been the dominance of Z firms based on the mutual principle in the marketplace. The evolution of the Australian life insurance Industry has historically been mutuals. The mutual structure initially evolved as a means of providing a service to consumers which was not adequately provided by the private sector. The organizational structure of Australian life insurance firms has proved both dynamic and innovative. **Edward W. (Jed) Frees 2010**: Findings suggest that household demand for term and whole life insurance is jointly determined, there exists a negative relationship for a household’s decision to own both whole and term life insurance (the frequency part) and a positive relationship for the amount of insurance purchased (the severity part).

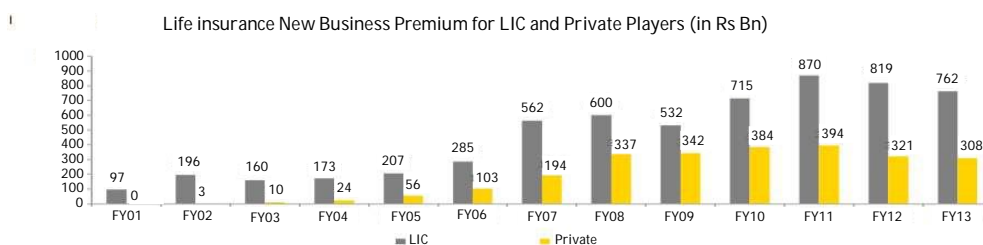
**OBJECTIVE**

Objective of the paper is to study the growth pattern of new business premium, insurance penetration and expense ratio of private and public life insurers and to analyze their repercussions on the overall health of the Indian Life insurance industry post globalization and privatization.

**EVOLUTION OF INDIAN LIFE INSURANCE INDUSTRY POST-LIBERALIZATION**



**Fig. 1: Evolution of Life Insurance Industry-Insurance Penetration**



Source: Insurance Regulatory and Development Authority (IRDA)

Fig. 2

## KEY TRENDS IN LIFE INSURANCE

1. Strong growth over the last decade but dip in new business premium in last two financial years. Share of agency channel decreasing while direct channel gaining share. Industry still has high operating costs and commissions.
2. On the products front, the market has shifted from a predominantly traditional portfolio in the early years of liberalization to a larger mix of Unit Linked plans (ULIP) post 2006. ULIP plans were more prevalent amongst private insurers with several insurers operating at almost 90% ULIP mix. The ULIP regulations of 2010 changed this scenario by restricting the margins on ULIP plans through cap on charges and thereby requiring insurers to revert to a higher mix of traditional products in their portfolio.
3. Insurance has always been, due to customer perception, a push product and hence private players in order to gain fast growth and market share invested in large distribution infrastructure and building strong agencies. However, unplanned expansion and inefficient operations led to large accumulated losses. Additionally, rampant mis-selling had led to a state of poor persistency of business underwritten and eventually underwriting profits to the insurers. To curb this malpractice and bring about efficiencies in operation, IRDA issued several regulations in 2010. Addressing these issues. The private sector has since undergone major rationalization in terms of distribution network and operational costs. Focus is now on profitable growth and sustenance.
4. Higher operating & commission Costs-Though Operating Expenses as % of Total Premium has been declining for private players, it still stands at 18% which is higher as compared to 7% for LIC in FY12 and compared to international benchmark of ~10-12%.

## ANALYSIS

Data is taken from IRDA annual reports: 2013–14, of expense ratio as a percentage of total insurance premium of public insurance company and private insurers of the duration of 10 years, to study the significance of difference of the expense ratio across the time period and different insurers.

Table 1

Operating Expense Ratio as a Percentage of Total Premium (%)	FY-03	FY-04	FY-05	FY-06	FY-07	FY-08	FY-09	FY-10	FY-11	FY-12
LIC	8	8	8	7	6	6	6	7	8	7
Private Insurers	74	44	29	24	23	23	26	21	18	18

Source: IRDA Annual Report (2013–2014)

**Null Hypothesis (A):**  $H_0$  there is no significant difference in expense ratio across the time period

**Null Hypothesis (B):**  $H_0$  there is no significant difference in expense ratio between the private and public insurance companies.

Table 2: ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Rows	2622.05	1	2622.05	18.63354	0.001943	5.117355
Columns	1392.45	9	154.7167	1.099491	0.44498	3.178893
Error	1266.45	9	140.7167			

Inference from ANOVA-(95% Confidence level)

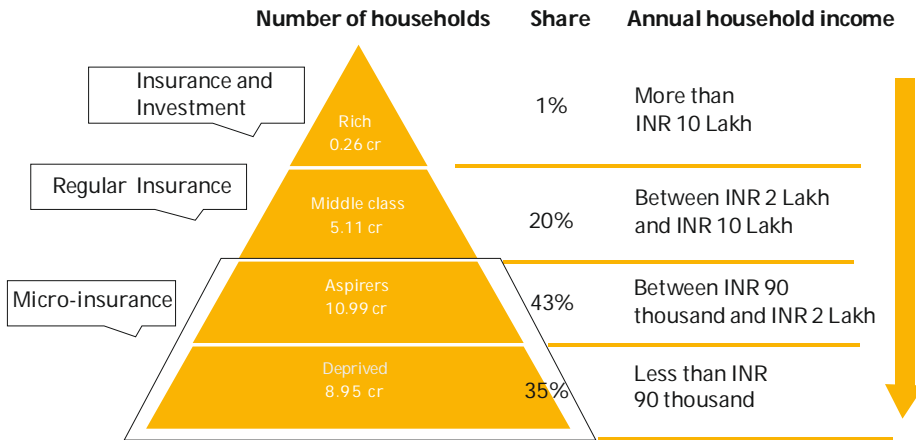
**Across the Rows:** Null hypothesis (A)-As F value is 18.63354 which is more than F Critical i.e.5.117355 hence null hypothesis is rejected, therefore there is a significant difference in expense ratio across the rows which implies that there is a considerable difference in expense ratio between LIC and private insurers.

**Across the Columns:** Null hypothesis (B)-As F value is 1.099491 which is less than F Critical i.e.-3.178893 hence null hypothesis is accepted across the columns, therefore there is no significant difference in expense ratio, which implies that there is no considerable difference in expense ratio between LIC and private insurers across the time period.

**Regulatory Changes:** A number of regulatory changes in recent past including caps on commissions, caps on surrender charges and other ULIP charges, stricter agents licensing norms and restrictions on the operations of emerging channels such as net aggregators have impacted growth of life insurance industry. These regulatory changes were mostly made to protect the policyholder interest and promote long term sustainability of the players, but have impacted players presently. In terms of New Business, the life insurance industry witnessed 15% drop with new business of private players dropping by 22% from FY11 to FY13. This lack of growth has prompted players to focus on Group business albeit with higher assured returns which could backfire in limited yield scenario thereby impacting profitability. With impending product guidelines on traditional products, further strain on profitability could be felt with increase in surrender value of traditional products. Even though the present scenario does not appear conducive for Life insurers but the future holds promise. Insurers are now onboard with the concept of profitable growth for which

many have taken corrective measures pertaining to key aspects of their business such as distribution, products operations and sustainability.

**Current Opportunities & Challenges:** India’s demographics are expected to change drastically with the middle class expected to rise from approximately 5% in 2005 to 20% in 2015. This would translate to an increase of approximately 38 million households, from 13 million to 51 million. The middle class and aspiring class represent a sizable opportunity with 51 million households, where insurance is used largely for tax planning, retirement planning and savings.



Source: NCAER, EY Analysis, 2015 estimated

Fig. 3: Demographic Pyramid

Insurers will be required to provide suitable products to service these macro segments. The rich is a more volatile segment, so too the upper middle class where the life insurance premiums can quickly move to other asset classes as the conditions turn favorable.

## RECOMMENDATIONS

- Private insurers should curtail their operating expenses to obtain sustainability in long run, as considerable difference in the expense ratio of the private insurers and Public insurance is found, which is a matter of great concern is.
- Committed customer service is the key to survive & is the only remedy for making the Insurance industry a desirable destination to contribute in make in India in real sense form insurance perspective.
- Quality but simple products to create a new customer segment-Micro Insurance contributes 78% of total Insurance Potential, hence products must be developed to cater to the needs of that segment.
- Technology as an enabler in developing low cost distribution avenues-Distribution networks should be cost effective in order to make the right products available to the right customers at reasonable cost.



- Skill development in finding new ways of selling and servicing based on market segmentation and customer centricity.
- Working towards a sustainable growth model built on responsible industry practices and doing the right thing.
- Making insurance a Pull product based upon basic need of protection to the clients rather than a just being a push product satisfying the profitability requirements of insurers.
- Reducing mis-selling practices & lowering the policy surrenders by developing the skills of selling long term products for the benefits of clients, distribution channels & insurers.
- Customer centric service delivery mechanism should be developed.
- Private insurers should curtail their operating expenses to obtain sustainability in long run, as considerable difference in the expense ratio of the private insurers and Public insurance is found which a matter of great concern is.

### SUGGESTED MODEL

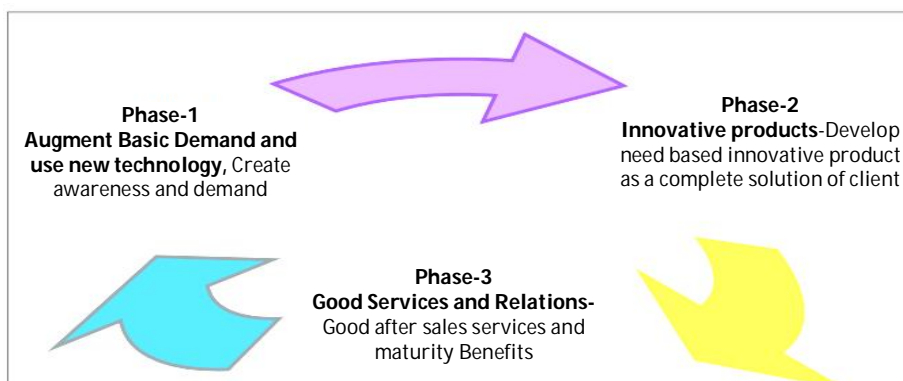


Fig. 4

### CONCLUSION

Sustainable growth model should be built on-Effective customer service, new technology, cost control and effective distribution network. A concerted effort from the stakeholders will create an environment which will lead to a common goal of growth for all round development of the industry. Conducive growth and development would only be based on treating the customers fairly and conduct of business in an ethical and responsible manner with strong self-governance and regulatory practices.

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# Measuring the Efficiency of 32 Franchises in the NFL during the 2014 Season: A Data Envelopment Analysis Approach

Pablo Giovanni Palafox Alcantar<sup>1</sup> and José G. Vargas-Hernández<sup>2</sup>

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**Abstract**—*In this paper the Data Envelopment Analysis (DEA) technique has been used to measure the efficiency of the 32 teams' payroll in the National Football League (NFL) in season 2014. The financial structure of the NFL promotes competition and does not favour any franchise, which assures that no team is able to overspend to win. Besides victories, several output variables have been taken into account to measure de statistics of the on-the-field performance, such as points per game and yards per attempt. Finally, the article shows that, not always teams which make it to the post-season are the most efficient.*

**Keywords:** *Data Envelopment Analysis; DEA; Sports; Efficiency; NFL, JEL: C610; C670; Z20; Z23*

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## INTRODUCTION

It is of particular interest for the sports fans, how the owners and directives of the teams make decisions about the players recruiting, and how these decisions affect the on-the-field team's performance. When the free agency and the salary cap were introduced, the perspective from which owners and directors assemble their teams has changed substantially. For instance, many owners pay incredibly high salaries to veteran players who have proved their high quality over the years, but many are still questioning if these high prices are truly worth it.

There is a linear programming technique which is able to assess how efficient the payrolls in a sports franchise are, the technique is called Data Envelopment Analysis (DEA). It was introduced by Charnes, Cooper & Rhodes (1978) and then improved by Banker, Charnes, & Cooper (1984). The DEA has been used extensively in contexts outside sports economics. For example, it has been used to measure the efficiency in hospital management. The DEA has also been used to compare the effects among different strategies used in the airline industry. The technique has even been used to evaluate the effect affecting the uses of information technologies in firms performance (Wang, Gopal, & Zionts, 1997).

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In the sports economics literature, there is abundant material which analyses the sports leagues, their efficiency and their productivity. The majority of these studies focus on how the on-the-field management decisions affect the victories in several sports. However, the DEA technique has also been used inside the sports economics literature. For example, to assess the relative performance of baseball players, also to develop a production frontier function and evaluate the performance of golf players in the Professional Golf Association (PGA). Also to estimate the management efficiency of college basketball coaches. But according to Einolf (2004), measuring exclusively the effects of the decisions in the payroll and the on-the-field performance is a new approach.

## **BACKGROUND AND DEFINITION OF THE PROBLEM**

Inside a sports league, the structures of financial incentives are used to achieve balance between the cooperation and competition among the teams. In other words, franchises compete to generate earnings and also compete to be successful on-the-field, and at the same time they are cooperating to increase the fans or consumers interest. A financial structure which stimulates inefficient payrolls may cause the teams, individually, to overspend in salaries at the expense of the entire league, or other teams.

There are also other methods, with which teams obtain monetary benefits. One of the most important is the attendance to stadiums to watch NFL games, the local teams keep 60% of the earnings and the visiting teams receive the remaining 40%. Most of the NFL teams profit comes when the teams locally negotiate the transmission rights with broadcasters, these earnings are collected by the league and distributed equally among the franchises in the league. In addition to profit from selling different products during matches, and franchise products throughout the countries. Moreover, teams set restrictions on player contracts, to have a share in earnings for players image. All this prevents a significantly large gap between the large-market and small-market teams. Thus the NFL, has also imposed a salary cap, so big profit franchises do not have great advantage over those of lower profits when it comes to recruiting star players.

Based on the financial incentive structure in the NFL, along with the restrictions and conditions imposed by the NFL, this article studies the next research question:

- Which are the football franchises in the NFL, more efficient when they spend more in their players' salaries, both in offense and defense, taking into account that their productivity is measured with the on-the-field performance, in the 2014 season?

To respond the previous question, the following hypothesis has been proposed:

- The football franchises in the NFL are most efficient on-the-field performance, when they have gone further during the regular season. Hence, those which have accumulated more victories and have made it to the post season, in the season 2014.

Then, in the next section, there is the theoretical framework and a brief review of the relevant literature for the research. Several studies have been important and relevant to this work, which have served as a guide and reference for the progress of this study.

## REFERENCE FRAMEWORK AND BRIEF REVIEW OF THE LITERATURE

There have been several studies related to sports economics, some of which have used the DEA technique to evaluate the efficiency and productivity of sports leagues and players, as well as teams and managers, including administrative decisions of the league. Some examples which will be discussed in this section are: professional tennis players, the efficiency of football soccer players in the Bundesliga, the budget efficiency from Formula 1 builders, teams in England's Premier League, the assessing of cycling teams on the Tour de France, and finally a comparison between the Major League Baseball (MLB) and NFL. All these researches have used the DEA technique or its derivatives. Next, the brief recensions of these articles are presented.

The paper realized by Ruiz, Pastor, & Pastor (2013), evaluates the performance of professional tennis players from the perspective of efficiency of their game using DEA, which authors argue that their study provides additional information to ranking the Association of Tennis professionals (ATP), which deals with their competitive performance. The model provides an index of overall performance of the players by adding the ATP statistics related to the different aspects of the game. Their "benchmarking" analysis of DEA allowed them to identify the strengths and weaknesses of each game player. Finally for the players' ranking, the authors used cross efficiency evaluation, which assesses players in a peer with different aspects of the game.

The article published by Tiedemann, Francksen, & Latacz-Lohmann (2011), present a new model for evaluating the performance of football soccer players on-the-field. Which is based on DEA, they used an approach of concave metafrontier to be allowed to estimate the results of efficiency of players uunder the relevant considertaions of their palyer positions. The model is applied to a data set of players in the German Premier League covering the seasons from 2002/03 until 2008/09. Their results revealed clear, positive relationship between the avergae team efficiency result of a player and his position in the league table at the end of the season. In addition, the metafrontier approach is used to identify the optimal game position of a player in the team, and to quantify the increase in performance when moving to that position.

Another study of special interest for this research is the article by Gutiérrez & Lozano (2014), where their research assesses the relative efficiency of the participating teams in the World Championship Formula 1 Constructors. The non-parametric used method was based on the DEA tchnique. The objective is to measure the performance of each builder, compare their relative efficiency with that of all other competitors participating. The study uses financial and performance data to assess the proximity to the frontier of best practices. The analysis has been made considering the results of the F1 season in 2003, 2006, 2008, 2010 and 2011.

In order to create a parsimonious DEA model, a variable selection method was used to reduce the dimensionality. The results indicated that, in general, a substantial reduction should be imposed on the budget of competitors throughout the seasons, in order to be efficient in comparison to the identified reference points. Furthermore, the scale efficiency revealed that most manufacturers operate below its full scale production capacity.

Guzmán & Morrow (2007) focused on their research on evaluating the efficiency and productivity of teams in the English Premier League. Professional football soccer clubs are unusual firms, its performance is judged on and off-the-field. Information from the financial statements of clubs is used as a measure of corporate performance. To measure changes in productivity and inefficiency, the Malmquist non-parametric technique was used. This technique is derived from linear programming approach DEA with Canonical Correlation Analysis (CCA) which was used to ensure the cohesion of the input-output variables. The paper concluded that while clubs operate near the efficiency levels for the model evaluated, there is limited technological progress in their performance in terms of displacement of the technology frontier.

The publication by Rogge, Van Reeth, & Van Puyenbroeck (2013), relates to using DEA robust approach (of order  $m$ ) to evaluate the efficiency of cycling teams in the Tour de France. Because there are multiple ways in which this event can be successful for a cycling team, it is taken into account that managers face strategic decisions of inputs, which concerns the team and the characteristics of the cyclists. In particular, it distinguishes between ranking teams, speed teams, and mixed teams and calculate each team a score of efficiency as was done to the relative performance of the teams ranked similarly, and a score of efficiency that results from the type of team. Finally, the authors found that the ranking teams are generally more efficient than other types of cycling teams.

And finally, the main and most important paper for this study, which has served as the basis at various points, it makes reference to the article by Einolf (2004). It addresses the efficiency and productivity of MLB and NFL, of the United States of America, between the period of 1981 and 2001. In his article, Einolf (2004) found that there are great differences in inefficiencies between both leagues. The MLB inefficiency is significant and is given primarily by the little profit sharing and there is no salary cap in this league. In the same way, it shows that the enormous costs of the MLB and its inefficiency are related. The study also shows that the efficiency on the NFL has improved significantly since the salary cap was introduced in 1994. However, this paper has the objective to evaluate both leagues fully in the course of time and compare them, but for this study's main interest is to assess and evaluate the teams together, on the played season in 2014.

Then, in the next section the method to be used, as discussed above is the DEA, is described in detail, its introduction and further improvement, as well as the approach it was given to this work. Likewise, the justification of the use of this method is stipulated, its advantages and limitations over the traditional linear regressions.

## METHOD AND MODEL

This paper compares how efficient are the football teams in the NFL, and how these teams use their inputs to produce outputs. The salaries of the players, the team's biggest expense, are used to represent these inputs, while the performance statistics on-the-field (including number of victories) are used to measure the products of the team. These data are used because they are accurate and available from the played season in 2014.

To measure the efficiency the technique called DEA will be used, which was introduced to measure the relative efficiency in Decision Making Units (DMU) for which inputs and outputs vary. This model is a linear programming technique to compare the levels of inputs and outputs from a DMU with the rest of the DMUs. The DMU which produce the most with respect to their inputs used are the ones called efficient, and these DMUs form a linear frontier in sections. The surface of this frontier is a hyperplane with as many dimensions as there are inputs and outputs. All efficient DMUs are evaluated according to the surface of efficiency (Charnes, Cooper, & Rhodes, 1978).

The purpose of the input oriented DEA model introduced by Charnes, Cooper y Rhodes (1978), which will be called from now on CCR, is to minimize inputs using while satisfying minimum known levels of outputs. Using linear programming, the model compares each of the DMUs with the rest of the DMUs. The program searches the data to determine whether a linear combination of similar DMUs, uses lower level of inputs to produce at least the same amount of outputs than the DMU analyzed.

It is assumed mathematically, that there exist  $n$  DMUs to analyze. Each DMU uses  $m$  inputs and produces  $s$  outputs.  $X$  is an  $m \times n$  matrix which contains all the DMUs inputs (the element in the matrix,  $x_{ij}$ , is the value of the input  $i$  for the DMU  $j$ ).  $Y$  is an  $s \times n$  matrix which contains all the products of the DMUs (the element of the matrix,  $y_{ij}$ , is the value of the output  $i$  for the DMU  $j$ ).  $x_0$  represents a vector of  $1 \times m$  inputs for the DMU tested, and  $y_0$  represents a vector of  $1 \times s$  outputs for the DMU analyzed. The linear program finds the  $\theta$  efficiency factor. This is the factor with which the analyzed DMUs are equally and proportionately reduced to emulate a linear combination of paired DMUs. The program also finds  $\lambda$ , a vector of  $n \times 1$  size of multipliers which develop a linear combination of the paired DMUs. The CCR model is formulated as follows:

Minimize  $\theta$  (1)

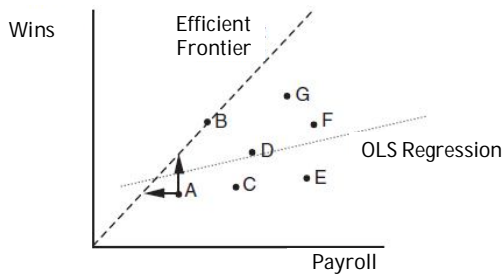
Restricted to:

$\theta x_0 - X\lambda \geq 0,$  (2)

$Y\lambda \geq y_0,$  (3)

$\lambda \geq 0,$  (4)

To explain the CCR model, the context considered is in which the efficiency of sports franchises is measured using a variable input (team payroll payments) and a variable output (number of matches won). Fig. 1 shows how the model establishes the efficiency frontier and measures the relative inefficiency of DMUs not found in the border. The team B has the best practice standard with more wins per dollar paid in the payroll. The DEA model described in equations (1) to (4) is built on the assumption of constant returns to scale. Which means, if any combination of input/output  $(x, y)$  is on the efficient frontier, then for any  $t$  positive constant, the combination of input/output  $(tx, ty)$  is also on the efficient frontier. Hence, the team B victories per payroll ratio defines the efficient frontier. When the linear program computes the team B efficiency factor  $(\theta_B)$ , it is unable to reduce the level of team B payroll to which any combination of wins from other teams as many as team B con a total lower payroll. Therefore, the program sets  $\theta_B = 1$ , *i.e.*, franchise B is efficient (Einolf, 2004).



**Fig. 1: The Efficient DEA Frontier Compared to the Ordinary Least Squares (OLS) Regression**  
 Source: Einolf (2004, p.134).

In Figure 1, franchise A is inefficient. If the input-oriented approach is used, the linear program measures the percentage of the A payroll which should be required to obtain the wins in the A team, if A had been operating efficiently. Hence,  $\theta_A < 1$ , and the input reduction is presented in Fig. 1 with the horizontal arrow pointing to the left (Einolf, 2004).

Figure 1 also shows a simple linear regression which passes through the data. This line measures the *average* of won games per dollar payroll. Franchise E will bring this *average* down significantly. DEA technique provides additional information which is not available in regular regression techniques. For instance, a benefit from DEA over the standard regression analysis is that it measures the



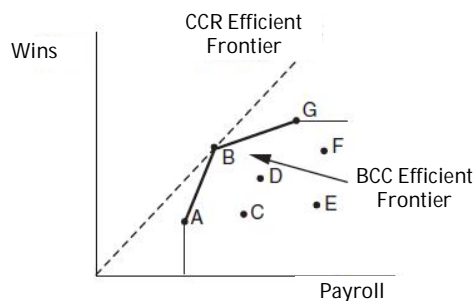
best-practice frontier and assesses the deviation of all the other points of data from this frontier. DEA does not compare each team with the average of *all* the teams. Instead, DEA compares an inefficient team with the efficient teams which are similar to it (Charnes, Cooper, Devine, Ruefli, & Thomas, 1989).

The CCR model explained in equations from (1) to (5) was improved to allow characteristics such as variable returns to scale (Banker, Charnes, & Cooper, 1984), this model will be called BBC hereafter. This is an important and powerful improvement in this context, because possibly, the productive outputs of a sports team show decreasing returns to scale in high payrolls. The BCC model differs from the CCR model only in the addition of the restriction:  $e$  represents a row vector of  $1 \times n$  with all elements equal to 1,

$$e\lambda = 1, \quad (5)$$

$$(\text{entonces, } e\lambda = \sum_{j=1}^n \lambda_j = 1)$$

Figure 2 shows the efficiency frontier using the BCC model with the single-input, single-output example. The additional restriction (equation 5) imposes a condition of convexity on the admissible ways the franchises may be combined in the linear program. Hence, the team A cannot be compared with any combination of the  $(tx, ty)$  constant of B. The requirement of constant returns to scale is now relaxed. Therefore, the team A is efficient and the efficient frontier and yields increasing returns to scale along the segment from A to B. The team G is also efficient, since the BCC model allows decreasing returns to scale along the segment from B to G. In this example, the constant returns to scale are only found in the point B, where the transition from increasing to decreasing returns to scale occurs. The inefficient teams are now assessed from the BCC frontier. As a general rule, the BCC efficiency factors ( $\theta$ ) are equal or larger to the CCR efficiency factor, due to the feasible region is now a subset of the CCR feasible region (Eino, 2004).



**Fig. 2: The efficient Frontier by De Banker, Charnes & Cooper (BCC) (1984)**

Source: Eino (2004, p.135).

In summary, this paper analyzes the efficiency from sports franchises, specifically football teams in the NFL, which transform inputs, such as player salaries, into on-the-field productive outputs. The payroll efficiency is measured

using two inputs, and five outputs with the BCC model analysis of DEA as described in the above equations form (1) to (5). This model is attractive because it follows a multidimensional production function, and it does not require an assumed restriction of constant returns to scale.

**DATA AND PARAMETRIC ESTIMATION**

In summary, and as simple way to present the proposed variables, which will be explained in detail further ahead, Table 1 is introduced. Using the BCC model, product-oriented and using decreasing returns to scale, since according to Einolf (2004) the outputs of a sports team show decreasing returns to scale in high level of payroll, and the payrolls in the NFL teams are considered as one of the highest in the world in all sports.

**Table 1: Summary of Model to Analyze for the NFL 2014 Season**

Description	X (Inputs)	Y (Outputs)	Information
National Football League (NFL)	Offense Players' Salaries	Wins (+) Points Scored per Game (+) Yards Advanced per Attempt (+)	* Including Playoffs -Based on 16 matches in 2014 season
	Defence Players' Salaries	Points Allowed per Game (-) Yards Permitted per Attempt (-)	- Based on 16 matches in 2014 season

Note 1: Including post-season  
Source: Self elaboration.

In the model, and in Table 1, the payed salaries only to the team's players, excluding managers and administrators, are separated into offensive players' salaries and defensive players' salaries; these are the two franchise inputs. The output variables in the franchise of NFL model include: number of total matches won (including playoffs), points scored per game (PSG), yards advanced per attempt (YAA), points allowed per game (PAG), and yards permitted per attempt (YPA). The teams will be analyzed separately by salaries of offense players and defense players.

The YAA are a well-known statistic in the NFL. It is the number of yards obtained in average when the quarterback steps back to pass the ball, o run it with the different runners. This statistic has been used for a long time as a main offensive statistic in the NFL to measure the performance of a team. According to Table 1, a team with a high number of PSG and YAA, and a low number of PAG and YPA, tend to have a higher number of victories in games.

For the variables PAG and the YPA, in the ADE model it is required a monotony assumption in its output variables, so PAG and YPA were marked inverse, by subtracting the effectiveness of each team, plus a unit to avoid values in zero because it would cause problems in the software to run the models, from the highest effectiveness in the study, *i.e.*:

$$PAG = (PAG^* + 1) - PAG_i, \tag{6}$$

$$YPA = (YPA^* + 1) - YPA_i. \tag{7}$$

Where  $PAG^*$  are the highest scored points by match in the simple and  $PAG_i$  is the scored point per game of each franchise. Likewise,  $YPA^*$  are the highest yards permitted per attempt in the simple and  $YPA_i$  is each franchise yards permitted per attempt.

The sample data is considered for the regular season in 2014. Data from salaries of players on offense and defense was obtained from the website Spotrac (2015), and were obtained in current US dollars. Wins data (including postseason) were obtained from the official website of the NFL (2015). And finally, the data of points per game, both scored and allowed, and yards per attempt, both advanced as permitted were obtained from the website Football DB (2015).

## ANALYSIS OF RESULTS

In the model, the franchises were compared using a multidimensional measure of on-the-field performance; they were analyzed separating offense from defense. An NFL franchise is named as inefficient in offense only when another franchise in the league (or a linear combination of franchises) is able to produce more victories, a higher average of points scored per game, a higher average of advanced yards per attempt, using a lower level of player salaries on the offense. And it is inefficient in defense only when another NFL franchise (or a linear combination of franchises) can produce a lower average of point allowed per game, and a lower average of yards permitted per attempt, using a lower level of player salaries on the defense.

The software called Stata IC/12.0 was used to compute the statistics of the BCC model. The efficiency factor  $\theta_j$  of each team was calculated for the 2014 season. There were computed a total of 64 efficiency factor, and each franchise was compared against its peers, in separate in offense and defense to determine if it should have reached a higher or equal on-the-field performance with players' salaries in offense and defense. When the model presented a factor  $\theta_j = 1$ , then the team was efficient. This means that there is not a linear-convex combination of other franchises which performed better with fewer inputs. When the model yielded an efficiency factor  $\theta_j < 1$ , the team was inefficient. A linear-convex combination of other franchises existed so the input vector of the inefficient franchise,  $X_j$ , should be reduced to  $\theta X_j$ .

The teams that made the playoffs in 2014 and are expected to be efficient are the following: Arizona, Baltimore, Carolina, Cincinnati, Dallas, Denver, Detroit, Green Bay, Indianapolis, New England, Pittsburgh and Seattle.

According to the results obtained with the software STATA/IC 12.0, which can be consulted in Appendix 1, the efficiency factors indicate the following offensively efficient teams: Arizona, Atlanta, Baltimore, Denver, Detroit, Green Bay, Indianapolis, New England, Nueva Orleans, Philadelphia, Pittsburgh, Seattle, San Francisco, Tennessee and Washington as the efficient DMUs in their offense payroll.

Hence, it is demonstrated that 9 of the 12 teams who entered the playoffs in w2014, reached efficiency in offense players payroll. Carolina (CAR), Cincinnati (CIN) y Dallas (DAL), despite being teams that made the postseason in 2014 did not reach offensive efficiency, and are in the efficiency ranking in number 25, 18 and 17 respectively. And however, it is observable that Washington (WAS) is the superefficient DMU, since it has the greater number of references for improving the other DMUs, which is surprising because it has been one of the teams that failed to reach the playoffs and also has one of the lowest numbers of victories in the NFL.

Similarly according to the results by the STATA/IC 12.0 software, this can be viewed in Appendix 2, the efficiency factors show as the defense efficient teams as follows: Arizona, Denver, Detroit, New York Jets, Oakland, Seattle, Tennessee and Washington as the efficient DMUs in their defense payroll. Hence, only 4 of 12 teams that made the postseason in 2014, reached le efficiency in defense players' salaries. It is observed that Denver (DEN) and Detroit (DET) are both superefficient teams on the defense, since they have the most number of references for improving other DMUs. This is consistent as both teams advanced to the 2014 playoffs.

## **CONCLUSION**

The analysis has yielded two important results. First, most of the teams that made the post season in 2014, have reached the efficiency in the offense players payroll. Second, only 4 of 12 teams that reached the playoffs in 2014 achieved the efficiency in the defense players' salaries. A possible explanation is that franchises overspend their payrolls in defense players, which represents a waste of funds and damages their efficiency defensively.

It is of great interest that teams as WAS and TEN, which have been among the worst teams ranked in the 2014 season, have managed to be efficient in both aspects, even WAS becoming superefficient to the offense. This may have an explanation in the salaries they pay their players both offensively and defensively, are below the league average. Furthermore, in the BCC model it was proposed that the number of regular season wins is not the only output of franchises. For example, in the amount of YAA and YPA, these two franchises are above and below, respectively, the average in the league.

The salary cap imposed in 1994, keeps the franchises from spending too much on salaries even if they have larger profits than other teams. This increases the competitiveness of the league and allows all teams to access and hire or retain star players and veterans who have proven their high quality on-the-field, ensuring these teams have greater possibilities to achieve efficiency and productivity on-the-field. Also the financial structure of the NFL shows that it does not favour any of the franchises. Certainly all the teams attempt to win, but none has the possibility of overspending to win, even when they have the monetary resources to do so.

It is imperative to mention that this study performed the analysis of the NFL for the 2014 season only, which represents a constraint, it is suggested and recommended in the future to make an analysis with a larger number of seasons, so the context would be clearer about the teams that have managed to be efficient and inefficient on-the-field throughout the seasons.

Finally, according to the hypothesis which was presented above, it mentioned that most efficient franchises are those that have made it to the post season. However, with the DEA analysis and output-oriented BCC model, it shows that it is not always as it was mentioned. Offensively, the hypothesis is accepted, as most of the efficient teams made it to the 2014 post season. But only a third of the playoff teams, managed to be defensively efficient.

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## APPENDICES

## APPENDIX 1: TABLE OF EFFICIENCIES FROM STATA/1C 12.0 NFL TEAMS, INPUT: OFFENSE PLAYERS PAYROLL

City	Team	Offense salaries	Wins	PSG	YAA	Dmu	Rank	Theta	Ref_ARI	ref_ATL	Ref_DEN	Ref_GB	Ref_IND	Ref_NWO	Ref_PIT	Ref_SEA	Ref_WAS	Is_offense	OS-wins	Os_PSG	Os_YAA
ARI	Cardinals	6.70E+07	11	19.4	5.2	ARI	1	1	1											0	
ATL	Falcons	9.20E+07	6	23.8	5.8	ATL	1	1		1										0	
BAL	Ravens	8.10E+07	11	25.6	5.7	BAL	1	1												0	
BUF	Bills	5.90E+07	9	21.4	5	BUF	32	0.8280271					0.119463		0.1495265	0.111253				0	
CAR	Panthers	5.60E+07	85	21.2	5.2	CAR	25	0.8834658					0.2099499		0.1686741	0.1895869	0.315255			0	
CHI	Bears	7.10E+07	5	19.9	5.2	CHI	24	0.8876684		0.0815478	0.00585228			0.4345963			0.3656716		0		
CIN	Bengals	5.50E+07	10.5	22.8	5.5	CIN	18	0.93068					0.1471368		0.1573213	0.43518	0.1910419			1.26E-08	
CLE	Browns	6.40E+07	7	18.7	5.1	CLE	22	0.8950825	0.1171279	0.0766419						0.22446491	0.4566635			1.03E-08	
DAL	Cowboys	5.40E+07	13	29.2	6.1	DAL	17	0.9972124				0.6787888	0.1540766			0.0427023	0.1216445			1.91E-08	
DEN	Broncos	6.40E+07	1	30.1	6	DEN	1	1			1								0		
DET	Lions	7.00E+07	11	20.1	5.2	DET		1	1											0	
GB	Packers	5.80E+07	13	30.4	6.2	GB	1	1				1									0
HOU	Texans	5.60E+07	9	23.3	5.2	HOU	30	0.8604525			0.0464457		0.28334		0.4496381		0.0810286			3.84E-09	
IND	Colts	3.70E+07	13	28.6	5.9	IND	1	1					1					0		0	0
JAC	Jaguars	5.00E+07	3	15.6	4.7	JAC	16	1					0.0827215				0.9645752		1.719324	0	
KC	Chiefs	6.30E+07	9	22.1	5.3	KC	27	0.8764029		0.0118109					0.5386325	0.170034	0.1559255			0	
MIA	Dolphins	6.80E+07	8	24.3	5.4	MIA	26	0.8831193		0.1250554	0.1265869	0.0884171			0.5430598				0		
MIN	Vikings	5.40E+07	7	20.3	5.01	MIN	28	0.8749585					0.2985332		0.1021172	0.0098547	0.4644535			0	
NWE	Patriots	6.30E+07	15	29.3	5.05	NWE	1	1													0
NWO	Saints	7.40E+07	7	25.1	6	NWO	1	1						1							0
NYG	Giants	6.80E+07	6	23.8	5.4	NYG	23	0.8926504			0.2211096			0.2875945	0.3185634		0.065383			0	
NYJ	Jets	6.50E+07	4	17.7	5	NYJ	29	0.8658966			0.0385155			0.0731067	0.0618057		0.6924688			0	
OAK	Raiders	5.90E+07	3	15.8	4.5	OAK	31	0.8304356			0.0189324		0.0393845				0.7287785		0.4460447	0	
PHI	Eagles	7.40E+07	10	29.6	5.6	PHI	1	1													0
PIT	Steelers	6.50E+07	11	27.3	6.2	PIT	1	1							1				0		
SEA	Seahawks	5.50E+07	14	24.6	5.9	SEA	1	1								1		0		0	
SAD	Chargers	5.90E+07	9	21.8	5.4	SND	20	0.9111159					0.0778355		0.2721448	0.2750003	0.2861353			4.43E-08	
SNF	49ers	7.40E+07	8	19.1	5.2	SNF	1	1												0	
STL	Rams	7.20E+07	6	20.3	5.3	STL	21	0.9079663		0.2916821					0.1659137	0.0623375	0.388033			3.52E-08	
TB	Buccaneers	6.30E+07	2	17.3	5	TB	19	0.9255753		0.518949	0.1686102								1.266436		0
TEN	Titans	6.40E+07	2	15.6	5.3	TEN	1	1											0		
WAS	Redskins	6.30E+07	4	18.8	5.7	WAS	1	1									1			0	

Source: Self elaborated with data from: FootballDB (2015), Spotrac (2015) and NFL (2015) and software STATA/1C 12.0.

**APPENDIX 2: TABLE OF EFFICIENCIES FROM STATA/1C 12.0 NFL TEAMS, INPUT: DEFENSE PLAYERS PAYROLL**

City	Team	Defense Salaries	PAG	YPA	Dmu	Rank	Theta	Ref_DEN	Ref_DET	Ref_NYJ	Ref_OAK	Ref_SEA	Ref_TEN	Ref_WAS	is_defenses	Os_YPA	Os_PAG
ARI	Cardinals	6.30E+07	1.3	10.5	ARI	1	1									0	
ATL	Falcons	5.60E+07	1	3.1	ATL	32	0.4653346	0.2589119	0.0553856	0.151037							4.95E-09
BAL	Ravens	6.60E+07	1.9	10.3	BAL	14	0.8389623		0.453436			0.37895881			0	0.0449544	
BUF	Bills	6.60E+07	2.2	11.1	BUF	10	0.9428009	0.0975572	0.490822			0.3544217			0		
CAR	Panthers	4.30E+07	1.7	5.8	CAR	11	0.8915675	0.0827274	0.2528522	0.555988							1.36E-08
CHI	Bears	5.90E+07	1.1	1.6	CHI	28	0.6264867	0.1097727		0.0980322	0.4186817						2.12E-08
CIN	Bengals	6.50E+07	1.7	7.7	CIN	22	0.7270525	0.2313411	0.3149898			0.1807215			8.74E-10		
CLE	Browns	6.80E+07	1.9	8.1	CLE	18	0.8019559	0.3499948	0.2329675			0.2189935			4.88E-08		
DAL	Cowboys	4.70E+07	1.3	7.2	DAL	26	0.6719329		0.6047303			0.0139194			0	0.0652052	
DEN	Broncos	6.80E+07	2.4	7.1	DEN	1	1	1									
DET	Lions	5.10E+07	2.2	11.2	DET	1	1		1						0		
GB	Packers	7.80E+07	1.8	7.4	GB	17	0.834168					0.5129129	0.264434	0.0568317			6.18E-10
HOU	Texans	5.90E+07	1.9	10	HOU	16	0.8345302	0.0077054	0.6185175			0.2083074			0		
IND	Colts	6.90E+07	1.7	6.1	IND	24	0.710901	0.5178496	0.0848921			0.1081593			0		
JAC	Jaguars	5.20E+07	1.6	3.4	JAC	12	0.8646166	0.2235097		0.3780563	0.2630506						
KC	Chiefs	5.90E+07	1.9	11.6	KC	9	1		0.6645756			0.2925506			0	0.2934429	
MIA	Dolphins	6.30E+07	1.8	5.9	MIA	21	0.7788086	0.5911324	0.124465	0.0632113							0
MIN	Vikings	6.70E+07	1.7	7.8	MIN	23	0.7216814	0.2144159	0.2758727			0.2313928			0		
NWE	Patriots	5.90E+07	1.8	9.6	NWE	19	0.7996818		0.5909145			0.2064205			0	0.0160631	
NWO	Saints	5.10E+07	1.1	2.7	NWO	29	0.5688232	0.2008123		0.2923296	0.0756813						
NYG	Giants	6.10E+07	1.1	4.2	NYG	31	0.4772136	0.2783507	0.187783	0.0110799							1.96E-08
NYF	Jets	3.60E+07	1.7	4.1	NYJ	1	1			1					0		0
OAK	Raiders	6.20E+07	1.6	1	OAK	1	1				1						0
PHI	Eagles	5.60E+07	1.7	4.2	PHI	13	0.8412406	0.4072571		0.2820939	0.1518896						
PIT	Steelers	6.70E+07	1.1	6.2	PIT	30	0.5076808		0.2445608			0.2528643			0	0.0701943	
SEA	Seahawks	8.60E+07	2.5	13.3	SEA	1	1					1			0		
SND	Chargers	5.60E+07	1.6	7.4	SND	25	0.7075899	0.186998	0.5009167			0.0196753			9.95E-09		
SNF	49ers	5.70E+07	1.9	8	SNF	15	0.8378219	0.3427479	0.4715582	0.023516							0
STL	Rams	5.90E+07	1.5	7.1	STL	27	0.6565555	0.1475122	0.4221255			0.0869179			1.61E-08		
TB	Buccaneers	6.30E+07	1.6	3.6	TB	20	0.7803128	0.4319142		0.0596809	0.2887178						
TEN	Titans	6.40E+07	1.7	1.8	TEN	1	1						1				
WAS	Redskins	7.20E+07	1.2	1.8	WAS	1	1							1		0	0

Source: Self elaborated with data from: FootballDB (2015), Spotrac (2015) and NFL (2015) and software STATA/IC 12.0.

**RESUMEN**

En este trabajo se utiliza la técnica Análisis Envolvente de Datos (AED), para medir la eficiencia de los pagos de salarios a jugadores de los 32 equipos de la Liga Nacional de Football (NFL) en la temporada 2014. La estructura financiera de la NFL, incentiva la competencia y no favorece a ningún equipo, lo cual asegura que ninguna franquicia puede gastar excesivamente para ganar. Además de las victorias, se han tomado como variables decisoras de salida estadísticas de desempeño en-el-campo, como los puntos por partido y las yardas por intento. Por último, el artículo muestra que no siempre, los equipos que llegan a la postemporada son los más eficientes.

**Palabras Clave:** Análisis envolvente de datos; AED; deportes; eficiencia; NFL

# Knowledge Inclusion in Social Science: Emerging Indian Issues

N.M.P. Verma<sup>1</sup>

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**Abstract**—*The present write-up focuses on contemporary socio-economic disorders from which everybody is disgusted with such as crime, violence, exclusion, perceptions, unemployment, poverty, governance and ethical erosion and reservation. In this context a few key challenges for social sciences such as consensual deliberations, innovation, multidisciplinary activities, teaching, research and evaluation improvements, normative exposure and nationalism have been highlighted. A section has also been given for future directional approaches for public funding agencies.*

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## INTRODUCTION

The social science includes a wide range of content, drawn from the mainstream disciplines and its branches of history, geography, political science, economics, anthropology and sociology. The identification, selection and orderly organization of reading materials into a meaningful social science courses and curriculum, enabling students and scholars to develop a critical understanding of society, is therefore, a challenging task. The expected challenges are as follows:

### INTERDISCIPLINARITY WITH INNOVATION

Social science facing the respective social issues has become unique. These issues agree on the necessity of collaboration among the social sciences, or require interdisciplinary approaches. Some authors make concrete proposals for interdisciplinary collaborations (World Social Science Report, UNESCO, 2010), and most of their analyses agree that burning issues require some degree of interdisciplinary analysis.

There is a growing thinking among social scientists that more analysis needs to be done in context of diversity as well as global uniformity. This is explicitly stretchable in two ways. One is the realization that cultural dimensions form these contexts. Worldviews, beliefs, institutions, culture and historical perceptions shape the way different people perceive and react to a phenomenon. This may sound like a truism, but the implications of cultural differences appear with more clarity than ever in the face of the current Indian challenges. In the case of poverty, for instance, unitary definitions ('those who live on less than US\$ 2/day') and solutions that were supposed to be valid everywhere have been concluded as ineffective when actions by the poor, and therefore the meaning of poverty for those who experience it, have

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not supported the proposed solutions. We also realize increasingly that no matter how central beliefs and worldviews are, culture itself does not furnish the last word on contexts (NMP Verma and Asha Srivastava: 2012). Rather, a local focus is the addition of numerous variables emerging from economic, social, gender, ethnic, institutional, political, technological, environmental and cultural dynamics. Understanding these changes, and developing methodologies to make them visible, are conditions for the development of adequate, locally perceived responses to major trends and developments. Even academicians argue for the production of new global theories occasionally insist that they pay serious attention to the ways in which people interpret their realities. There are no context-free responses to global challenges that are applicable everywhere. Where do these considerations bring us with respect to social sciences' contributions in the face of recent global developments in human societies? These requires often careful thinking and deliberation on crisis and inequality, as well as, trends affecting industrial societies such as ageing, marginalization and the rise of urbanism as economic spaces in the global economy occurring everywhere but take on different directions according to local contexts.

The academicians deliberate and discuss a wide array of challenges and trends, but emerging socio economic challenges such as gender issues, public health concerns, security, food crisis, migrations, diversity and integration, and issues of cross country integration and trends could be very pertinent agenda. These issues reflect the priorities identified in the United Nations Millennium Summit in 2000 and the Copenhagen Conference on Sustainable Development in 2000. Today's challenges and trends in human societies are also challenges for their democracy and disciplines, and are forcing them to adjust. Developing the innovative instruments and categories of observation is a precondition for the assessment of current developments. Results can be surprising. Different characterizations of inequality, for instance, produce very different pictures of the extent and evolution of Indian inequality, but social science provides methods that are particularly appropriate for developing and debating the tools with which societies can observe and assess their development. We share the conviction that today's Indian challenges require revisiting former methodologies and approaches, and even the development of new ones altogether. This is the most striking feature. Innovation thus becomes a key word, and it is largely innovation in terms of interdisciplinarity. All key branches of social sciences like geographers, anthropologist, sociologist, political scientist, demographer and economist will have to generate consensus on emerging challenges. Even if the traditional disciplinary boundaries stay in their domain and the topics, vocabulary and literature are discipline-bound, the channels for innovation need more refinements and scientific presentation. Innovative exercises with least investment can be very helpful for the social scientists.

## **TEACHING, RESEARCH AND EVALUATION**

There is a qualitative difference because of subjectivity in teaching and research at every stage in different institutions. This needs to be standardized. So should be evaluation process of examination materials and systems. It is important to reinstate the significance of the social sciences by not only highlighting its increasing relevance for a job in the rapidly expanding service sector, but by pointing to its indispensability in laying the foundations for an analytical and creative mindset. It is often presumed that only natural and physical phenomena lend themselves to scientific inquiry, and that knowledge areas pertaining to the social/human sciences cannot be, by their very nature “scientific”. But it is necessary to recognize that the social sciences lend themselves to scientific inquiry just as much as the natural and bio-physical sciences do, as well as to articulate the ways in which the methods employed by social sciences are distinct (not inferior) to those of the natural and physical sciences (NMP Verma, Asha Srivasta:2009). The social sciences carry a normative responsibility to create and widen the popular base for human values, namely freedom, trust, mutual respect, respect for diversity, sympathy and humanity. Thus, social science teaching basically should be aimed at investing in a student a moral and mental energy so as to provide them with the ability to think independently and deal with the social forces that threaten these values, without losing her individuality. Social Science teaching can achieve this by promoting student’s ability to take initiative to critically reflect on social issues that have a bearing on the creative coexistence between individual good and collective good. Critical reflection pre-supposes a comprehensive curriculum in which learners – both teachers and children – participate in generating knowledge without any latent and manifest forces of coercion. It is through this non-coercive, rational and participatory mode that students, scholars and teachers stand the best chance of making teaching and learning interesting as well as enjoyable. All the diverse disciplines of social science have distinct methodologies that often justify the preservation of boundaries. The boundaries of disciplines need to be well defined and a plurality of approaches may be applied in order to understand a given phenomenon (NCERT, 2006). While updating curriculum, certain themes that facilitate consensual thinking are required for dissemination. Further because of subjectivity common evaluation should be methodologically evolved. Near uniformity at teaching, research and evaluation may bring qualitative improvements among these disciplines. Also social sciences should complement other disciplines for better outcomes. On certain key national issues social sciences may mix with non social science disciplines.

## **PREVAILING PERCEPTIONS AND PRACTICES**

There is enough peoples` perception that social science is a non-utility subject. As a consequence, during the classroom-transaction duration, both faculties and students feel uninterested in understanding its social relevance. From the initial

stages of education, society suggests to students that the technical education, management and key basic science subjects are superior to the social sciences, and are the major domain of 'bright' students. Therefore, there is need to highlight that the social sciences are essential to provide social, cultural, developmental and analytical skills required to adjust to an increasingly integrating economy and the world, and to handle political and economic realities. Science hardly transmits information and is too centered, on the text, which is required to be memorized for examinations. The content of these textbooks is considered to be unconnected to daily socio-economic values and nationalism. In addition, social science is considered as providing unnecessary details about the past. It is also felt that the examination paper rewards the memorisation of these superfluous 'facts', with the student's conceptual understanding being largely ignored. Any effort to address the information overload in the social sciences will simultaneously have to review the contemporary evaluation system. There is a perception that not many desirable job options are open to students specializing in the social sciences. Additionally, it is felt that the social sciences are bereft of the 'skills' required to function in the real world. This produces the impression that the subject is redundant. It is important to reinstate the importance of the social sciences by not only highlighting their increasing relevance for jobs in the rapidly expanding service sector, but also by pointing to their indispensability in laying the foundations of an analytical and creative mind relating to employment, distribution of asset and wealth, governance and safety. This is urgently required in the growing capitalist environment and ethical erosion.

### **NORMATIVE EXPOSURE**

The social sciences deal with a normative accountability in order to create and widen the popular base for human values, namely freedom, trust, mutual respect, nonviolence and regard for humanity and biodiversity. Given these, social science teaching should aim at inculcating in society a critical moral and mental energy to make them aware to the social factors that spoil these values. These are possible through the discussion on these indicators. There is a widespread belief that social interdisciplinary approach; the textbook should stimulate the child's thought process and creativity. Interrelationship among disciplines: The disciplines that make up the social sciences, namely history, geography, political science, and economics, have distinct methodologies that often justify the preservation of boundaries. The boundaries of disciplines need to be opened up, and a plurality of approaches applied to understand a given phenomenon. For an enabling curriculum, certain themes that facilitate interdisciplinary thinking are required. These themes should be culturally relevant, and conceptually introduced bearing in mind the age of the students. There is a need to choose subthemes where different disciplinary approaches can facilitate an in-depth and multiple understanding. Here consensual conclusions are essential.

**FINANCING: INCLUSION WITH EQUITY**

Recently the debate has centered on the appropriate balance between the public and private contributions to the financing of higher social science education. One of the criticisms of state financing of higher education has been that it exacerbates inequality within society because students in higher education come from the most socially advantaged backgrounds. Although no single model of financing higher education is appropriate still India has to balance the challenges of higher education access with higher education funding, but the balance in the division between state and private funding is also related to other important dimensions within each society. These dimensions include the proportion of students seeking higher education and, by extension, the social background of students; the taxation structure within the society; the drivers of inequality; the fiscal position of the government; the nature of student loan facilities; and the social externalities associated with higher education. In the context of an emerging national focus on quality in education, providing high quality teacher education is seen as the most important challenges and issues of increasing access to teacher education. Because of the competition created by these private providers, there is need for a regulatory framework with the advent of multiple providers and the potential of public-private partnerships in teacher education.

UNESCO recommendation on the Status of Scientific Researchers which emphasized 'the need to apply science and technology in a great variety of specific fields of wider than national concern: namely such vast and complex problems as the preservation of international peace and the elimination of want'. Today, the social sciences bring greater clarity to our understanding of how human populations interact with one another, and, by extension, with the environment. The ideas and information they generate can therefore make a precious contribution to the formulation of effective policies to shape our world for the greater good. Yet, social scientific knowledge is at risk in the parts of the world where it is most needed. The huge disparities in research capacities across Indian states and the qualitative heterogeneity in knowledge creation hamper the capacity of social sciences to respond to the challenges of today and tomorrow. While we may be building a 'knowledge society', it is one that looks very different depending on one's regional perspective. Social scientists produce work of outstanding quality and tremendous practical value, but, social scientific knowledge is often the least developed in those parts of the world where it is most keenly needed. Such educational divides reproduce themselves in each generation, in our institutions and in our methods of creating and using knowledge. Such knowledge hiatus also affect all indicators of human development, hampering the accumulation, transmission and use of knowledge in our societies, to the detriment of equitable development. Consider about 35 crores poorest who live on less than US\$1.25 per day. There is a consensus that their lot should urgently be improved but why do well-intentioned policies so

often produce so little? We may, perhaps, need better intentions; we certainly need better and more accessible knowledge that can provide policies with the evidence that they need to make a difference. Social scientific endeavor is also poorer for its bias towards English and English-speaking developed states. This is a missed opportunity to explore perspectives and paradigms that are embedded in other cultural and linguistic traditions. A more culturally and linguistically diverse approach by the social sciences would be of tremendous value to organization such as ICSSR to foster mutual understanding and intercultural dialogue. All these findings are profoundly challenging – they emphasize that without conscious and coordinated effort, the drift of the global social science landscape is towards fragmentation, lack of pluralism and estrangement between scientific endeavor and social needs. Clearly, institutions matter hugely for research performance. But their strength can hardly be taken for granted in today's economic circumstances. The production of rigorous, relevant and pluralistic social science knowledge requires international coordination, a long-term vision and a stable funding environment.

### **PERSPECTIVE PLANNING**

New technologies foster a variety of modes of collaboration between social scientists. Open-source technologies are likely to play a significant role in the development of research capacity in social sciences. Initiatives aiming at developing new digital tools for research, collaboration and networking in the social sciences will be of critical importance. It is suggested that governments, research councils, ICSSR and consortia of universities cooperate in developing open access archives for the deposit and dissemination of social science studies. It is essential to reinforce multilingualism among social scientists. One goal is that everyone should be able to work and collaborate in their own language while understanding other languages. Translation, data treatment and circulation, and collaborative tools require specific development. International bodies and organizations may want to consider helping translation policies in social sciences. For example, studies addressing Indian challenges from a local perspective should be translated in order to widen the scope of public debate. The following suggestions for future action are addressed to ICSSR, to funding agencies at national and international levels, to governments, and to major academic institutions that are concerned with overcoming knowledge divides. They are presented in general terms which should be made specific at the regional or national levels. The development of research capacity requires that governments, international organizations and aid agencies provide funding to support research institutions as well as individual training. The three levels of capacity – individual, organizational and systemic – all need sustained attention. Funding has to be made available for a sufficient period to produce results. Long-term rather than immediate impact is the objective. To combat the negative aspects of brain drain programmes enhancing the circulation of ideas and social scientists should be

promoted, and should include support for diasporic linkages. There are great disparities between regions, countries and institutions in terms of access to knowledge. Governments, research councils, ICSSR, other foundations and funding agencies should provide universities and research institutions with the technology and money needed to support equal access to the most important national and international journals in social sciences. Furthermore, governments and international organizations should negotiate with major publishing groups to accelerate and extend free and open research networks to function well, assessing the success and failures of previous attempts to overcome divides. Present statistics suggest that most professional social scientists work at universities and research institutes. However, the increasing number of trained social scientists working for agencies, organizations, NGOs, think-tanks and other nonacademic research institutions is unknown. Data on the international circulation of social scientists and ideas is grossly insufficient. On the whole, we know little of the circulation of scientists, and even less of the circulation of social scientists specifically. Non-state actors, agencies, regional organizations and national governments could also increase their support for open-access, peer-reviewed journals.

## **CONCLUSION**

In this write-up we have confined our discussions around some important socioeconomic disorders and how social science can play a crucial role in ordering the decency. Single discipline is handicapped to address evils like unemployment and exclusion, poverty, crime, violence, conservativeness, atrocities and many others. Single discipline focuses on super specializations. It is important to encourage interdisciplinary research and to institutionalize it. It has been suggested that interdisciplinary research centres should be created to improve understanding of the social aspects of major Indian challenges such as poverty, exclusion, disparity, cultural transformation, governance crisis, discrimination and environmental change. Here researchers from different disciplines could cooperate, and researchers with more than one disciplinary background could be accommodated. Experimental programmes in which natural scientists are educated in the social science and social scientists in the natural science would be welcome. International digital databases are essential tools for overcoming knowledge divide between different areas of the world, and for opening up the possibilities of international research programmes. ICSSR along with international organizations and various funding agencies such as UNESCO, Organisation for Economic Co-operation and Development (OECD) and regional organizations could usefully address the information gaps mentioned above. A working group should be set up to identify what is feasible in the relatively short term, and to identify other issues which should be dealt with at the national level. The importance of social science in today's

world is indisputable, yet their overall influence remains limited because of huge disparities in research capacities across countries and the fragmentation of knowledge. Much remains to be done, but on the national level the academicians make a number of suggestions on how to address these divides at the level of teaching, research, evaluation of students and faculty performances, weakness of administration, qualitative and quantitative gaps and communication skills. The policy of reservation should be immediately reviewed in the interest of BPL people. Public donors may strengthen the present areas of activities on every vital problem and explore many other ways to plug in these gaps in Indian economy and society.

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# BOOK REVIEW

**Susan J. Buck**

**The Global Commons: An Introduction,  
London, Earthscan, 2006, pp. 225, Rs. 395**

This book promises to be a useful reading. It deals with contemporary issues and concerns in the field of the global commons. The main purpose of the author in this book is to examine how legal and political contexts have affected the evolution of management regimes for the global commons. In fact, the book is full of enjoyable examples. Author reflects upon the historical development of each commons management in the context of the role of law. This takes us beyond the conventional commons like pastures, water management and ecological aspects to the global commons. That way this offers an analytical perspective how tremendous technological developments, increasing exploitation of resources, new innovations and explorations in space-science have had a great impact on the earth-space. Nicely articulated and very well synthesized, book points that 'the technology for extracting value from global-commons has developed more rapidly than have the appropriate legal mechanisms for establishing an effective property regime'. With growing requirements of the society world over, the technical abilities have caused irrevocable negative externalities which have affected the environment and populations in different regions at various scales. It exhibits the geopolitical tensions prevail in dealing with externalities at global scale. Buck writes clearly that 'through the centuries human have developed various mechanism for coping with their interdependence on the local commons, but it is only recently that we have had the technological capacity to affect global commons significantly'. Even the tension between developed and developing nations seems never-ending mostly in the field of technological innovations and its uses for political and economic purposes. This study focuses on global commons include Antarctica; the high seas and deep seabed; the atmosphere; and space. Author reveals that the ecological balance is imbibed in the stability and longevity of these commons, there is no clear-cut legal mechanism to control and guide to keeping alive the 'global commons'. Of course, Buck's study takes into account macro-scale phenomena: the earth surface, the atmosphere, and space.

Chapter 1 mainly deals with the terms, definitions, and concepts used and discussed throughout this book. Second section discusses the influence of national politics, scientific uncertainty, and interests groups on the formulation of international regime and the role of the United Nations for management of the global commons. Next section presents a picture of the assumptions that undergird the discussions of international and global commons that follow. Chapter 2 provides the analytic framework used throughout this book. This framework appears as an amalgam of regime theory, including the Institutional Analysis and Development



(IAD) for small-scale common pool resources developed by Elinor Ostrom and others, and recent scholarship on multiple-use common pool resources domains. Chapter 3 begins with the history of Antarctica region and examines how conflict over sovereignty, international tensions, internal bureaucratic conflicts, and a lack of American leadership which discouraged the formation of a management regime for long. Further, the chapter discusses the origins of the International Geophysical Year, the formation of the Special Committee on Antarctica Research and Antarctica Treaty System and the way some developing nations have put their efforts in converting the treaty into a United Nations regime. Author does warn about potential problems that may arise because of the discovery of large oil and gas reserves and with growing tourism industry in the Antarctica region. Next chapter deals with the oceans and territorial seas which have got the longest and most complex histories. This chapter offers insights on why and the way every nation in the world has a vital interest in ocean policy. This reviews the role of the United National Conferences on the Law of the Sea and the Deep Seabed Mineral Regime in the protection of these living resources and the marine pollution. Buck highlights that “no longer are the oceans seen as a resource domain that contains an infinite supply of renewable resources or has an infinite capacity to absorb environmental harm”. Rather oceans are treated as common pool resource domain. Chapter 5 is on the Atmosphere. It offers an analytical explanation of the way ‘airspace’ is conceived in the international and national policy aimed at reduction of externalities. This unravels the basic problem in the governing structure since the airspace, at most, is subject to national sovereignty. Buck writes that “sovereignty in outer space is undergirded by sovereignty issues in space”. This is how national control over air travel is exercised and a country’s jurisdiction expands in the form of national sovereignty of the air space. With the growing use of the airspace and increasing amount of pollutants into it affect the atmospheric quality, the responsibility to reduce the air pollution becomes a geopolitical issue rather than seeing it one of the global commons. In fact, air pollution is indeed a transboundary problem and can be controlled only by international cooperation. Atmospheric pollution is a culmination of acid deposition, changing climate and weather patterns and declining stratospheric ozone which affects the biosphere in numerous ways. Hidden aspect is, argues Buck, that “international cooperation in the reduction of externalities occurs when the political pressure and economic costs of continuing to pollute no longer outweigh the costs of control”. Chapter 6 deals with the Outer Space and Telecommunications both have been subject to rapid change in science and technology. Consequently, unlike oceans, the space law has developed in a short time due to multiple influences. The analytical framework that has been developed in this book allows author to look at space and telecommunications as two separate regimes, though somehow one is related to another. Telecommunication regime is Earth-focused. In this way, the satellites are developed and designed to relay multiple information to Earth. This is related to national sovereignty, technology

transfer, economic development and political control. Buck notes that 'the outer space regime looks away from Earth, with considerable uncertainty about the definition and resolution of future issues'. Divided into two main sections, the first section of the chapter deals with the way outer space regime space developed, and how national sovereignty over superjacent space evolved. Second examines the international telecommunications regime with a focus on the role of International Telecommunications Union (ITU), geostationary orbits and the major satellites systems.

The institutional analysis design of this volume will be of great use to scholars, students and policy thinkers. Author through her analytical model argues that changing global environment and rapid growth in technology arena requires a transformation in the regime to protect the global commons. Book is contextual and thought provoking to the way it looks at the global commons and their significance to the world of humanity.

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**S. Mahendra Dev****Inclusive Growth in India: Agriculture, Poverty and Human Development,****Price Rs. 395, Page 399****ISBN: 0-19-806911-1, Oxford University Press, 2011**

Segregation of society has developed the idea of inclusion and exclusion. State policies regarding creation of equal social opportunities across different sections and socio religious groups etc are very much important for understanding the inclusion of the marginalised sections of society. This book highlights the study of four inter-related elements of inclusive growth: Agriculture, poverty reduction, human development and decline in regional disparities. The book contains a contrasting study of agriculture, human development, social security and regional disparities in the pre and post reform period. For making this book much attractive to readers the author has organised the book into four sections-Agriculture performance and policies, poverty and right to food, employment and social security, human development and regional disparities. Within these four sections the book has been divided into eleven chapters. A brief review of these chapters is given below.

The first chapter is devoted to the introduction of the book. In this chapter various approaches like UNDP reports, UNICEF reports, and most importantly the publication of human development reports have been credited for inducing the sense of equitable development among the nations. As the approach paper of eleventh five year plan clearly states that growth in India lacks equity and is not sufficiently inclusive. In this chapter the author has praised various anti-poverty plans and pro poor policies as a good step towards inclusive growth. In the post-independence period the main concern of India was to sustain a healthy and rapid growth rate. India, being agrarian economy, agriculture has a key role in enhancing a healthy growth. For this the second chapter has been devoted to performance of agriculture at national and regional levels. Chapter 2 focuses on the trends in agricultural development in last two and a half decades. It gives brief idea of decline in share of agriculture in GDP on account of analysing various macro variables like input growth, output productivity of land and labour and terms of trade etc. It also questions the reform strategies in agriculture which have almost failed in uplifting the levels of agricultural development. In this chapter emphasis has been laid on the study of farmers, increasing indebtedness, farmer suicides and interstate variations in incomes in agricultural households. It stresses on the issue of government to tackle the problem of agrarian crisis in totality and figure out the policy issues to restructure the reform policies in agriculture so as to maintain a healthy and consistent growth rate in agriculture.

Chapter 3 deals with policy issues related to agriculture. In this chapter the author has made a constructive study of price policies, irrigation policies and various subsidy related issues. Regarding price policy this chapter analyses three

instruments-Procurement prices, Buffer stock, PDS, and all the loopholes present in this policy. Subsidies in agriculture have been also criticised as they are unsustainable and mostly the input subsidies have an adverse effect on environment. Proper allocation of subsidies, decline in investment and inefficiency in exploiting the irrigation potential across India has also been examined. Some inclusive development like-development banking, Cooperative Credit Institutions, Regional Rural Banks and the credit expansion policies have also been given a handsome attention in this chapter. This chapter also discusses the diversification of agriculture in India and the reforms needed to improve the domestic and external trade market conditions of the agriculture sector.

In chapter 4 a magnificent contrast of pre and post reform policies of inequality reduction and poverty eradication has been made. In this chapter, after analysing various data and reports the author gives a picture of how poverty reduction percentage was same in pre and post reform periods while the inequality increased significantly in the post reform period especially in urban India. The dimensions and determinants of poverty have been given a good touch and likewise the reforms needed to ensure improvement in these indicators has also been discussed. Chapter 5 discusses the “right to food and nutrition in India”. The constituents of right to food i.e. adequacy, availability and accessibility have been summed up in Right to Livelihood. In this chapter various problems like malnutrition and chronic energy deficiency among adults is discussed. This chapter contains a focussed study of public distribution system and child nutrition programmes. The inclusion and exclusion errors and other large leakages in these programmes have also been examined. Chapter 6 gives brief explanation social safety nets in the Indian perspective. The study has been made in both macro and micro level performance of the social safety net system. Various self-employment programmes like IRDP, SGSY, and SHGs have also been discussed. For having a micro level overview, a village level study of three states Orissa, Madhya Pradesh and Karnataka has been made and the inferences drawn later on.

Chapter 7 deals with the empirical study of employment trends in India. India has almost 92% of its workforce in the informal sector. Hence the study covers both the formal and informal sector. In this chapter, the trends in workforce participation and the respective variations in the female work participation in different states is discussed. In this chapter the menace of child labour and the unfavourable quality of environment provided to labour in India have been highlighted as some serious issues in the Indian labour market. Chapter 8 provides the overview of growth mediated and support led social security approaches for informal sector in India. This chapter gives a detailed explanation of promotional and protective measures and also puts light on the land reform policies, reducing exclusion and providing a financial support to the marginalised sections of the society. In this chapter the author stresses on improving the effectiveness of the social security programmes.

Chapter 9 gives a constructive study of the performance and issues in human development. This chapter also studies the growth behaviour in India with respect to millennium development goals. The low level of human development in India in comparison to some other lesser developed south Asian countries has been viewed as a serious issue in contemporary period. In this chapter various data from UNDP and economic survey 2005–2006 have been analysed to study why the progress is slower in human development in India. Moreover this chapter views the expenditure pattern of centre and states in some key indicators like health and education. In this chapter the author briefly explains the indicators in which India lags behind. Chapter 10 examines the regional disparities in India in pre and post reform period with respect to economic growth and social development.

This book is quite interesting in terms of covering the key indicators and issues in the Indian economy. It focuses on the simultaneous policies for achieving growth and equity. The issues and challenges of inclusive growth and raising the livelihood status of the marginalised sections of the society have been projected in an intellectual fashion. The constructive criticism of some post reform policies and the restructuring of the development model in Indian perspective to ensure equitable development makes this book very much attractive and beneficial to read.

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## Conference Proceeding

The international conference on “Post Globalisation Growth and Redistribution in Asia” was organized by Department of Economics and Association of Socio-Economic Development Studies during December 16<sup>th</sup> and 17<sup>th</sup>, 2015. The conference themes have been divided into five technical sessions in five sub-themes which are as follows:

- Reduction in poverty and economic miseries during post-globalisation periods across Asian countries.
- Trends of Global growth and inequality.
- Social science perspectives of globalisation, growth accounting and redistribution of income and wealth.
- Future policy options for plugging drawbacks in governance.
- Future strategies for efficient sustainability of sectoral development and livelihood.

As many as 70 papers were presented in the above sub-themes. In the inaugural session, experts discussed about the implications of financial liberalisation specially how it may lead to financial crisis in the context of Asian economies. The reasons and the situation of financial crisis in those countries late 1990s have been articulated. It was made clear that such financial liberalisation has effected growth and employment in many south Asian countries. It has been asserted that macroeconomic policies did not fare better in the situation of financial crisis and called for co-ordinated macroeconomic policies in the globalised era.

In the technical sessions most of the papers dealt with the impact of globalisation with special reference to Asian countries. Some of the positive side of globalisation that emerged were:

- Globalisation has raised growth in almost all Asian countries.
- Consumers found it beneficial as they availed goods and services at lower prices.
- It raises the national GDP by promoting exports.
- Globalisation has improved efficiency through privatisation and liberalization.
- Few papers discussed about the increase in number of avenues for employment due to globalisation more specially for women. In fact, the ICT revolution has made it possible to explore new source of employment.

- Globalisation have made new products and services available leading to increase in human welfare.

However, most of the papers raised concerns about the negative impact of Globalization. Globalization has raised inequalities and failed to reduce poverty in many South Asian countries. There has been floating of black money and corruptions have made it quite difficult to raise human welfare. Few papers emphasized that traditional products of the developing countries have collapsed and more so the culture, norm, behavior and food habit have changed altogether. The Washington Consensus has gone against the interest of developing countries as it calls for reduction in public investment in the developmental aspects which have affected growth and distribution of these countries.

The gender gap on the aspects of literacy and other human development indicators have widened. Most of the countries have experienced lower employment growth despite their Gross Domestic Product has increased. This is specially due to use of capital intensive technology by most of the Asian countries. The poor man have to pay a higher interest rate in the current microfinance scheme which is lowering their productive capacity. Further, globalization have raised inequalities in most of the Asian countries. The South Asian regions are worst sufferers. This has been confirmed by poverty ratio in those countries vis-avis other countries and rise in unemployment. The benefits of developing countries from trade liberalization specially from agriculture are still to come consequently, the Current Account Deficit existed even if the export performances have increased.

It has been suggested that the scheme of social protection is highly required in almost all Asian countries with due emphasis to Southern regions. There is a need to keep balance between the forces of globalization and domestic policies to promote growth and equity. Further, gender equalities in different aspects of human development indicators such as health, literacy, participation in economic activities are greatly echoed. The improvement in information system and knowledge gathering in those countries are greatly required. Emphasis was laid on the implementation parts of several developmental programme with improved governance to make the lives of people better.

*Compiled by*  
**Surendra Meher**

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